

KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODVET AGROCHEM LIMITED

Report on the Audit of the Ind-AS Financial Statements

Opinion

We have audited the accompanying Ind-AS financial statements of **GODVET AGROCHEM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013, (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind-AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Ind-AS 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 Ind-AS financial statements under the provisions of the Companies Act, 2013 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 opinion.

Information Other than the Ind-AS 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 including annexures to Director's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Ind-AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Management's Responsibility for the Ind-AS 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 Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind-AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind-AS 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.

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

Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind-AS 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 Ind-AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind-AS financial statements.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Other Comprehensive Income*), the Cash Flow Statement and the Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards (Ind-AS) specified under Section 133 of the Act.



- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2023, taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2023, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration and hence, the provisions of Section 197 of the Act is not applicable.
- 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, 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 during the year ended March 31, 2023, 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) (i) the management has represented that, to the best of it's knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons 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.
- (ii) the management has represented, that, to the best of it's knowledge and belief no funds have been received by the company from any person or entities, 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
- Based on such audit procedures that have been 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 (i) and (ii) contain any material misstatements.
- v) the Company has not declared any dividend during the year hence, provisions of section 123 is not applicable.

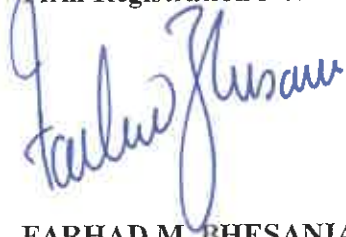


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- vi) As Proviso to Rule 3(1) of the Companies Accounts Rules, 2014 for maintaining books of account using the accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS**

Firm Registration No.: 104607W / W100166



**FARHAD M. BHESANIA
PARTNER**

Membership Number: 127355

UDIN: 23127355BGWIEQ6982

Date: April 27, 2023

Place: Mumbai

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2023.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of immovable property classified as Investment Property.
- (B) The Company does not have any intangible assets hence, the provisions of paragraph 3(i)(a)(B) of the order are not applicable.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties classified as Investment Property are held in the name of the Company.
- (d) The Company has not revalued its immovable property classified as investment property during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence the provisions of paragraph 3(ii)(a) of the Order are not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital facility at any point of time during the year from banks or financial institutions and hence provisions of paragraph 3(ii)(b) of the Order are not applicable.
- (iii) (a) According to the information and explanations given to us, the Company has not made any investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships, or any other parties during the year. The Company has granted an unsecured loan to a Company during the year. The Company has not granted any loans, secured or unsecured to firms, limited liability partnerships during the year.

Aggregate amount granted during the year	Loans (Rs. In Lakh)
- Others	307
Balance outstanding as at the balance sheet date	
- Others	307



- (b) According to the information and explanations given to us and based on the audit procedures performed by us, the terms and conditions of an unsecured loan granted by the Company during the year to other company amounting to Rs. 307 lakhs and having an outstanding balance of as at March 31, 2023, of Rs. 307 lakhs are not prejudicial to the interest of the Company. The Company has not made any investments, provided any guarantee, or given any security.
- (c) In respect of the loan granted by the Company, the schedule of repayment of the principal amount and payment of interest has been stipulated. There were no principal amounts and interest falling due during the year and hence there is no question of commenting on the regularity of the repayment of principal and payment of interest.
- (d) According to the information and explanations given to us and based on the audit procedures performed by us, in respect of the loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, there is no loan falling due during the year.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not granted any loan either repayable on demand or without specifying any terms or period of repayment during the year. Hence, the provisions of paragraph 3(iii)(f) of the Order are not applicable.
- (iv) In our opinion and according to the information given to us, the Company has not advanced any loans to the persons covered under Section 185. The Company has complied with the provision of Section 186 in respect of loan granted during the year. The Company has not given any guarantees or securities or made any investments as per the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The Company has not commenced operations; hence the provisions of paragraph 3(vi) of the Order regarding maintenance of cost records as prescribed under subsection (1) of section 148 of the Act, are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at March 31, 2023, for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us there are no dues outstanding of Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) According to the information and explanations provided to us and based on the documents and records produced before us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations provided to us and on the basis of our audit procedure, the Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations provided to us, the Company has not taken any term loan during the year, hence provisions of paragraph 3(ix)(c) of the Order are not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.
- (e) According to the information and explanation provided to us, the Company does not have any subsidiary, associate, or joint venture, hence the provisions of paragraph 3(ix)(e) of the Order are not applicable.
- (f) According to the information and explanation provided to us, the Company has not raised any loan during the year on the pledge of securities, hence the provisions of paragraph 3(ix)(f) of the Order are not applicable.
- (x) According to the information and explanations given to us, the Company has neither raised money through initial public offer or further public offer (including debt instruments). The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year, hence the provisions of paragraph 3(x)(a) and (b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by the Company and on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The Company is not required to establish vigil mechanism and hence, provisions of paragraph 3(xi)(c) of the Order are not applicable.



