INDEPENDENT AUDITOR'S REPORT

To the Members of Jivagro Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit of the 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

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

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

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

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

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

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

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

   i. The Company does not have any pending litigations which would impact its financial position;

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

   v. No dividend has been declared or paid during the year by the Company.

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm's Registration No. 000756N

Sd/-
AMIT GOEL
Partner
Membership No. 500607
UDIN : 22500607AIZICI2735

Place: New Delhi
Date: May 02, 2022

Annexure A to the Independent Auditor's Report

to the Members of Jivagro Limited dated May 02, 2022.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(a) (B) The Company has not capitalized any intangible assets except goodwill in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

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

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

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

ii. (b) The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

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

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

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

iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

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

vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b. There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

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

ix. (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) and clause ix(c) of the Order is not applicable to the Company.

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

(c) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(d) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

xiv (a) The Company has an internal audit system commensurate with the size and nature of its business.

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

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred in section 192 of the Act.

xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current financial year.

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

xix On the basis of the financial ratios disclosed in note 28 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx In respect of ongoing projects and other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32 to the financial statements.

xxi. Consolidated financial statement is not applicable to the Company. Hence requirement of clause 3(xxi) is not applicable to the Company.

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm's Registration No. 000756N

Sd/-
AMIT GOEL
Partner
Membership No. 500607
UDIN : 22500607AIZICI2735

Place: New Delhi
Date: May 02, 2022

Annexure B to the Independent Auditor's Report

to the Members of Jivagro Limited dated May 02, 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of the **Jivagro Limited** (the 'Company') as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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 authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm's Registration No. 000756N

Sd/-
AMIT GOEL
Partner
Membership No. 500607
UDIN : 22500607AIZICI2735

Place: New Delhi
Date: May 02, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Millions)

	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I.	ASSETS			
(1)	NON CURRENT ASSETS			
	(a) Property, plant and equipment	3A	129	33
	(b) Intangible assets	3B	157	157
	(c) Financial assets			
	(1) Other financial assets	5	12	10
	(d) Deferred tax assets (Net)	6A	34	18
	Total Non-current assets		**332**	**218**
(2)	CURRENT ASSETS			
	(a) Inventories	8	939	450
	(b) Financial assets			
	(1) Trade Receivables	9	964	584
	(2) Cash and cash equivalents	10 (a)	342	28
	(3) Bank balances other than (2) above	10 (b)	380	360
	(4) Loans	4	3	4
	(5) Other financial assets	5	2	731
	(c) Other current assets	7	80	24
	Total current asset		**2,710**	**2,181**
	TOTAL ASSETS		**3,042**	**2,399**
II.	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	11	1,488	2
	(b) Equity Share Capital suspense account	11	-	1,486
	(c) Other equity	12	483	331
	Total Equity		**1,971**	**1,819**
	LIABILITIES			
(1)	NON CURRENT LIABILITIES			
	(a) Financial liabilities			
	(1) Lease Liabilities	15(a)	28	4
	(2) Other financial liabilities	15(b)	81	70
	(b) Provisions	13	23	10
	Total Non Current Liabilities		**132**	**84**
(2)	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(1) Lease Liabilities	15(a)	87	18
	(2) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	14	33	18
	Total outstanding dues other than micro enterprises and small enterprises	14	585	139
	(3) Other financial liabilities	15(b)	159	212
	(b) Other current liabilities	16	61	95
	(c) Provisions	13	6	8
	(d) Current Tax Liabilites	6B	8	6
	Total current liabilities		**939**	**496**
	Total liabilities		**1,071**	**580**
	TOTAL EQUITY AND LIABILITIES		**3,042**	**2,399**
	Significant Accounting Policies	2		

In terms of our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
FRN - 000756N

For and on behalf of the Board of Directors

Sd/-
Amit Goel
Partner
Membership No: 500607

Sd/-
Rajnish Sarna
Chairman
DIN: 06429468
Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Parmanand Pandey
Director
DIN: 09424653
Place: Mumbai
Date: 2nd May, 2022

Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Lalit Kumar Garg
Chief Financial Officer
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Kriti Khandelwal
Company Secretary
Place: Gurgaon
Date: 2nd May, 2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Millions)

	Particulars	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	INCOME			
I.	Revenue from operations	17	2,821	2,528
II.	Other income	18	10	81
III.	**Total income (I + II)**		**2,831**	**2,609**
IV.	**EXPENSES:**			
	(a) Cost of raw materials consumed	19	2,112	1,494
	(b) Purchases of stock-in-trade	20A	126	268
	(c) Changes in inventories of finished goods, Work-in-Progress and Stock-in-trade	20B	(264)	35
	(d) Employee benefits expense	21	292	252
	(e) Finance costs	22	9	8
	(f) Depreciation and amortisation expenses	23	30	23
	(g) Other expenses	24	304	196
	Total expenses (IV)		**2,609**	**2,276**
V.	**Profit before tax (III-IV)**		**222**	**333**
VI.	**Tax expenses**			
	(a) Current tax	6B	71	72
	(b) Prior year tax expenses		10	
	(c) Deferred tax		(15)	12
	(c) Tax for earlier year		-	
	Total tax expenses		**66**	**84**
VII	**Profit for the year (V-VI)**		156	249
VIII	**OTHER COMPREHENSIVE INCOME**			
	A. Items that will not be reclassified to Profit or Loss			
	Remeasurement (Loss) / Gain of the defined benefit plans		(5)	0
	Income tax relating to above		1	(0)
	Total Other Comprehensive (Loss)/Income for the year		**(4)**	**0**
IX	**Total Comprehensive Income for the year (VII+VIII)**		152	249
X	**Earnings per Equity Share with Face Value of ₹ 10 each**			
	Basic and Diluted Earnings Per Share in ₹	27	1.05	1.68
	Significant Accounting Policies	2		

In terms of our report of even date
For S.S. Kothari Mehta & Company
Chartered Accountants
FRN - 000756N

For and on behalf of the Board of Directors

Sd/-
Amit Goel
Partner
Membership No: 500607

Sd/-
Rajnish Sarna
Chairman
DIN: 06429468
Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Parmanand Pandey
Director
DIN: 09424653
Place: Mumbai
Date: 2nd May, 2022

Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Lalit Kumar Garg
Chief Financial Officer
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Kriti Khandelwal
Company Secretary
Place: Gurgaon
Date: 2nd May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A] Equity share capital

(₹ in Millions)

Particulars	Amount
Balance as at April 1, 2020	**2**
Changes in equity share capital	-
Balance as at March 31, 2021	**2**
Changes in equity share capital	1,486
Balance as at March 31, 2022	**1,488**

B] Other equity

	Capital reserve	Retained earnings	Total
Balance as at April 1, 2020	**0**	**82**	**82**
Profit for the year ended March 31, 2021	-	249	249
Other comprehensive income for the year ended March 31, 2021.	-	0	0
Total Comprehensive income for the year	**-**	**249**	**249**
Balance as at Mar 31, 2021	**0**	**331**	**331**
Profit for the year ended March 31, 2022	-	156	156
Other comprehensive (Loss)/Income for the year ended March 31, 2022	-	(4)	(4)
Total Comprehensive income for the year	**-**	**152**	**152**
Balance as at March 31, 2022	**0**	**483**	**483**

In terms of our report of even date
For S.S. Kothari Mehta & Company
Chartered Accountants
FRN - 000756N

Sd/-
Amit Goel
Partner
Membership No: 500607

Place: Gurgaon
Date: 2nd May, 2022

For and on behalf of the Board of Directors

Sd/-
Rajnish Sarna
Chairman
DIN: 06429468
Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Parmanand Pandey
Director
DIN: 09424653
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Lalit Kumar Garg
Chief Financial Officer
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Kriti Khandelwal
Company Secretary
Place: Gurgaon
Date: 2nd May, 2022

Inspired by Science

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before taxation	222	333
	Adjustments For :		
	Depreciation and amortization expense	30	23
	Loss on property, plant and equipments sold / scrapped / written off	2	0
	(Gain) on fair valuation of investments	-	(7)
	Interest from bank on deposits and other income	(10)	(24)
	Allowances for doubtful debt receivable	38	(37)
	Bad trade receivables written-off		21
	Interest Expense	9	8
	Operating profit before working capital changes	**291**	**317**
	Adjustments For :		
	(Increase) / Decrease in inventories	(489)	96
	Decrease / (Increase) in trade receivables	(418)	161
	Decrease / (Increase) in financial assets	(144)	(731)
	(Increase) in other assets	(56)	1
	(Decrease) / Increase in trade payables	460	(143)
	Increase in other financial liability	(42)	(99)
	Increase / (Decrease) in provisions & other liability	(27)	55
	Working capital changes	**(716)**	**(660)**
	Cash generated from operations	**(425)**	**(343)**
	Income taxes paid (net)	(80)	(66)
	Net Cash (used in) operating activities (A)	**(505)**	**(409)**
B.	**Cash flow from investing activities**		
	Purchase of property, plant & equipment and capital work in progress	(10)	(0)
	Investments made in mutual funds(net)	-	732
	(Investment made)/Proceeds from maturity of deposits from Bank not considered as Cash and Cash Equivalent	(21)	(358)
	Interest from bank on deposits	7	24
	Net Cash (used in) / from Investing Activities (B)	**(24)**	**398**
C.	**Cash flow from financing activities**		
	Interest paid	(5)	(5)
	interest cost on lease liabilities	(4)	(3)
	Funds received against demerger asset	869	
	Lease payment	(17)	(19)
	Net Cash from / (used in) financing activities (C)	**843**	**(27)**
	Net increase in cash and cash equivalents (A+B+C)	314	(38)
	Cash and cash equivalents at beginning of year	28	66
	Cash and cash equivalents at the end of year [Refer Note 10(a)]	342	28

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flow'

In terms of our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
FRN - 000756N

For and on behalf of the Board of Directors

Sd/-
Amit Goel
Partner
Membership No: 500607

Sd/-
Rajnish Sarna
Chairman
DIN: 06429468
Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Parmanand Pandey
Director
DIN: 09424653
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Lalit Kumar Garg
Chief Financial Officer
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Kriti Khandelwal
Company Secretary
Place: Gurgaon
Date: 2nd May, 2022

Place: Gurgaon
Date: 2nd May, 2022

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

1 Corporate Information:

Jivagro Limited (the Company) is a company limited by shares, incorporated in India on December 12, 2019 and has its registered office at Unit no.3A, 1st Floor, The ORB, IA Project Road, Sahar, Next to JW Marriott Hotel, Near Mumbai International Airport, Andheri (East), Mumbai – 400099, Maharashtra.

2 Basis of preparation, key accounting estimates and significant accounting policies

2.1 Basis of preparation of Financial Statements:

Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (“Ind AS”) notified by Ministry of corporate affairs under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015] as amended by Companies (Indian Accounting Standards) Rules, 2016.

These financial statements are approved by the Board in their meeting held on May 2, 2022.

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupee (Rs) which is also the Company's functional currency.

2.3 Critical Accounting Estimates and judgments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

2. Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognized in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan’s assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer Note 30 for details of the key assumptions used in determining the accounting for these plans.

3. Recognition of deferred tax assets

A deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

2.4 Summary of Significant accounting policies

(a) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS.

(b) Revenue Recognition

1. Sale of goods

Revenue from the sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer’s location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates, discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. Sales are recognised on the date of sale or on the date when the amount can be reasonably estimated.

2. Interest & Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income from investments is recognized when the right to receive dividend is established.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

(c) Foreign Currencies - Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

(d) Fair value measurements

The Company measures financial instruments, such as, investments at fair value at each balance sheet date on a portfolio basis.

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

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

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

The fair value of an asset or a 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing 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 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company 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.

(e) Property, Plant & Equipment (PPE)

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of PPE that are not yet installed and ready for their intended use at the balance sheet date.

Cost comprises of purchase/acquisition price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning.

Derecognition of Property Plant & Equipment

An item of property, plant and equipment and any significant part initially recognized 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 Statement of Profit and Loss when the asset is derecognized.

