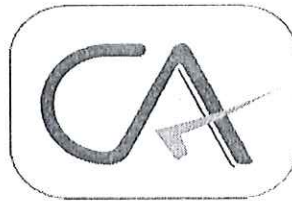


SHIVA PHARMACHEM LIMITED

STANDALONE FINANCIAL STATEMENTS

F.Y. 2022-23



talati & talati Up
Chartered Accountants

1006, Ocean, Sarabhai Road,
Nr. Genda Circle,
Vadodara-390023

Phone. no.(265) 2355053/73
e-mail: baroda@talatiandtalati.com

SHIVA PHARMACHEM LIMITED
Balance sheet as at 31st March,2023

Amount in Lakhs

| Particulars | Note No | As at 31st March 2023 | As at 31st March, 2022 |
|---|---------|--------------------------|---------------------------|
| I ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 2a | 16,895.67 | 16,733.42 |
| (b) Capital work - in - progress | 2b | 8,400.73 | 4,027.70 |
| (c) Intangible assets | 3 | 6.83 | 6.94 |
| (d) Right of Use Assets | 4a | 1,051.93 | 1,093.46 |
| (e) Investment Property | 4b | 18.11 | - |
| (f) Financial assets | | | |
| (i) Investments | 5 | 5,741.57 | 4,099.37 |
| (ii) Others financial assets | 6 | 116.09 | 525.49 |
| (g) Deferred tax assets (net) | 7 | 247.56 | 112.63 |
| (h) Other non - current assets | 8 | 167.51 | 306.12 |
| Total Non-current assets | | 32,645.98 | 26,905.13 |
| 2 Current assets | | | |
| (a) Inventories | 9 | 10,265.46 | 10,834.10 |
| (b) Financial assets | | | |
| (i) Trade receivables | 10 | 27,386.55 | 23,412.17 |
| (ii) Cash and cash equivalents | 11 | 704.15 | 464.00 |
| (iii) Bank Balances other than (ii) above | 12 | 38.33 | 36.60 |
| (iv) Loans | 13 | 73.18 | 36.48 |
| (c) Other current assets | 14 | 8,061.71 | 8,274.38 |
| Total Current assets | | 46,529.39 | 43,057.73 |
| TOTAL ASSETS | | 79,175.37 | 69,962.86 |
| II EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| a) Equity share capital | 15a | 2,124.06 | 708.02 |
| b) Instruments Entirely Equity In Nature | 15b | - | - |
| c) Other equity | 15c | 43,090.41 | 35,628.60 |
| Total Equity | | 45,214.47 | 36,336.62 |
| 2 Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16a | 938.18 | 3,448.89 |
| (ii) Lease Liabilities | 16b | 21.22 | 10.85 |
| (iii) Other financial liabilities | 16c | - | 550.00 |
| (b) Long Term Provisions | 17 | 910.67 | 807.52 |
| (c) Other non-current liabilities | 18 | 26.50 | 365.60 |
| Total Non- current liabilities | | 1,896.58 | 5,182.86 |



SHIVA PHARMACHEM LIMITED
Balance sheet as at 31st March,2023

Amount in Lakhs

| Particulars | Note No | As at 31st March 2023 | As at 31st March, 2022 |
|--|---------|--------------------------|---------------------------|
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 19,875.83 | 15,661.53 |
| (ii) Lease Liabilities | 20 | 0.47 | 0.22 |
| (iii) Trade payables | | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | 21 | 732.47 | 756.92 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 21 | 5,724.53 | 7,662.95 |
| (b) Short Term Provisions | 22 | 2,055.79 | 1,588.99 |
| (c) Liability for current tax (Net) | 23 | 3,540.00 | 2,600.00 |
| (d) Other current liabilities | 24 | 135.23 | 172.76 |
| Total Current Liabilities | | 32,064.32 | 28,443.38 |
| TOTAL EQUITY AND LIABILITIES | | 79,175.37 | 69,962.86 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | 0.00 | 0.00 |