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, hence the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Ind AS 24, Related Party Disclosure specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, paragraph 3(xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and based on our examination, the Company is not required to have an internal audit system and hence, the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the Directors or persons connected with its Directors and hence the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the provision of paragraph 3(xvi)(a) and (b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India, hence paragraph 3(xvi)(c) of the Order are not applicable.
- (c) The group does not have more than one CIC as a part of the group and accordingly reporting under clause xvi (d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditor during the year, hence provision of paragraph 3(xviii) of the Order are not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, 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 the 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.



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- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No.: 104607W / W100166**



**FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIEQ6982
Date: April 27, 2023
Place: Mumbai**

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph 2(f) ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **GODVET AGROCHEM LIMITED** (“the Company”) as of March 31, 2023, in conjunction with our audit of the Ind AS 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to financial statements.



Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 (3) 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 Ind AS financial statements.

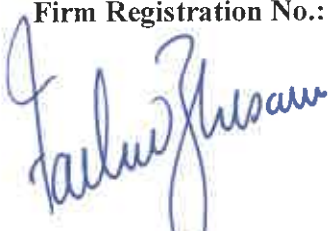
Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No.: 104607W / W100166



FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 23127355BGWIEQ6982
Date: April 27, 2023
Place: Mumbai

GODVET AGROCHEM LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

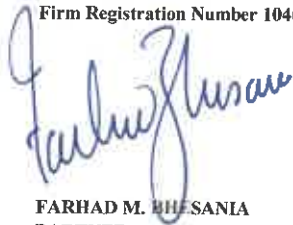
(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I Assets			
(A) Non-current Assets			
(a) Investment properties	2	1,667.48	1,667.48
(b) Financial Assets			
(i) Loans	3	307.00	-
(ii) Others	4	0.56	0.56
(c) Deferred Tax Assets (net)	5	169.56	146.25
(d) Other Non-current Assets	6	2.50	2.50
Total Non-Current Assets		2,147.10	1,816.79
(B) Current Assets			
(a) Financial Assets			
(i) Cash & Cash Equivalents	7	5.06	0.52
(ii) Others	8	0.07	10.50
(b) Current Tax Assets (net)		39.84	-
Total Current Assets		44.97	11.02
Total Assets		2,192.07	1,827.81
II Equity & Liabilities			
(1) Equity			
(a) Equity Share Capital	9	995.00	995.00
(b) Other Equity	10	779.75	687.26
Total Equity		1,774.75	1,682.26
(2) Liabilities			
(A) Non-current Liabilities			
(a) Other Non-current Liabilities	11	218.46	-
Total Non Current Liabilities		218.46	-
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	62.43	98.62
(ii) Other Financial Liabilities	13	8.37	29.90
(b) Other Current Liabilities	14	128.06	1.99
(c) Current Tax Liabilities (net)		-	15.04
Total Current Liabilities		198.86	145.55
Total Equity and Liabilities		2,192.07	1,827.81

Notes 1 to 28 form an integral part of the Financial Statements
As per our Report of even date


Signatures to the Balance Sheet and Notes to the
Financial Statements
For and on behalf of the Board