Depreciation

Depreciation is calculated on a straight-line method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the following useful life:

- Plant and Equipment	upto15 years
- Furniture and fixtures	10 years
- Vehicles	8 years
- Office equipment's	5-10 years
- Computer's	3 years

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

The useful life is considered to be 3 – 4 years.

Intangible assets with finite lives are amortized over the useful economic life 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 are 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 are considered to modify 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.

Goodwill on demerger

"Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the 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.

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 Company'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.

Derecognition

Gains or losses arising from derecognition of an intangible asset 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 or loss when the asset is derecognized.

(g) Impairment of Property Plant & Equipment and Intangibles assets

The Company 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 Company 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. 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.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

(h) Inventories

(i) Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognized at the lower of their cost of acquisition calculated by the weighted average method and at their net realizable value.

(ii) Inventories include Goods-in-transit and goods lying with vendors for job-work.

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

(i) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(j) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(k) 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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

(a) Financial assets

Initial recognition and measurement

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Investments in mutual funds

All mutual fund investments in scope of Ind AS 109 are measured at fair value. These investments which are held for trading are classified as at FVTPL. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

– The rights to receive cash flows from the asset have expired, or

– The Company 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 the company has transferred substantially all the risks and rewards of the asset, or the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

– Trade receivables and

– Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider:

– All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

– Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

– Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables.

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 company does not reduce impairment allowance from the gross carrying amount.

Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost, the exchange differences are recognized in the Statement of Profit and Loss.

(b) Financial Liabilities and Equity Instruments

I. Financial Liability

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

Financials liabilities that are not held for trade and are not designated at FVTPL are measured at Amortized cost which is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognized 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 de-recognition 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 off-set 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.

Foreign Exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are included in the Statement of Profit and Loss.

II. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(l) Derivative financial instruments – Forward Currency Contracts

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized 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 recognized in the Statement of Profit and Loss.

(m) Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax

Current and deferred tax are recognized in profit or loss, except when they are relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(n) Employee benefits plans

(i) Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are recognized as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Defined benefit plan/long-term compensated absences

The Company's liabilities towards gratuity and compensated absences are determined as at the end of the reporting date by an independent actuary using the Projected Unit Credit method. Remeasurements, comprising of actuarial gains and losses, experience adjustments and the return on plan assets is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earning and is not reclassified to the Statement of Profit and Loss. Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

– service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

– net interest expenses or income and

– measurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on the Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation

Short-term and other long-term employee benefits

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date."

(o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

In addition, the carrying amount of lease liabilities is re-measured 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.

(p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Provisions are not recognized for future operating losses.

(q) Contingent liabilities and contingent assets

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 not wholly within the control of the Company 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 Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(r) Earning per share

Basic & diluted 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.

For the purpose of calculating the 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 effects of all dilutive potential equity shares.

(s) Cash dividend

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(t) Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company has engaged in the business of selling formulations in domestic market only.

(u) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	31 March 2021 (as previously reported)	Increase/ (Decrease)	31 March 2021 (restated)
Other Financial Assets (Non Current)	2	8	10
Loans (Non current)	8	(8)	-
Other Financial Assets (Current)	727	4	731
Loans (Current)	8	(4)	4

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

3A - PROPERTY, PLANT AND EQUIPMENT

(₹ in Millions)

	Leasehold Improvements	Plant and machinery	Furniture & Fixtures	Vehicles	Office equipment	Computers	Right of use Assets	Total
Gross Carrying Amount								
As at April 1, 2020	**6**	**4**	**2**	**5**	**1**	**-**	**44**	**62**
Additions		-	0	-	-	-	-	0
Disposal		-	-	-	(0)	-	0	(0)
As at March 31, 2021	**6**	**4**	**2**	**5**	**1**	**-**	**44**	**62**
Additions	-	7	-	-	-	3	127	137
Disposal	(6)	-	(0)	-	(0)	-	(44)	(50)
As at March 31, 2022	**-**	**11**	**2**	**5**	**1**	**3**	**127**	**149**
Amortization (Right to use)			-	-	-	-	25	**25**
Depreciation expense	1	0	1	1	1	1	-	5
Disposal of assets	(5)	-	(0)	-	(0)	1	(34)	(39)
As at March 31, 2022	**(0)**	**1**	**0**	**2**	**1**	**1**	**15**	**20**
Net carrying value								
As at March 31, 2022	**0**	**10**	**2**	**3**	**0**	**2**	**112**	**129**
As at March 31, 2021	**3**	**3**	**2**	**4**	**1**	**-**	**20**	**33**

3B - INTANGIBLE ASSETS

(₹ in Millions)

	Goodwill
Deemed Cost	
As at April 1, 2020	157
Additions	-
Disposal	-
As at March 31, 2021	**157**
Additions	-
Disposal	-
As at March 31, 2022	**157**
Accumulated Amortization	
As at April 1, 2020	-
Amortization for the year	-
Disposal of assets	-
As at March 31, 2021	**-**
Amortization for the year	-
Disposal of assets	-
As at March 31, 2022	**-**
Net carrying value	
As at March 31, 2022	**157**
As at March 31, 2021	**157**

4. LOANS

(₹ in Millions)

	Current	
	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
(1) Advances to employees	3	4
TOTAL	**3**	**4**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

5. OTHER FINANCIAL ASSETS

(₹ in Millions)

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(1) Security deposits	12	8	2	3
(2) Fixed deposits with banks [(with maturity more than 12 months) (Refer Note 10)]	-	2	-	-
(3) Others (a) Contractually reimbursable expenses	-	-	-	728
TOTAL	**12**	**10**	**2**	**731**

6a. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

(₹ in Millions)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	43	22
Deferred tax liabilities	(9)	(4)
Deferred Tax Assets (net)	**34**	**18**

Movement in temporary differences

(₹ in Millions)

2021-22

Particulars	Balance as at April 1, 2021	Recognised during FY 2021-22 in Statement of Profit and Loss	Recognised during FY 2021-22 in Other Comprehensive Income	Balance as at March 31, 2022
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangible assets	1	(1)	-	2
Provisions for employee benefits	5	(3)	(1)	9
Allowances for doubtful trade receivables	16	(9)	-	25
Fair value of financial instruments	-	-	-	-
Other temporary differences	(4)	(2)	-	(2)
	18	**(15)**	**(1)**	**34**