The accompanying notes are an integral part of these Ind AS Standalone Financial Statements

As per our Report of even date
For, Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W/00377

CA, Manish Baxi
Partner
Membership no. 045011
Place : Vadodara
Date : 14/08/2023



For and on behalf of Board of Directors

Rakesh Agrawal
Chairman
DIN:00057955
Place: Vadodara
Date : 14/08/2023

Anil Inani
Chief Financial Officer
Place: Vadodara
Date : 14/08/2023

Tarang Maru
Company Secretary
Place: Vadodara
Date : 14/08/2023

SHIVA PHARMACHEM LIMITED
Statement of Profit & Loss for period ended 31st March, 2023

Amount in Lakhs

| Particulars | Note No | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|---------|--------------------------------|--------------------------------|
| CONTINUING OPERATIONS | | | |
| I INCOME | | | |
| Revenue from operations | 25 | 76,169.97 | 70,861.21 |
| Other income | 26 | 1,298.08 | 1,268.48 |
| Total Income | | 77,468.05 | 72,129.69 |
| II EXPENSES | | | |
| Cost of materials consumed | 27 | 37,483.45 | 35,886.69 |
| Purchases of Traded Goods | 28 | 400.17 | 2,140.99 |
| Changes in inventories of finished goods and work-in progress | 29 | 578.56 | (464.71) |
| Employee benefits expense | 30 | 6,802.52 | 6,548.22 |
| Finance costs | 31 | 910.07 | 573.16 |
| Depreciation and amortization expense | 32 | 3,548.31 | 3,732.16 |
| Other expenses | 33 | 15,420.02 | 13,647.91 |
| Total expenses | | 65,143.11 | 62,064.42 |
| III Profit / (loss) before exceptional Items and tax | | 12,324.94 | 10,065.27 |
| IV Exceptional Item | | | |
| V Profit / (loss) before tax | | 12,324.94 | 10,065.27 |
| VI Tax expense | | | |
| Current tax | 34 | 3,540.00 | 2,600.00 |
| Deferred tax charge/(credit) | 34 | (116.74) | 30.59 |
| Tax in respect of earlier years | | (10.02) | (36.67) |
| VII Profit/(Loss) for the year from continuing operations | | 8,911.70 | 7,471.35 |
| VIII Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurements of net defined benefit plans | | (52.04) | (51.57) |
| Income tax relating to above items | | 18.19 | 18.02 |
| Other comprehensive income for Period | | (33.86) | (33.55) |
| IX Total Comprehensive Income for Period | | 8,877.85 | 7,437.80 |
| X Earnings per equity share of Rs.2 each: | 35 | | |
| Basic & Diluted (In Rs.) | | 8.39 | 7.03 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |

The accompanying notes are an integral part of these Ind AS Standalone Financial Statements