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166



FARHAD M. BHE SANIA
PARTNER
Membership Number: 127355

Mumbai
April 27, 2023


A. VARADARAJ
Director
DIN:00323436


SANDEEP KUMAR SINGH
Director
DIN:08207627

GODVET AGROCHEM LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from Operations		-	-
II Other Income	15	126.06	125.98
III Total Income		126.06	125.98
IV Expenses			
(a) Finance Costs	16	7.58	10.05
(b) Other Expenses	17	19.78	2.08
Total Expenses		27.36	12.13
V Profit Before Tax		98.70	113.85
VI Tax Expense			
(1) Current Tax		29.52	31.98
(2) Deferred Tax		(23.31)	(26.64)
Total Tax		6.21	5.34
VII Profit after tax		92.49	108.51
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the Year		92.49	108.51
X Earnings per Equity Share Basic & Diluted	18	0.93	1.09

Notes 1 to 28 form an integral part of the Financial Statements
As per our Report of even date


Signatures to the Statement of Profit and Loss and
Notes to the Financial Statements
For and on behalf of the Board

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166



FARHAD M. H. SANIA
PARTNER
Membership Number: 127355

Mumbai
April 27, 2023



S. VALLABHARAJ
Director
DIN:00323436



SANDEEP KUMAR SINGH
Director
DIN:08207627

GODVET AGROCHEM LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flow from Operating Activities :		
Net Profit Before Taxes	98.70	113.85
<u>Adjustment for:</u>		
Sundry balances written off	10.50	-
Finance Cost	7.57	10.05
Rent Received	(125.98)	(125.98)
Interest income	0.08	-
Operating Profit Before Working Capital Changes	107.99	115.93
<u>Adjustments for:</u>		
Current Financial assets	-	29.42
Non-current Financial liabilities	(21.53)	29.31
Other current liabilities	126.07	(0.03)
Other non-current liabilities	218.46	-
Cash Generated from Operations	323.00	58.70
Direct Taxes paid (net of refunds received)	313.71	56.62
Net Cash Generated from / (used in) operating activities (A)	229.32	(39.47)
B. Cash Flow from Investing Activities :		
Intercompany Deposits (Given) / Repaid	(307.00)	-
Rent Income	125.98	125.98
Net Cash Flow from / (used in) Investing Activities (B)	(181.02)	125.98
C. Cash Flow from Financing Activities :		
Repayment of Short Term Borrowings	(46.22)	(86.66)
Proceeds from Short Term Borrowings	10.00	-
Finance Cost	7.54	10.05
Net Cash Flow from / (used in) Financing Activities (C)	43.76	96.71
Net increase / (decrease) in Cash and Cash equivalents (A+B+C)	4.54	(10.20)
Cash and Cash equivalents (Opening balance)	0.52	10.72
Cash and Cash equivalents (Closing balance)	5.06	0.52

NOTES:

(a) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.

(b) Movement in borrowings

(Rs. in lakhs)

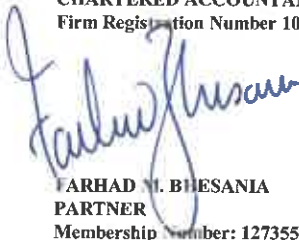
Particulars	April 1, 2022	Cash Flow	Non-cash	March 31, 2023
Short term borrowings	98.62	(36.22)	0.03	62.43
Total Borrowings	98.62	(36.22)	0.03	62.43


Particulars	April 1, 2021	Cash Flow	Non-cash	March 31, 2022
Short term borrowings	185.28	(86.66)	-	98.62
Total Borrowings	185.28	(86.66)	-	98.62

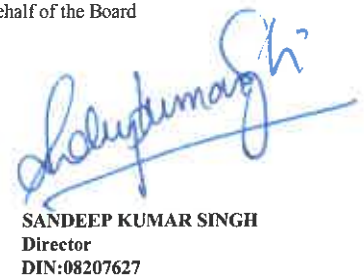
(c) Figures in brackets are cash outflows.