2020-21

Particulars	Balance as at April 1, 2020	Recognised during FY 2020-21 in Statement of Profit and Loss	Recognised during FY 2020-21 in Other Comprehensive Income	Balance as at March 31, 2021
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangible assets	1	(0)	-	1
Provisions for employee benefits	2	(3)	0	5
Allowances for doubtful trade receivables	26	10	-	16
Fair value of financial instruments	(2)	(2)	-	-
Other temporary differences	3	7	-	(4)
	30	**12**	**0**	**18**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

Reconciliation of Deferred tax assets (net):

(₹ in Millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	**18**	**30**
Deferred tax income / (expense) during the period recognised in the Statement of Profit or Loss	15	(12)
Deferred tax income / (expense) during the period recognised in the Statement of Other Comprehensive Income	1	(0)
Closing balance	**34**	**18**

Note:

The Company offsets tax assets and 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 tax authority.

6b. INCOME TAX ASSETS (NET), CURRENT TAX LIABILITIES (NET) AND CURRENT TAX EXPENSE

(₹ in Millions)

	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (net of Advance payment of tax)	8	6
	8	**6**

Major components of income tax expense for the year

(1) Income Tax recognised in profit and loss

(₹ in Millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	71	72
In respect of prior years	10	-
	82	**72**
Deferred tax		
In respect of the current year	(15)	12
	(15)	**12**
	67	84

Total income tax expense recognised in the Statement of Profit and Loss

(1) The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit or Loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	222	333
Indian Statutory income tax rate	25.168%	25.168%
Income tax expense	56	84
Effect of expenses that are not deductible in determining taxable profit	0	0
Tax Expense earlier years	10	0
Income tax expense recognised in the Statement of Profit and Loss	66	84

(2) Income tax recognised in other comprehensive income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of the defined benefit obligations	1	(0)
	1	**(0)**
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	1	(0)
- Items that will be reclassified to profit or loss	-	-
	1	(0)

7. OTHER ASSETS

(₹ in Millions)

		Current	
		As at March 31, 2022	As at March 31, 2021
(1)	Advances paid to suppliers	4	-
(2)	Prepaid expenses	6	1
(3)	Balances with government authorities		
	GST, VAT, Excise etc Receivable	70	23
TOTAL		**80**	**24**

8. INVENTORIES

(At lower of cost and net realisable value)

(₹ in Millions)

		As at March 31, 2022	As at March 31, 2021
(1)	Raw materials	295	134
(2)	Work-in-progress	17	10
(3)	Finished goods [Including Stock-in-Transit ₹ 24 Millions [(As at March 31, 2021 : ₹Nil]	550	293
(4)	Packing materials and stores and spares (including Fuel)	77	13
	TOTAL	**939**	**450**

During the year ended March 31, 2022, an amount of ₹ 35 Millions (Year ended March 31, 2021: ₹ 12 Millions) was charged to the Statement of Profit and Loss on account of damaged and slow moving inventories.

9. TRADE RECEIVABLES

(₹ in Millions)

	As at March 31, 2022	As at March 31, 2021
Trade receivables from contract with customers	1,062	641
Trade receivables from contract with customers – related parties (Refer note 29)	5	8
Less: Allowances for doubtful trade receivables (including Expected credit loss)	(103)	(65)
TOTAL	**964**	**584**
Current portion	**964**	**584**
Non-current portion	-	-

1. No trade or other receivables 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

2. For related party receivables (Refer Note 29).

3. Trade receivables are non-interest bearing and are generally on terms of 90 Days.

Break up of security details

	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good- Secured		
Trade receivables considered good- Unsecured	964	584
Trade receivables which have significant increase in credit risk		
Trade receivables- credit impaired	103	65
Less: Allowances for doubtful trade receivables (including Expected credit loss)	(103)	(65)
Total	**964**	**584**

Trade Receivable aging as on March 31, 2022

Particulars	Outstanding for following periods from DUE DATE						Total
	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 Years	Not Due	
Undisputed trade receivables							
Considered Good	518	3	-	-	-	443	964
Credit Impaired	-	38	26	26	13	-	103
Disputed trade receivables							
Considered Good							-
Credit Impaired			-	-	-	-	-
TOTAL	**518**	**40**	**26**	**26**	**13**	**443**	**1,067**
Less :Provision							**103**
TOTAL							**964**

Trade Receivable aging as on March 31, 2021

Particulars	Outstanding for following periods from DUE DATE						Total
	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 Years	Not Due	
Undisputed trade receivables							
Considered Good	224	71	-	-	-	289	584
Credit Impaired	-	12	22	16	15	-	65
Disputed trade receivables							
Considered Good							-
Credit Impaired							-
TOTAL	**224**	**83**	**22**	**16**	**15**	**289**	**649**
Less :Provision							**65**
TOTAL							**584**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

10. CASH AND CASH EQUIVALENTS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents				
(a) Balance with banks:				
In current accounts	-	-	72	28
Deposits with maturity less than 3 months	-	-	270	-
(b) Bank Balances other than Cash and cash equivalents	-	-	342	28
(a) Deposits with maturity for more than 12 months	-	2	-	-
(b) Deposits with maturity for more than 3 months but less than 12 months	-	-	380	360
Amount disclosed under Non-current - Other financial assets (Refer Note 5)	-	2	-	-
TOTAL	**-**	**-**	**722**	**388**

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

11. EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised Shares*		
150,000,000 (As at Mar 31 ,2021: 10,00,000) Equity Shares of ₹ 10 each fully paid-up	1,500	10
	1,500	**10**
Issued, Subscribed and Fully Paid-up:		
148,829,030 Equity Shares of ₹ 10 each fully paid-up (previous year 200,000)	1,488	2
TOTAL	**1,488**	**2**
Equity share capital suspense account*		
Nil (Mar 31,2021: 148,629,030) Equity Shares of ₹ 10 each fully paid-up	-	1,486
TOTAL	**-**	**1,486**

* Pursuant to Scheme of Arrangement, 148,629,030 equity shares of ₹10/- each fully paid up were issued during the year to shareholders of Isagro (Asia) Agrochemicals Private Limited subsequently merged with PI Industries Limited , specified under the Scheme and till the time equity shares were issued to the shareholders, the said amount was shown as 'Share capital suspense'.