As per our Report of even date

For, Talati & Talati LLP

Chartered Accountants

FRN: 110758W/W100377



CA. Manish Baxi
Partner

Membership no. 045011

Place : Vadodara

Date : 14/08/2023



For and on behalf of Board of Directors



Rakesh Agrawal
Chairman
DIN:00057955

Place: Vadodara
Date : 14/08/2023



Anil Inani
Chief Financial Officer

Place: Vadodara
Date : 14/08/2023



Tarang Maru
Company Secretary

Place: Vadodara
Date : 14/08/2023

SHIVA PHARMACHEM LIMITED
Cashflow for the period ended 31st March, 2023

Amount in Lakhs

| Particulars | Amount | Year ended 31st March, 2023 | Amount | Year ended 31st March, 2022 |
|--|------------|--------------------------------|------------|--------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| Profit before exceptional Items and tax as per statement of profit and Adjustments for: | | 12,324.94 | | 10,065.27 |
| Depreciation and amortization expenses | 3,548.31 | | 3,732.16 | |
| Finance cost | 910.07 | | 573.16 | |
| Adjustment for Expected Credit Loss | 5.77 | | - | |
| Dividend income | - | | (0.00) | |
| Interest income | (5.83) | | (87.35) | |
| Remeasurements of net defined benefit plans | (52.04) | | (51.57) | |
| Gain on sale of Investment | (400.31) | | - | |
| (Profit)/ loss on sale of fixed assets (net) | (4.64) | | (8.38) | |
| | | 4,001.33 | | 4,158.00 |
| Operating profit before working capital changes | | 16,326.27 | | 14,223.28 |
| Adjustments for (Increase)/decrease for: | | | | |
| Trade & other receivables | (3,980.15) | | (9,172.81) | |
| Inventories | 568.64 | | (3,432.86) | |
| Other Financial Assets | 409.40 | | (7.96) | |
| Other Non Current Assets | 138.62 | | (50.09) | |
| Bank Balance | (1.73) | | 180.37 | |
| Short Term Loans | (36.70) | | (4.47) | |
| Other Current Assets | 212.67 | | (2,813.79) | |
| Other financial liabilities | (550.00) | | | |
| Lease Liability | 10.37 | | (0.22) | |
| Long Term Provisions | 103.15 | | 94.31 | |
| Other Non Current Liability | (339.10) | | 31.93 | |
| Short Term Lease Liability | 0.25 | | 0.02 | |
| Creditors | (1,962.88) | | 2,718.71 | |
| Short Term Provisions | 466.80 | | (16.97) | |
| Other Current Liabilities | (37.54) | | 29.74 | |
| Less: Direct taxes paid (net of refunds) | (2,589.98) | | (1,789.02) | |
| | | (7,588.17) | | (14,233.10) |
| Net cash flows (used in)/ generated from operating activities after exceptional items (I) | | 8,738.11 | | (9.83) |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| Inflows | | | | |
| Sale proceeds of property, plant and equipment | 12.42 | | 21.37 | |
| Sale proceeds of Investments | (1,241.89) | | - | |
| Interest received | 5.83 | | 87.35 | |
| Dividend received from subsidiaries, joint venture and associates | - | | - | |
| Dividend received from others | - | | 0.00 | |
| Outflows | | | | |
| Purchase of property, plant and equipment/ intangible assets | (8,067.83) | | (4,748.61) | |
| Purchase of investments (net) | - | | (90.08) | |
| Net cash (used in) / generated from investing activities (II) | | (9,291.48) | | (4,729.96) |



SHIVA PHARMACHEM LIMITED
Cashflow for the period ended 31st March, 2023

Amount in Lakhs

| Particulars | Amount | Year ended 31st March, 2023 | Amount | Year ended 31st March, 2022 |
|---|------------|--------------------------------|------------|--------------------------------|
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Outflows | | | | |
| Long term borrowings-Receveied/(Repaid) | (2,510.70) | | (1,585.31) | |
| Short term borrowings-Receveied/(Repaid) | 4,214.30 | | 5,803.30 | |
| Interest paid | (910.07) | | (573.16) | |
| Net cash (used in) / generated from financing activities (III) | | 793.52 | | 3,644.83 |
| NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (I+II+III) | | 240.15 | | (1,094.96) |
| Add : Cash and cash equivalence at beginning of the period | | 464.00 | | 1,558.96 |
| Cash and cash equivalence at end of the period | | 704.15 | | 464.00 |
| Cash and Cash equivalent as per above comprises of the following: | | 704.15 | | 464.00 |
| Cash and Cash Equivalent (Refer Note 11) | | 704.15 | | 464.00 |
| Bank Overdrafts (Refer Note 12) | | 38.33 | | 36.60 |
| Balances as per statement of Cash Flows | | 742.48 | | 500.60 |

The accompanying notes are an integral part of these Ind AS Financial Statements

Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cashflows from operating, investing and financing activities of the company are segregated based on the available information.