For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/W100166

For and on behalf of the Board


 FARHAD M. BHESANIA
 PARTNER
 Membership Number: 127355


 S. VARADARAJ
 Director
 DIN:00323436


 SANDEEP KUMAR SINGH
 Director
 DIN:08207627

Mumbai
 April 27, 2023

GODVET AGROCHEM LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(a) Equity share capital

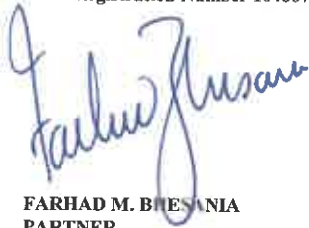
Particulars	(Rs. in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	995.00	995.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	995.00	995.00

(b) Other Equity

Particulars	(Rs. in lakhs)	
	Attributable to the owners of the Company Retained Earnings	
As at April 1, 2022	687.26	
Profit for the year	92.49	
Other comprehensive income for the year	-	
As at March 31, 2023	779.75	
As at April 1, 2021	578.75	
Profit for the year	108.51	
Other comprehensive income for the year	-	
As at March 31, 2022	687.26	

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

For and on behalf of the Board



FARHAD M. BHASANIA
PARTNER
Membership Number: 127355



S. ARADĀRAJ
Director
DIN:00323436



SANDEEP KUMAR SINGH
Director
DIN:08207627

Mumbai
April 27, 2023

GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Significant Accounting Policy

1. General information

Godvet Agrochem Ltd. ("the Company") is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at 3rd Floor, Godrej One, Pirojshanagar, Vikhroli (East), Mumbai – 400 079.

2. Basis of preparation

(i) Compliance with Ind AS:

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the years presented in the financial statements.

The financial statements of the Company for the year ended March 31, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on April 27, 2023.

Current versus non-current classification: All assets and liabilities have been classified as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value.

(iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated. The amount reflected as "0.00" in Financials are value with less than one thousand.

3. Key estimates and assumptions

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition of deferred tax assets and liabilities**

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

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

Derivatives are carried at fair value. Derivatives include foreign currency forward contracts, commodity futures and interest rate swaps. Fair value of foreign currency forward contracts is determined using the fair value reports provided by respective bankers. Fair value of interest rate swaps is determined with respect to current market rate of interest.

- **Determining whether an arrangement contains a lease**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

4. Measurement of fair values

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

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

6. Significant accounting policies

A. Revenue

i. Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit or loss.

B. Income Tax

Income tax expense comprises current and deferred tax. It is recognized on net profit in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and



GODVET AGROCHEM LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

C. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the statement of profit or loss.

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

An item of property, plant and equipment is derecognized upon disposal or when there is no future economic benefits expected from its use or disposal.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit or loss.

ii. Subsequent expenditure

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

iii. Depreciation/ Amortizations

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act, 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/deductions. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition.

D. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1st April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property 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.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

E. Non-current assets (or disposal groups) classified as held for sale:

The Company classifies any assets or disposal groups (comprising assets and liabilities) as "Asset / Disposal groups held for sale" they must be available for immediate sale and its sale must be highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets / Disposal groups held for sale" and "Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

F. 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 instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Any gain or losses arising from changes in the fair value of derivatives are recognized in the statement of profit and loss.

i. Financial assets

Classification

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

- Where assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).
- A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: 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.

Initial recognition & measurement

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not recorded at fair value through the Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset except for trade receivables which are initially measured at transaction price.

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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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

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:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade 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. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through the Statement of Profit and Loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amortised cost 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 amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

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

G. Provisions and contingent liabilities

Provisions are recognized in accordance with Ind AS 37 – Provisions, Contingent liabilities and Commitments, when there is 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.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the projected obligation declines as a result of a change in the estimate, the provision is reversed by the corresponding amount and the resulting income recognized in the expenses in which the original charge was recognized.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognized but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to counterparties for completion of assets.



GODVET AGROCHEM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

H. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

I. Cash and cash equivalents

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

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

J. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company



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uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and awards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term.



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Note No. 2: Investment Properties

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Land (Refer Note No. 2.1)	1,667.48	1,667.48
Total	1,667.48	1,667.48

Note No. 2.1 : Fair Valuation of Investment Property

The Company's investment property consist of freehold land in India.