On June 30, 2021 Company has issued 148,629,030 equity shares aginst share capital suspense.

a) The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share and entitled to dividend that may be declared by the board of directors.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

b) Details of shares held by the Holding Company and each shareholder holding more than 5% shares:

	As at March 31, 2022 No. of Shares (% holding)	As at March 31, 2021 No. of Shares (% holding)
Equity shares with voting rights		
PI Industries Ltd - the Holding Company & Its Nominee	148,829,030	200,000
	100%	**100%**

c) **Reconciliation of the number of shares outstanding**

	As at March 31, 2022 No. of Shares	As at March 31, 2021 No. of Shares
Opening balance of Equity shares with voting rights		
Changes during the year	200,000	200,000
Closing balance of Equity shares with voting rights	148,629,030	
	148,829,030	**200,000**

d) Since incorporation, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash except 148,629,030 shares issued under the scheme of arrangement to Isagro (Asia) Agrochemicals Private Limited subsequently merged with PI Industries Limited (holding Company).

Details of shareholding by promoters

Name of Promoters	As on March 31, 2022			As on March 31, 2021		
	Number of Shares	Percentage total number of shares	Percentage of change during the year	Number of Shares	Percentage total number of shares	Percentage of change during the year
PI Industries Ltd - the Holding Company & Its Nominee	148,829,030	100%	0%	200,000	100%	Nil

12 OTHER EQUITY

(₹ in Millions)

		As at March 31, 2022	As at March 31, 2021
(1)	**Capital reserve**		
	Opening balance	0	
	Addition pursuant to scheme of demerger	-	
	Closing balance	**0**	
(2)	**Retained earnings:**		
	Opening balance	331	82
	Add: Profit for the year	156	249
	Add: Other comprehensive income for the year	(4)	0
	Closing balance	**483**	**331**
	Total	**483**	**331**

Notes

(1) **Capital reserve-** This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of business combination.This reserve is not available for the distribution to the shareholders.

(2) **Retained Earnings-** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

13. PROVISIONS

(₹ in Millions)

	Non- Current		Current*	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits				
Provision for compensated absences	5	-	0	3
Provision for Gratuity	18	10	6	5
TOTAL	**23**	**10**	**6**	**8**

(i) Long term compensated absences

The long term compensated absences cover the Company's liability for earned leave which are classified as other long-term benefits.

14. TRADE PAYABLES

(₹ in Millions)

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	33	18
Total outstanding dues other than micro enterprises and small enterprises	585	139
TOTAL	**618**	**157**

For related party receivables (Refer Note 29).

Trade Payable aging as on March 31, 2022

Particulars	Outstanding for following periods from DUE DATE						Total
	Unbilled/ GR-IR	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	5	27	1	-	-	-	33
Others	47	464	74	0	-	0	585
Disputed trade payables			-	-	-	-	-
Micro enterprises and small enterprises							-
Others							-
TOTALS	**52**	**491**	**75**	**0**	**-**	**0**	**618**

Trade Payable ageing as on March 31, 2021

Particulars	Outstanding for following periods from DUE DATE						Total
	Unbilled/ GR-IR	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	0	18	0			-	18
Others	12	106	21			0	139
Disputed trade payables							-
Micro enterprises and small enterprises							-
Others							-
TOTALS	**12**	**124**	**21**	**-**	**-**	**0**	**157**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

15(a). Lease Liabilities

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(1) Lease liability	28	4	87	18
TOTAL	**28**	**4**	**87**	**18**

a Changes in liabilities arising from financing activities- Deferred lease liabilities :-

	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	**23**	**42**
Interest expenses	5	3
Addition- lease liabilities	127	-
Deletion - lease liabilities	(18)	-
Lease rental paid	(22)	(22)
Balance as at the end of the year	**115**	**23**

15(b). OTHER FINANCIAL LIABILITIES

(₹ in Millions)

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(1) Security deposits	81	70	-	-
(2) Other liabilities	-	-	159	208
(3) Interest due but not paid	-	-	-	4
TOTAL	**81**	**70**	**159**	**212**

16. OTHER CURRENT LIABILITIES

(₹ in Millions)

		As at March 31, 2022	As at March 31, 2021
(1)	Advances from customers	50	71
(2)	Other liabilities		
	(a) Statutory liabilities (Contribution to PF, Withholding Taxes, Excise Duty, GST, Service Tax etc.)	11	24
	(b) Other liabilities	-	0
	TOTAL	**61**	**95**

17. REVENUE FROM OPERATIONS

(₹ in Millions)

		For the year ended March 31, 2022	For the Year ended March 31, 2021
(1)	Sale of products	2,818	2,526
(2)	Other operating revenue [Refer Note (i) below]	3	2
	TOTAL	**2,821**	**2,528**
(i)	Other operating revenue		
	Miscellaneous sale	3	1
	Others:		
	- Cash discount received	0	1
	Total other operating revenue	**3**	**2**

	For the year ended March 31, 2022	For the Year ended March 31, 2021
(i) Revenue from operations		
Sale of products	2818	2526
Timing of revenue recognition		
Goods transferred at a point in time	2818	2526
Total revenue from contracts with customers		

17.1 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Contract assets		
Trade receivables	964	584
Contract liabilities		
Advances from customers	50	71

18. OTHER INCOME

(₹ in Millions)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
(1) Interest income earned on financial asset that are not designated at fair value through profit or loss comprises:		
Interest from banks on deposits (at amortised cost)	7	24
Interest from other financial assets (at amortised cost)	-	0
(3) Net gain on foreign exchange	-	2
(4) Provision for doubtful receivable no longer required	-	37
(5) Other gains and losses (net)		
Net gain arising on financial assets designated at FVTPL	-	7
Others	3	11
Total other operating revenue	**10**	**81**

19. COST OF RAW MATERIALS AND PACKING MATERIALS CONSUMED

(₹ in Millions)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Opening stock	134	179
Add: Purchases	2,273	1,449
	2,407	1,628
Less: Closing stock	295	134
TOTAL	**2,112**	**1,494**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