2 Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year.

As per our Report of even date

For, Talati & Talati LLP

Chartered Accountants

FRN: 110758W/W100377



CA. Manish Baxi

Partner

Membership no. 045011

Place : Vadodara

Date : 14/08/2023



For and on behalf of Board of Directors



Rakesh Agrawal

Chairman

DIN:00057955

Place : Vadodara

Date : 14/08/2023



Anil Inani

Chief Financial Officer

Place : Vadodara

Date : 14/08/2023



Tarang Maru

Company Secretary

Place :Vadodara

Date : 14/08/2023

Note-2a PROPERTY, PLANT & EQUIPMENTS

As on 31st March 2023

| Sr.No | Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | | |
|-------|----------------------------|------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------|------------------|----------------------------|---------------------------------|---------------------------------|------------------|------------------|------------------|
| | | As on 01.04.2022 | Additions during the year 22-23 | Reduction during the year 22-23 | Transfer to Investment Property | Balance as on 31-03-2023 | As on 01.04.2022 | Depreciation in FY 2022-23 | Reduction during the year 22-23 | Transfer to Investment Property | Total 31-03-2023 | As on 31-03-2023 | As on 31.03.2022 |
| 1 | Land | | | | | | | | | | | | |
| | Owned | 36.96 | | | | 36.96 | | | | | | 36.96 | 36.96 |
| 2 | Factory Building | 5,536.75 | 210.93 | | | 5,747.68 | 2,487.05 | 305.46 | | 2,792.51 | 3,452.62 | 3,049.70 | 3,049.70 |
| 3 | Office Building | 274.78 | | | 23.37 | 251.41 | 107.11 | 7.29 | | 110.33 | 117.62 | 167.67 | 167.67 |
| 5 | Plant & Machinery | 25,396.28 | 2,599.87 | | | 27,996.15 | 14,407.40 | 2,595.13 | | 17,002.54 | 16,556.80 | 10,988.87 | 10,988.87 |
| 6 | Plant Pipe Lines | 792.00 | | | | 792.00 | 741.09 | 11.31 | | 752.40 | 39.60 | 50.91 | 50.91 |
| 7 | R & D Equipments | 218.93 | | | | 218.93 | 188.06 | 6.70 | | 194.76 | 161.67 | 30.87 | 30.87 |
| 8 | Lab Equipments | 213.93 | | | | 213.93 | 86.23 | 33.41 | | 119.64 | 108.47 | 127.70 | 127.70 |
| 9 | Electrical Installations | 811.34 | | | | 811.34 | 603.95 | 54.96 | | 658.91 | 167.64 | 207.39 | 207.39 |
| 10 | EHS Equipments | 80.60 | | | | 80.60 | 62.50 | 5.60 | | 68.10 | 47.45 | 18.10 | 18.10 |
| 11 | Furniture | 665.23 | 37.50 | | | 702.72 | 505.61 | 41.80 | | 547.41 | 528.09 | 159.61 | 159.61 |
| 12 | Air Conditions | 194.47 | 3.16 | | | 197.63 | 147.84 | 11.41 | | 159.25 | 147.24 | 46.63 | 46.63 |
| 13 | Computers | 137.36 | 16.00 | | | 153.37 | 126.50 | 7.65 | | 134.15 | 124.52 | 10.86 | 10.86 |
| 14 | Vehicles | 1,159.39 | 363.14 | 37.34 | | 1,485.19 | 848.24 | 156.46 | 29.57 | 975.14 | 1,142.52 | 311.15 | 311.15 |
| 15 | Office Equipments | 180.58 | 108.18 | | | 288.76 | 144.03 | 23.56 | | 167.59 | 157.62 | 36.55 | 36.55 |
| 16 | Pollution Control Measures | 179.06 | | | | 179.06 | 66.03 | 35.14 | | 101.17 | 92.54 | 113.03 | 113.03 |
| 17 | ISO Tanks | 3,950.00 | 109.99 | | | 4,059.99 | 2,572.60 | 198.52 | | 2,771.12 | 2,849.22 | 1,377.40 | 1,377.40 |
| | Total | 39,827.66 | 3,448.77 | 37.34 | 23.37 | 43,215.72 | 23,094.24 | 3,494.41 | 29.57 | 26,555.01 | 25,730.59 | 16,733.42 | 16,733.42 |