As at March 31, 2023, the fair value of the properties are INR 2,842 lakh (previous year INR 2,707 lakh). These valuations are based on valuations performed by an accredited independent valuer. The fair value of the investment property is based on the reports from the registered valuer. Valuation is done based on prevailing local market rate. Local enquiry was made for similar nature plots and lowest value from enquiry is adopted for valuation purpose. No recent sale transaction details are available and hence Local enquiry is relied upon.

Note No. 2.2

The title deeds of the immovable properties are held in the name of the Company.

Note No. 2.3

The Company has not revalued its Investment property; hence the related disclosures are not applicable.

Note No. 2.4 : Reconciliation of the carrying amount of investment property at the beginning and end of the year

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance of Investment Property	1,667.48	1,667.48
Add / (Less) : Addition / (Deletions) to Investment Property	-	-
Closing Balance of Investment Property	1,667.48	1,667.48

Note No. 3: Non-Current Loans

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and Considered Good (unless otherwise stated)		
Loans and Advances - Others		
(i) Inter Corporate Deposits (Refer note 3.1)	307.00	-
Total	307.00	

Note 3.1: Inter Corporate deposits is repayable on June 30, 2024 carrying interest rate of Repo + 3% i.e. 9.50% p.a.

Note No. 4 : Other non-current financial assets

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	0.56	0.56
Total	0.56	0.56

Note No. 5: Deferred Tax Assets (net)

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax assets	169.56	146.25
Total	169.56	146.25

Note No. 6: Other Non-Current Assets

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and Considered Good		
Capital Advances	2.50	2.50
Total	2.50	2.50



GODVET AGROCHEM LIMITED
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Note No. 7: Cash & Cash Equivalents

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks Current Account	5.06	0.52
Total	5.06	0.52

Note No. 8: Other Financial Assets

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Interest Accrued on Inter-Corporate Deposits	0.07	-
(b) Non-Trade Receivables	-	10.50
Total	0.07	10.50

Note No. 9: Equity Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Authorised Share Capital		
(i) 1,05,00,000 (P.Y. 1,05,00,000) Equity Shares of Rs. 10/- each	1,050.00	1,050.00
Total	1,050.00	1,050.00
(b) Issued, Subscribed and Paid-up Share Capital		
(i) 99,50,000 (P.Y. 99,50,000) Equity Shares of Rs. 10/- each	995.00	995.00
Total	995.00	995.00
(c) Reconciliation of number of Shares Outstanding		
<u>Equity Shares</u>		
At the beginning of the year: 99,50,000 shares of Rs.10/- each	99,50,000	99,50,000
Issued during the year:	-	-
At the end of the year: 99,50,000 shares of Rs.10/- each	99,50,000	99,50,000
(d) Shareholders holding more than 5% shares in the Company is set out below:		
(i) <u>Equity Shares</u>		
Godrej Agrovet Limited (the Holding Company) and its nominee - 99,50,000 (P.Y. 99,50,000) Equity Shares of Rs.10/- each	100%	100%
(e) Details of shares held by promoters		
<u>Equity Shares</u>		
Godrej Agrovet Limited (the Holding Company) and its nominee - 99,50,000 (P.Y. 99,50,000) Equity Shares of Rs.10/- each	100%	100%
There is no change in the shares held by promoters during the financial year 2022-23 and 2021-22.		
(f) Rights, preferences and restrictions attached to Equity shares:		
The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. All equity shareholders are eligible to receive dividends in proportion to their shareholdings. The dividend proposed by the Board of Directors are subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.		



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Note No. 10: Other Equity

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Reserves and Surplus		
(i) Retained Earnings		
Opening Balance	687.26	578.75
Add: Net Profit for the year	92.49	108.51
Closing Balance	779.75	687.26
Total	779.75	687.26

Note No. 11 : Other non-current liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance lease rentals	218.46	-
Total	218.46	-

Note No. 12: Current Financial Liability - Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
(i) Inter corporate deposit from holding company (Refer Note No. 12.1)	62.43	98.62
Total	62.43	98.62

Note No. 12.1: Inter Corporate Deposit taken from holding company is repayable on demand, carrying interest rate of 7.25% p.a.