20A. PURCHASE OF STOCK-IN-TRADE

(₹ in Millions)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Purchase of Stock-in-trade	126	268
TOTAL	**126**	**268**

20B. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Millions)

		For the year ended March 31, 2022	For the Year ended March 31, 2021
(a)	**Inventories at the end of the year**		
	Finished Goods	550	293
	Work-in-Progress	17	10
		567	**303**
(b)	**Inventories at the beginning of the year**		
	Finished Goods	293	329
	Work-in-Progress	10	9
		303	**338**
	Net decrease / (increase)	**(264)**	**35**

21. EMPLOYEE BENEFITS EXPENSE

(₹ in Millions)

		For the year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Salaries and wages	204	175
(b)	Casual wages	74	58
(c)	Contribution to:		
	Provident fund and family pension fund	8	7
	Superannuation Fund	0	2
	Gratuity fund (Refer Note 30)	5	7
(d)	Staff welfare expenses	1	3
	TOTAL	**292**	**252**

22. FINANCE COSTS

(₹ in Millions)

		For the year nded March 31, 2022	For the Year ended March 31, 2021
(1)	Interest costs:		
	(a) Others		
	- Lease Interest Cost	5	3
	- Other Interest	4	5
	TOTAL	**9**	**8**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

23. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Millions)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
(1) Depreciation on Property, Plant & Equipment (Refer Note 3A)	5	4
(2) Amortisation on Intangible Assets (Refer Note 3B)		
(3) Amortisaztion on right to use Assets (Refer Note 3A)	25	19
TOTAL	**30**	**23**

24. OTHER EXPENSES

(₹ in Millions)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Freight and forwarding	72	65
Rent including lease rentals	2	0
Rates and taxes	16	2
Insurance charges	2	3
Repairs and maintenance others	3	-
Advertisement and sales promotion	32	11
Travelling and conveyance	72	58
Testing and Analysis Charges	15	-
Legal & professional fees	10	11
Payments to auditors (Refer Note (i) below)	1	2
Bad trade receivables written off		
Expenditure on corporate social responsibility	3	-
Bad trade receivables written off	-	21
Provision for doubtful trade receivables	38	-
Loss on property, plant and equipments sold/scrapped/written off	2	-
Net Loss on foreign exchange	0	-
Miscellaneous expenses	36	22
Consumption of Stores and Spare Parts	-	0
Power and Fuel	0	1
TOTAL	**304**	**196**
(i) Payments to the Auditors comprises (net of input tax credit):		
To statutory auditors		
- For audit	1	0
- For taxation matters	0	
- For other services (including Group Reporting fees)	-	2
- Reimbursement of expenses	0	
TOTAL	**1**	**2**

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

As per the innformation available with the Management, and as certified by them, there is no contingent liability and capital commitment exists as on balance sheet date

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

26 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Total outstanding dues of Micro and Small Enterprises, which are outstanding for more than the stipulated period are given below:

	For the year ended March 31, 2022	For the Year ended March 31, 2021
(a) The principal amount due remaining unpaid to suppliers as at the end of accounting year	1	0
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	1	1
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
TOTAL	2	1

Dues to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006) have been determined to the extent such parties have been identified on the basis of information available with the Company.

27 Earning per share (EPS)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Profit after tax	156	249
Weighted Average No. of Equity Shares outstanding (Nos.)	148,829,030	148,829,030
Weighted Average No. of Equity Shares in Share Capital Suspense (refer note 11)		148,629,030
Basic and Diluted Earning Per Share (Rupees)	1.05	1.68
Face Value per Equity Share (Rupees)	10.00	10.00

28 RATIO ANALYSIS

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current ratio	Current asset	Current Liabilites	2.89	4.40	34%	Due to higher Working Capital
Debt-Equity ratio	Borrowing	Total Equity	-	-	0%	
Debt Service Coverage ratio	Net profit after tax + non cash operting expenses + Interest	Debt Serive = Interest and principal payments including lease payments and liabilities	1.71	5.79	70%	Due to higher Lease Liability
Return on Equity ratio	Profit after tax	Total Average Equity	8%	15%	44%	Due to increase in Equity and lower profit
Inventory Turnover ratio	Cost of Goods sold	Average Inventory	2.84	3.61	21%	Due to increase in Inventory
Receivables Turnover ratio	Sales	Average Trade receivable	3.65	3.85	5%	
Payables Turnover ratio	Purchase	Average Payable	6.19	7.51	18%	Due to increase in Payable
Net Capital Turnover ratio	Sales	working capital = current assets - current liabilities	1.59	1.50	-6%	
Net Profit ratio	Profit after tax	Sales	6%	10%	44%	Due to lower profit
Return on Capital Employed	Earnings before interest and taxes	Capital employed = tangible net worth + total debt + defferred tax liability	12%	19%	37%	Due to increase in Equity & lower Earnings
Return on Investment	Fair value less cost of Investment	Cost of Investment	-	-	0%	

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

29 Related party transactions:

(A) Names of related parties and description of related party relationship

Holding Company	PI Industries Ltd
Fellow subsidiary companies	PI Life Science Research Ltd
	PILL Finance and Investment Ltd.
	Isagro (Asia) Agrochemicals Private Limited (Amalgamated w.e.f. 31.12.2021)
	PI Japan Co. Ltd.
	PI Fermachem Pvt Ltd
	PI Bioferma Pvt Ltd
	PI Health Sciences Limited (Incorporated on 03.09.2021)
Joint venture of holding Company	PI Kumiai Private Limited
	Solinnos Agro Sciences Private Limited
Key Management Personnel	Mr. Rajnish Sarna, Non- Executive Director
	Mr. Parmanand Pandey, Whole-time Director & CEO (w.e.f. 27.01.2022)
	Mr. Prashant Janardhan Hegde, Additional Director (w.e.f. 27.01.2022)
	Mr. Samir Dhaga, Additional Director (w.e.f. 27.01.2022)
	Ms. Alpana Parida, Additional (Independent) Director (w.e.f. 22.12.2021)
	Dr. Raman Ramachandran, Non- Executive Director (Until 31.12.2021)
	Mr. Sankar Ramamurthy, Non- Executive Director (Until 27.01.2022)
	Mr. Lalit Kumar Garg, Chief Financial Officer (w.e.f. 06.08.2021)
	Ms. Kriti Khandelwal, Company Secretary (w.e.f. 06.08.2021)
Entities controlled by KMP of Holding Company	PI Foundation