Note:

The Company has classified certain Property, Plant & Equipment as Investment Property during the year due to change in use by the Company (Refer Note 4b)

The title deeds of immovable properties which are not held in the name of the Company are as indicated below:

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Property held since which date | Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of company** | Reason for not being held in the name of the company** |
|---|---------------------------------|----------------------|---------------------------------|--------------------------------|---|--|
| Property Plant & Equipments | Land Building | - | - | - | - | - |
| Investment property - | Land Building | - | - | - | - | - |
| PPE retired from active use and held for disposal - | Land Building | - | - | - | - | - |



Note-2b CAPITAL WORK IN PROGRESS

As on 31st March 2023

| Sr. | Particulars | Gross Block | | | | Accumulated Depreciation | | | Net Block | | |
|-----|---------------------------|------------------|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|------------------|------------------|
| | | As on 01.04.2022 | Additions till 31-03-2023 | Reduction till 31-03-2023 | Balance as on 31-03-2023 | As on 01.04.2022 | Additions till 31-03-2023 | Reduction till 31-03-2023 | Balance as on 31-03-2023 | As on 31.03.2023 | As on 31.03.2022 |
| 1 | CWIP ISO Tanks | 0.00 | - | - | 0.00 | - | - | - | 0.00 | 0.00 | - |
| 2 | CWIP Plant & Machinery | 2,591.59 | 6,272.99 | 3,009.78 | 5,854.79 | - | - | - | 5,854.79 | 2,591.59 | - |
| 3 | CWIP Factory Building | 1,219.79 | 1,286.89 | 265.15 | 2,241.53 | - | - | - | 2,241.53 | 1,219.79 | - |
| 4 | CWIP Furniture & Fixtures | 216.32 | 88.08 | - | 304.40 | - | - | - | 304.40 | 216.32 | - |
| 5 | CWIP Interest | - | - | - | - | - | - | - | - | - | - |
| | Total | 4,027.70 | 7,647.96 | 3,274.93 | 8,400.73 | - | - | - | 8,400.73 | 4,027.70 | - |

As on 31st March 2023

| Particulars | Amount in Lakhs | | | |
|---------------------------|------------------|-----------------|--------------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| CWIP Plant & Machinery | 5,179.41 | 675.39 | - | 5,854.79 |
| CWIP Factory Building | 1,157.91 | 1,034.23 | 49.38 | 2,241.53 |
| CWIP Furniture & Fixtures | 88.08 | 216.32 | - | 304.40 |
| Total | 6,425.41 | 1,925.94 | 49.38 | 8,400.73 |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for the period ended 31st March, 2023

Note 3 - INTANGIBLE ASSETS

| Amount in Lakhs | |
|---------------------------------------|---------------|
| Particulars | Amount |
| Gross carrying amount | |
| Balance as at 1st April, 2021 | 160.85 |
| Additions during the year | - |
| Disposals during the year | - |
| Balance as at 31st March, 2022 | 160.85 |
| Additions during the Period | - |
| Disposals during the Period | - |
| Balance as at 31st March 2023 | 160.85 |
| Accumulated amortisation | |
| Balance as at 1st April, 2021 | 153.65 |
| Additions during the year | 0.26 |
| Disposals during the year | - |
| Balance as at 31st March, 2022 | 153.91 |
| Additions during the Period | 0.11 |
| Disposals during the Period | - |
| Balance as at 31st March, 2023 | 154.02 |
| Net carrying amount | |
| Balance as at 31st March, 2021 | 7.20 |
| Balance as at 31st March, 2022 | 6.94 |
| Balance as at 31st March, 2023 | 6.83 |