Note No. 13: Other Financial Liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Trade Payables	6.69	28.84
(b) Other Financial Liabilities		
(i) Other Liabilities	1.68	1.06
Total	8.37	29.90

Note No. 14: Other Current Liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory Liabilities	2.07	1.99
(b) Advance lease rentals	125.99	-
Total	128.06	1.99



GODVET AGROCHEM LIMITED
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Note No. 15: Other Income

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Rent Income	125.98	125.98
(b) Interest on Inter corporate deposits	0.08	-
Total	126.06	125.98

Note No. 16: Finance Costs

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest Expense		
(i) on Inter Corporate Deposit	7.57	10.05
(ii) on Others	0.01	-
Total	7.58	10.05

Note No. 17: Other Expenses

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Rates and Taxes	0.02	0.03
(b) Auditor's Remuneration - Audit Fees	0.75	0.75
(c) Auditor's Remuneration - Tax Consultancy	0.45	0.80
(d) Commission	7.00	-
(e) Sundry balances Written Off	10.50	-
(f) Miscellaneous Expenses	1.06	0.50
Total	19.78	2.08

Note No. 18: Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Calculation of weighted average number of equity shares - Basic & Diluted		
(i) Number of shares at the beginning of the year	99,50,000	99,50,000
(ii) Number of equity shares outstanding at the end of the year	99,50,000	99,50,000
Weighted average number of equity shares outstanding during the year	99,50,000	99,50,000
(b) Profit attributable to ordinary shareholders (Basic/Diluted)		
Profit for the year, attributable to the owners of the Company	92.49	108.51
Profit for the year, attributable to ordinary shareholders	92.49	108.51
(c) Basic & Diluted Earnings per share (Rs.)	0.93	1.09
(d) Nominal Value of Shares (Rs.)	10.00	10.00





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Note 19: Financial instruments – Fair values and risk management
Note 19.1 Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2023	Note	Carrying amount			Fair value				
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I Financial assets									
Non-current Financial Assets									
(a) Long-term loans and advances		-	-	307.00	307.00	-	-	-	-
(b) Other Non-current financial assets		-	-	0.56	0.56	-	-	-	-
Current Financial Assets									
(a) Cash and cash equivalents		-	-	5.06	5.06	-	-	-	-
(b) Other current financial assets		-	-	0.07	0.07	-	-	-	-
II Financial liabilities									
Current Financial liabilities									
(a) Short term borrowings		-	-	62.43	62.43	-	-	-	-
(b) Other financial liabilities		-	-	8.37	8.37	-	-	-	-
		-	-	70.80	70.80	-	-	-	-

March 31, 2022	Note	Carrying amount			Fair value				
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I Financial assets									
Non-current Financial Assets									
(a) Other non-current financial assets		-	-	0.56	0.56	-	-	-	-
Current Financial Assets									
(a) Cash and cash equivalents		-	-	0.52	0.52	-	-	-	-
(b) Other current financial assets		-	-	10.50	10.50	-	-	-	-
		-	-	11.58	11.58	-	-	-	-
II Financial liabilities									
Current Financial liabilities									
(a) Short term borrowings		-	-	98.62	98.62	-	-	-	-
(b) Other financial liabilities		-	-	29.90	29.90	-	-	-	-
		-	-	128.52	128.52	-	-	-	-

Financial risk management

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

- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Management is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.



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Financial instruments – Fair values and risk management (continued)

Note 19.2: Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2023	Carrying amount	Contractual cash flows					More than 5 years
		Total	0-6 months	6-12 months	1-2 years	2-5 years	
Rs. in lakhs							
Non-derivative financial liabilities							
Current, non derivative financial liabilities							
Inter Corporate Deposit	62.43	62.43					
Other current financial liabilities	8.37	8.37					
Total	70.80	70.80					
March 31, 2022	Carrying amount	Contractual cash flows					More than 5 years
		Total	0-6 months	6-12 months	1-2 years	2-5 years	
Rs. in lakhs							
Non-derivative financial liabilities							
Current, non derivative financial liabilities							
Inter Corporate Deposit	98.62	98.62	98.62				
Other current financial liabilities	29.90	29.90	29.90				
Total	128.52	128.52	128.52				