(B) Details of related party transactions during the year April 1,2021 to March 31, 2022:

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Remuneration to Whole time director and CEO	2	-
Holding Company (PI Industries Ltd from December 27, 2019)		
Sale of Goods/Services	78	64
Purchase of Goods/Services	519	235
Purchase of Capital items	2	
CSR Contribution made to PI Foundation	3	-

(C) Details of related party balances outstanding as at March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Holding Company		
Trade and Other Receivables	5	8
Trade and Other Payables	135	5
Holding Company		
Amount receivable on account of scheme of arrangement (other financial assets) (refer note 5)	-	728

(D) Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(E) The services rendered to and from 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 and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

30 Disclosures for Employee Benefits

a. Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity payout per the Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy for future payout of gratuity of the employees. Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, liquidity risk and salary escalation risk.

a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in insurer managed funds.

b) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in the Financial Statements).

c) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of liquid assets not being sold in time.

d) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

i Expense recognized in Statement of Profit and Loss for the year (included in Note 21 Employee Benefits Expense)

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Service cost:		
Current service cost	4	6
Past service cost and loss/(gain) on curtailment and settlement	-	-
Net interest cost	1	1
Total Expense charged to Statement of Profit and loss	**5**	**7**

ii Expense / (Income) recognized in Other Comprehensive Income for the year

	For the year nded March 31, 2022	For the Year ended March 31, 2021
Components of actuarial losses / (gains) on obligations		
Due to changes in financial assumptions	3	-
Due to changes in demographic assumptions	-	-
Due to changes in experience adjustments	2	-
Return on plan assets excluding amounts included in Interest income	-	(0)
Total Expense / (Income) recognised in Other Comprehensive Income	**5**	**(0)**

iii Reconciliation of defined benefit obligation

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Opening Balance of defined benefit obligation	44	40
Transfer in / (out) of obligation	-	
Current service cost	4	6
Interest cost	3	3
Actuarial loss / (gain) due to changes in financial assumptions	(4)	-
Actuarial loss / (gain) due to changes in demographic assumptions	3	-
Actuarial loss / (gain) due to changes in experience adjustments	4	-
Past service cost	-	-
Benefits paid	(7)	(4)
Closing Balance of defined benefit obligation as at March 31, 2022	**47**	**44**

iv Reconciliation of fair value of plan assets

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Opening balance of plan assets	30	28
Interest income	-	2
Return on plan assets excluding amounts included in Interest income	0	-
Contribution of employer	0	4
Benefits paid	(7)	(4)
Closing Balance of plan assets as at March 31, 2022	**23**	**30**

v Funded status:

	As at March 31, 2022	As at March 31, 2021
Present value of Defined benefit obligation	47	45
Fair value of plan assets	23	30
Deficit / (Surplus) of plan assets over obligation	**24**	**15**

vi Category of plan assets

	As at March 31, 2022	As at March 31, 2021
Insurance fund with Life Insurance Corporation of India (LIC)	100%	100%

(Note: Due to absence of data provided by Life Insurance Corporation of India, break-up of plan assets (asset allocation) in insurer managed funds have not been furnished.)

vii The principal assumptions used in determining above defined benefit obligations for the Company's plan are as under:

	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.18%	6.43%
Expected rate of increase in salary	8.00%	10.00%
Attrition rates	6.00%	10.00%
Mortality Rates	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Expected return on plan assets	7.18%	6.43%

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

2. Interest income on plan asset is a component of the return on plan asset and is determined by multiplying the fair value of the plan assets by the discount rate specified in para 83, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments.

3. The estimate of future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.)

viii Projected Benefits Payable in Future Years From the Date of Report

	As at March 31, 2022	As at March 31, 2021
1st Following Year	3	10
2nd Following Year	3	3
3rd Following Year	2	3
4th Following Year	5	3
5th Following Year	4	4
6th Following Year	5	4
6 Year onwards	25	17

ix Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

Impact on defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
Discount Rate		
0.5% increase	(2)	(1)
0.5% decrease	2	1
Expected rate of increase in salary		
0.5% increase	2	1
0.5% decrease	(2)	(1)

Note:

1. The sensitivity analysis above has 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.

2. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

Long term compensated absences

b. The provision for long term compensated absences covers the Company's liability for earned leave, the amount of provision recognised is ₹4 (March 31, 2021 ₹3).

Defined Contribution Plans

c. The Company makes Provident and Family Pension Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident and family pension fund contribution of ₹ 8 (March 31, 2021 ₹ 7) and superannuation fund contribution of ₹ 0 (March 31, 2021 ₹ 2) as expense in Note 21 under the head 'Contributions to : Provident Fund and Family Pension Fund and Superannuation Fund'.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

31 Segment Information

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Company has evaluated the applicability of segment reporting and has concluded that since the Company is operating in the field of Agro Chemicals only and the CODM reviews the overall performance of the agro chemicals business, accordingly the Company has one reportable business segment viz. Agro Chemicals.

The information relating to revenue from external customers and location of non-current assets of the single reportable segment has been disclosed as follows :

(a) Revenue from operations:

	India	Outside India	Total
For the year ended March 31, 2022	2,821	-	2,821
For the year ended March 31, 2021	2,528	-	2,528

Revenue from operations have been allocated on the basis of location of customers.

(b) Non-current operating assets

All Non-current assets of the Company are located in India.

32 Corporate Social Responsibility

The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility is ₹ 3.4 for the year ended March 31, 2022 (Previous year ended March 31, 2021: ₹ Nil as the Company was not required to incur any expenditure on CSR activities during the year as per the criteria for applicability of Sec 135 of the Act.).