Note 4a - RIGHT OF USE ASSET

| Amount in Lakhs | |
|---------------------------------------|-----------------|
| Particulars | Amount |
| Gross Carrying amount | |
| Balance as at 1st April, 2021 | 1,316.47 |
| Additions during the year | - |
| Disposals during the year | - |
| Balance as at 31st March, 2022 | 1,316.47 |
| Additions during the year | 11.07 |
| Disposals during the year | - |
| Balance as at 31st March, 2023 | 1,327.54 |
| Accumulated Depreciation | |
| Balance as at 1st April, 2021 | 170.94 |
| Additions during the year | 52.07 |
| Disposals during the year | - |
| Balance as at 31st March, 2022 | 223.01 |
| Additions during the Period | 52.60 |
| Disposals during the Period | - |
| Balance as at 31st March, 2023 | 275.61 |
| Net carrying amount | |
| Balance as at 31st March, 2021 | 1,145.53 |
| Balance as at 31st March, 2022 | 1,093.46 |
| Balance as at 31st March, 2023 | 1,051.93 |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for the period ended 31st March, 2023

Note 4b - INVESTMENT PROPERTY

Amount in Lakhs

| Particulars | Amount |
|---|--------|
| Gross Carrying amount | |
| Balance as at 1st April, 2021 | - |
| Transfer from Property, Plant & Equipment during the year | 23.37 |
| Balance as at 31st March, 2022 | 23.37 |
| Transfer from Property, Plant & Equipment during the period | - |
| Balance as at 31st March, 2023 | 23.37 |
| Accumulated Depreciation | |
| Balance as at 1st April, 2021 | - |
| Transfer from Property, Plant & Equipment during the year | - |
| Depreciation during the year | - |
| Balance as at 31st March, 2022 | - |
| Transfer from Property, Plant & Equipment during the period | 4.07 |
| Depreciation during the Period | 1.19 |
| Balance as at 31st March, 2023 | 5.26 |
| Net carrying amount | |
| Balance as at 31st March, 2022 | - |
| Balance as at 31st March, 2023 | 18.11 |

Information Regarding Income and Expenditure of Investment Property

Amount in Lakhs

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Rental Income from Investment Properties | 4.00 | - |
| Less: Direct Operating Expenses - generating Rental Income | - | - |
| Less: Depreciation on Investment Property | (1.19) | - |
| Profit/ (Loss) arising on the same | 2.81 | - |

Fair Value

Amount in Lakhs

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|-------------|--------------------------------|--------------------------------|
| Fair Value | 218.57 | - |

The fair value of investment property has been determined by external, independent registered property valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtained independent valuation for its investment properties and fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using market prevailing rates applicable to same location. Increase in market rate of property in same location would result in increase in fair value of investment property and vice versa.



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for the period ended 31st March 2023