GODVET AGROCHEM LIMITED
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Financial instruments – Fair values and risk management (continued)

Note 19.3: Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	Rs. in lakhs	
	As at March 31, 2023	As at March 31, 2022
Variable Rate Instruments		
Financial assets		
Long term Loans and Advances		
Inter Corporate Deposits	307.00	-
Total	307.00	-
Fixed Rate Instruments		
Financial liabilities		
Short term borrowings		
Inter Corporate Deposits	62.43	98.62
Total	62.43	98.62

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	(Rs. in lakhs)			
	Profit or (loss) and Equity (net of tax)		Profit or (loss) and Equity (net of tax)	
	March 31, 2023		March 31, 2022	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Variable rate instruments				
Cash flow sensitivity (net)	2.30	(2.30)	-	-
Total	2.30	(2.30)	-	-



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Note 20: Tax expense

(a) Amounts recognised in profit and loss

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax	29.52	31.98
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(23.31)	(26.64)
Deferred tax expense	(23.31)	(26.64)
Tax expense for the year	6.21	5.34

(b) Reconciliation of effective tax rate

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	98.70	113.85
Company's domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	24.84	28.66
Tax effect of:		
Expense not allowed for tax purposes	4.68	0.14
Others	(23.31)	(23.46)
	6.21	5.34



GODVET AGROCHEM LIMITED
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Note 21: Movement in deferred tax balances

Movement in deferred tax balances for the year ended March 31, 2023

(Rs. in lakhs)

Particulars	March 31, 2023				
	Net balance April 1, 2022	Recognised in profit or loss	Deferred tax asset	Deferred tax liability	Net balance March 31, 2023
Deferred tax asset / (liabilities)					
Investment Property	146.25	23.31	169.56	-	169.56
Tax assets / (liabilities)	146.25	23.31	169.56	-	169.56

Movement in deferred tax balances for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	March 31, 2022				
	Net balance April 1, 2021	Recognised in profit or loss	Deferred tax asset	Deferred tax liability	Net balance March 31, 2022
Deferred tax asset / (liabilities)					
Investment Property	119.61	26.64	146.25	-	146.25
Tax assets / (liabilities)	119.61	26.64	146.25	-	146.25

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.

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



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Note 22: Capital Management

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at March 31, 2023 was as follows:

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Total Borrowings	62.43	98.62
Less : Cash and cash equivalent	5.06	0.52
Adjusted net debt	57.37	98.10
Equity	1,774.75	1,682.26
Adjusted net debt to equity ratio	0.03	0.06

Note 23: Commitments

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for.	165.66	165.66

Note 24 : Lease

The Company's leasing arrangements are in respect of operating leases for the lands belongs to the Company. These leasing arrangements are renewable on a periodic basis by mutual consent on mutually acceptable terms.

Undiscounted lease payments to be received for non-cancellable operating leases

(Rs. in lakhs)

31-Mar-23

Year 1	-
Year 2 to 5	-
Later than 5 years	-
Total	-

Note 25 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

Note 26: MSME Disclosure

Under the Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), which came in to force from October 2, 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

Particulars	As at March 31, 2023	As at March 31, 2022
A Principal amount remaining unpaid	-	-
B Interest due thereon	-	-
C Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
D Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E Interest accrued and remaining unpaid	-	-
F Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-



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Note No. 27: Related Party Disclosures

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, the required disclosures are given below:

		GODVET AGROCHEM LIMITED
(a)	(i)	Key Management Personnel
		Mr. S. Varadaraj (Director)
		Mr. P. J. Bhat (Director)
(b)	(i)	Holding companies
		Godrej Agrovet Limited (Holding company)
	(ii)	Fellow Subsidiary Companies
		Astec LifeSciences Limited
		Creamline Dairy Products Limited
(iii)	Other Related Parties	Godrej Tyson Foods Limited.
		Godrej Maxximilk Private Limited.
		ACI Godrej Agrovet Private Limited, Bangladesh
		Omnivore India Capital Trust
		Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE)