	For the year ended March 31, 2022	For the Year ended March 31, 2021
Contribution to PI Foundation	3	-
Total	**3**	**-**
Amount required to be spent as per Section 135 of the Act	3	
Amount spent during the year		
(i) Construction/acquisition of an asset	-	
(ii) On purposes other than (i) above	3	

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balances as at 1st April, 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2022
-	-	-	3	-

33 Details of hedged and unhedged exposure in foreign currency denominated monetary items

The Foreign currency exposure hedged and unhedged as at the reporting date are as under:-

	Currency	As at March 31, 2022		As at March 31, 2021	
		FC	₹	FC	₹
(ii) Amounts payables in foreign currency					
Trade Payable	USD	0	23	0	14
Trade Payable	Euro	-	-	0	0
Total Payables (D)	**USD**	**0**	**23**	**0**	**14**
Total Payables (D)	**Euro**	**-**	**-**	**0**	**0**

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

34 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Cash required for operations is managed through internal accounts.

35 Financial instruments – Fair values and risk management

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of financial instruments

	Note No.	Carrying amount	
		As at March 31, 2022	As at March 31, 2021
Financial assets			
Measured at amortized cost			
(1) Cash and cash equivalent	10 (a)	342	28
(2) Bank Balances other than (1) above	10 (a)	380	360
(3) Trade Receivables	9	964	584
(4) Loans	4	3	4
(5) Other Financial Assets	5	14	741
Financial liabilities			
Measured at amortized cost			
(1) Trade Payables	14	618	157
(2) Lease Liabilities	15(a)	115	22
(3) Other Financial Liabilities	15(b)	240	282

36 Relationship with struck off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at previous period	Relationship with the struck off company, if any, to be disclosed
Green Crop International P Ltd	Trade receivable	0.00	NA	0.00	NA

37 Financial risk management objectives and policies

The Company's Board of Directors meets for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk threshold, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

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

- Credit Risk
- Liquidity Risk
- Market Risk
- Foreign Exchange Risk

38 Financial risk management - Credit Risk and Liquidity Risk

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

a) Trade and other receivables

The Company has a credit policy and extends credit to its customers based on customer's credit worthiness, ability to repay, and past track record. The extension of credit is constantly monitored through a review mechanism.

The concentration of credit risk is limited in domestic market due to the fact that the customer base is large and unrelated. The Company's exports are mainly carried out in countries which have stable economic conditions, where the concentration is relatively higher, however the credit risk is low as the customers have good credit ratings.

The Company computes an allowance for impairment of trade receivables based on a simplified approach, that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

During the year 2021-22, there is an additional provision created of Rs 38 and for FY 2020-21 reversal of impairment provision of ₹ 37. Movement in expected credit loss allowance is given as follows:

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	65	102
Provision made during the year	38	-
Writte back during the year	-	(37)
Balance at the end of the year	103	65

b) Other financial assets

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with company's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating. The Company's maximum exposure to the credit risk for the component of Balance Sheet as at March 31, 2022 and March 31, 2021 is the carrying amounts of each class of financial asset.

ii. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company prepares a detailed plan to assess both short term as well as long term fund requirements. Detailed month-wise cash flow forecast is also carried out to determine the working capital and other long-term fund requirements. The Company funds both these requirements through internal accruals. The Company is debt free as on current reporting date.

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

38 Financial risk management - Liquidity Risk and Market risk

Exposure to liquidity risk

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment and realisation periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and realise.

March 31, 2022	Contractual cash flows		
	Carrying amount	Less than1 year	More than 1 year
Non-derivative financial liabilities			
Trade payables	618	618	-
Other financial liabilities	355	246	109

March 31, 2021	Contractual cash flows		
	Carrying amount	Less than1 year	More than 1 year
Non-derivative financial liabilities			
Trade payables	157	157	-
Other financial liabilities	304	230	74

The Company does not have any derivative financial liability as at the reporting date.

iii. Market risk

Market Risk is the risk that the fair value of the future cash flow will fluctuate because of changes in the market prices such as interest rate risk, Equity Price risk and Foreign Exchange Rate Risk.

The Company seeks to minimize the effect of these risks. The Company does not enter into or trade financial instruments including derivatives for speculation purposes.

38 Financial risk management (contd.)

(iv). Foreign currency risk

The Company operates in the global market and is, therefore, exposed to foreign exchange risk arising from foreign currency transactions imports, primarily with respect to USD and EURO. As these transactions are recorded in currency other than functional currencies (INR), the company is exposed to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities.

Foreign Currency Sensitivity analysis

The currency profile of financial assets and financial liabilities as at March 31, 2022 is as below:

	Impact on Profit before tax for the year ended		Impact on Pre-tax Equity for the year ended	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD Sensitivity (₹ / $)				
Increase by 5%	(1)	(1)	(1)	(1)
Decrease by 5%	1	1	1	1
Euro Sensitivity (₹ / €)				
Increase by 5%	-	(0)	-	(0)
Decrease by 5%	-	(0)	-	(0)

Forward foreign exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors for managing foreign currency exposure. The policy has approved use of forward contracts to manage the foreign currency risk.

There is no forward foreign currency (FC) contracts outstanding at the end of reporting year:

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended March 31, 2022

39 Lease

Operating lease commitments - As lessee

The Company leases various offices, warehouses, godown, IT equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 9 years. The leases have varying terms, escalation clauses and renewal rights. From April 1, 2019, the company has recognised Right of Use Assets for these leases except for short term and low value leases."

The Company has recognised Lease rental cost as below -

	As at March 31, 2022	As at March 31, 2021
Short term lease	2	-
Low value lease	-	-
Total	**2**	**-**

40 Events occurring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
FRN - 000756N

For and on behalf of the Board of Directors

Sd/-
Amit Goel
Partner
Membership No: 500607

Sd/-
Rajnish Sarna
Chairman
DIN: 06429468
Place: Gurgaon
Date: 2nd May, 2022

Sd/-
Parmanand Pandey
Director
DIN: 09424653
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Lalit Kumar Garg
Chief Financial Officer
Place: Mumbai
Date: 2nd May, 2022

Sd/-
Kriti Khandelwal
Company Secretary
Place: Gurgaon
Date: 2nd May, 2022

Place: Gurgaon
Date: 2nd May, 2022