Note 5 - FINANCIAL ASSETS - INVESTMENTS

Amount in Lakhs

| Particulars | As at 31st March ,2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | No. of Units | Amount | No. of Units | Amount |
| A. Investment in Subsidiaries, Associates & Joint Ventures | | | | |
| Unquoted | | | | |
| At Fair value through Other Comprehensive Income | | | | |
| i. Equity instruments at cost | | | | |
| SES Engineering Private Limited (50,000 Equity shares of Rs. 10 each fully paid up) | - | - | 50,000 | 5.00 |
| Shiva AG (1,00,000 Equity Shares of CHF 1/- each fully paid up) | 1,00,000 | 66.58 | 1,00,000 | 66.58 |
| Investment in KisChemicals Manufacturing & Mercantile Limited Liability Company (70% Quota) - | 55,20,66,666 | 4,071.06 | 55,20,66,666 | 2,422.86 |
| Sidhan Speciality Chemicals Private Limited (10,000 Equity Shares of Rs. 10/- each fully paid up) | - | - | 10,000 | 1.00 |
| Investment in Sisley Properties LLP | - | 1,171.48 | - | 1,171.48 |
| ii. Preference Shares | | | | |
| SES Engineering Private Limited (42,95,300 Preference Shares of Rs. 10 each at Amortised Cost:*) (Equity Component of Compound financial instruments) | 42,95,300 | 337.38 | 42,95,300 | 337.38 |
| *Balance amount in Note 6 | | | | |
| Total (A) | | 5,646.49 | | 4,004.29 |
| B. Other Equity Instruments | | | | |
| Unquoted | | | | |
| At Fair value through Other Comprehensive Income | | | | |
| Enviro Infrastructure Co. Limited (50,000 Equity shares of Rs. 10 each fully paid) | 50,000 | 5.00 | 50,000 | 5.00 |
| Total (B) | | 5.00 | | 5.00 |
| C. Preference Shares | | | | |
| Unquoted | | | | |
| At Fair value through Other Comprehensive Income | | | | |
| Onesto Labs Pvt Ltd (15,000 Preference Shares of Rs. 10 each fully paid at FVTPL) | 15,000 | 90.08 | 15,000 | 90.08 |
| Total (C) | 15,000 | 90.08 | | 90.08 |
| Non-current Investments total (A+B+C) | | 5,741.57 | - | 4,099.37 |
| (a) Aggregate book value of quoted investment | - | - | - | - |
| (b) Aggregate market value of quoted investment | - | - | - | - |
| (c) Aggregate amount of unquoted investment | - | 5,741.57 | - | 4,099.37 |
| (d) Aggergate amount of impairment in value of investment. | - | - | - | - |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 6 - OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | Amount in Lakhs | |
|---|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Financial Assets - Preference Shares | 107.49 | 99.53 |
| Add : Interest Income - Preference Shares | 8.60 | 7.96 |
| Total | 116.09 | 107.49 |
| Call option Agreement-Zull Patel | - | 209.00 |
| Call option Agreement-Gaurav Astik | - | 209.00 |
| Total | 116.09 | 525.49 |

Note 7 - DEFERRED TAX ASSET (NET)

| Particulars | Amount in Lakhs | |
|--------------------|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Deferred Tax Asset | 247.56 | 112.63 |
| Total | 247.56 | 112.63 |

Note 8 - OTHER NON-CURRENT ASSETS

| Particulars | Amount in Lakhs | |
|---------------------------------------|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Other Investments | | |
| Paintings & Art Works | 13.40 | 13.40 |
| Deposits Given | 154.10 | 136.94 |
| Capital Advances | | |
| Advances to Vendors for Capital Goods | - | 155.78 |
| Total | 167.51 | 306.12 |

Note 9 - INVENTORIES

| Particulars | Amount in Lakhs | |
|--|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Raw Materials | 5,486.05 | 5,905.30 |
| Work-in Progress | 2,505.18 | 3,048.47 |
| Finished goods (Other than those acquired for trading) | 368.02 | 404.64 |
| Packing Material | 129.47 | 111.69 |
| Stores and Spares | 718.64 | 704.85 |
| Stocks In Transit | 1,058.11 | 659.15 |
| Total | 10,265.46 | 10,834.10 |

- (a) Inventories are measured at lower of cost (Net of Input GST credit availed if any) or Net Realisable Value.
(b) Inventories are taken, valued and certified by the Management
(c) The above inventory includes goods in transit also.
(d) Inventories are hypothecated with the bankers against working capital limits.