GODVET AGROCHEM LIMITED
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Note 27: Related Party Disclosures

Related party disclosures as required by Ind AS - 24, "Related Party Disclosures", are given below

The following transactions were carried out with the related parties in the ordinary course of business :

(Figures in brackets & italics represent previous year amounts)

(Rs. in lakhs)

Sr. No.	Nature of Transactions	Holding Companies (i)	Other related Parties (ii)
1	Inter Corporate Deposit Taken	10.00	-
		-	-
2	Inter Corporate Deposit Returned / Repaid	43.10	-
		(86.50)	-
3	Rent Received	125.98	-
		(125.98)	-
4	Expenses charged by / reimbursement made to other companies	62.60	-
		(108.83)	-
5	Interest Expense on Inter Corporate deposit	7.57	-
		(10.05)	-
6	Inter Corporate Deposit Outstanding (including interest accrued)	62.43	-
		(98.62)	-
7	Advance lease rentals	344.44	-
		-	-
8	Outstanding Advance Lease Rentals	344.44	-
		-	-
9	Outstanding Payables (net of receivables)	6.69	-
		(28.84)	-



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Related Party Disclosures (Contd.)

Related party disclosures as required by Ind AS - 24, "Related Party Disclosures", are given below

Significant Related Party Transactions :

(Rs. in lakhs)

Sr. No.	Nature of Transaction	Current Period	Previous Year
1	<u>Inter Corporate Deposit Taken</u> Godrej Agrovet Limited	10.00	-
2	<u>Inter Corporate Deposit Returned / Repaid</u> Godrej Agrovet Limited	43.10	86.50
3	<u>Rent Received</u> Godrej Agrovet Limited	125.98	125.98
4	<u>Expenses charged by / reimbursement made to other companies</u> Godrej Agrovet Limited	62.60	108.83
5	<u>Interest Expense on Inter Corporate deposit</u> Godrej Agrovet Limited	7.57	10.05
6	<u>Inter Corporate Deposit Outstanding (including interest payable)</u> Godrej Agrovet Limited	62.43	98.62
7	<u>Advance Lease Rentals</u> Godrej Agrovet Limited	344.44	-
8	<u>Outstanding Advance Lease Rentals</u> Godrej Agrovet Limited	344.44	-
9	<u>Outstanding Payables (net of receivables)</u> Godrej Agrovet Limited	6.69	28.84



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Note 28 : Ratios Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reasons for variance
Current Ratio (in times)	Current Assets	Current Liabilities	0.23	0.08	198.7%	Primarily due to reduction in repayment of current borrowings, non-trade payables and current tax liabilities and advance lease rentals.
Debt-Equity Ratio (in times)	Total Debt	Total Equity	0.04	0.06	-40.0%	On account of reduction in short term borrowings.
Debt Service Coverage Ratio	Earnings available for Debt Service*	Debt Service**	13.21	11.80	12.0%	
Return on Equity Ratio	Net profit after tax - preference Dividend	Average shareholder's equity = (Opening + Closing total equity) / 2	0.05	0.07	-27.2%	Mainly on account of sundry balances written off in the current financial year.
Inventory Turnover Ratio	Net sales	Average Inventory = (Opening + Closing inventory) / 2	0.00	0.00	0.0%	
Trade Receivable Turnover Ratio	Net sales	Average trade receivables = (Opening + Closing Trade receivables) / 2	0.00	0.00	0.0%	
Trade Payable Turnover Ratio	Net purchases	Average trade payables = (Opening + Closing Trade payables) / 2	0.00	0.00	0.0%	
Net Capital Turnover Ratio	Net sales	Working capital = Current Assets - Current Liabilities	0.00	0.00	0.0%	
Net Profit Ratio	Net profit after tax	Net sales	0.00	0.00	0.0%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed***	0.06	0.07	-16.9%	

*Net profit after taxes+Depreciation and amortizations+Interest Cost+Loss on Sale of Investments

**Interest & Lease payments+Principal repayments

***Total Debt, Total Equity and Deferred Tax Liability