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 10 - CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

| Particulars | Amount in Lakhs | |
|--|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Secured, Considered Good | 27,402.62 | 23,439.35 |
| Unsecured, Considered Good* | - | - |
| Significant increase in Credit Risk | - | - |
| Credit Impaired | - | - |
| Less: Provision for Expected Credit Loss Allowances | (16.07) | (27.18) |
| Total | 27,386.55 | 23,412.17 |
| * Includes receivable from related parties, in which director of the Company is a director or member | | |
| Shiva Pharmachem AG | 10,136.99 | 5,369.15 |
| Shiva Pharmachem International Inc | 5,668.11 | 3,107.16 |
| | 15,805.09 | 8,476.31 |

Note 11 - CASH AND CASH EQUIVALENTS

| Particulars | Amount in Lakhs | |
|--|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Cash on hand | - | - |
| Balances with Schedule Banks - In current accounts | 704.15 | 464.00 |
| Total | 704.15 | 464.00 |

Note 12 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | Amount in Lakhs | |
|---|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Bank balances other than cash and cash equivalents | | |
| (i) In other deposit Accounts | | |
| Margin Money Deposits - Original maturity more than 3 months but less than / equal to 12 months | 38.33 | 36.60 |
| Total | 38.33 | 36.60 |

Note 13: CURRENT FINANCIAL ASSETS

| Particulars | Amount in Lakhs | |
|-----------------------------------|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| (i) Loans & Advances to employees | | |
| Unsecured - considered good | | |
| Loans given | 51.20 | 32.91 |
| Advances given | 21.98 | 3.56 |
| Total | 73.18 | 36.48 |



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 14: OTHER CURRENT ASSETS

Amount in Lakhs

| Particulars | As at 31st March,2023 | As at 31st March, 2022 |
|--|--------------------------|---------------------------|
| Prepaid expenses | 132.72 | 132.04 |
| Insurance Claim Receivable | - | 87.26 |
| Other Receivable | 189.63 | - |
| Recovery for Empty Tank | 458.98 | - |
| Advances for Capital Goods | 304.59 | 401.92 |
| Receivable from Related party (Refer Note No.5 of additional Information) | 1,632.71 | 1,732.71 |
| Total | 2,718.63 | 2,353.93 |
| Advances to Suppliers | | |
| To Related Parties | - | 1,531.00 |
| To Others | 455.79 | 310.75 |
| Total | 455.79 | 1,841.75 |
| Balances with Government Authorities | | |
| Advance Income Tax & TDS | 3,791.55 | 3,144.01 |
| Custom Authorities | 56.52 | 74.47 |
| IGST Rebate | - | 7.22 |
| Export - Duty Draw Back Receivable | 12.41 | 18.05 |
| IGST Refund - DTA Unit | 970.14 | 800.79 |
| Customs Duty & IGST Refund - SEZ Unit | 56.67 | 34.15 |
| Total | 4,887.29 | 4,078.70 |
| Total | 8,061.71 | 8,274.38 |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for the period ended 31st March, 2023

Note 15a - EQUITY SHARE CAPITAL

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount In Lakhs | Number of shares | Amount In Lakhs |
| Authorised Share Capital Equity Shares of Rs.2 each (31st March 2022 Rs.10 each) | 11,00,00,000 | 2,200.00 | 1,35,00,000 | 1,350.00 |
| Note : As per the scheme of arrangement, the authorised share capital of the VR Finechem Pvt Ltd (Transferor Company) amounting to Rs. 550 Lakhs consisting of 55,00,000 Equity Shares of Rs. 10 each was consolidated with that of the Shiva Pharmachem Ltd (Transferee Company). The Authorised Equity Share Capital increased from the date of NCLT Order i.e. 26th September 2022 to Rs. 1350 Lakhs consisting of 1,35,00,000 Equity Shares of Rs. 10 each. Pursuant to the resolution passed by the board of directors of the Company and approval of the members at the Annual General Meeting of the Company held on 12th November 2022, the Authorised Equity Share Capital of the Company has been increased from Rs. 1350 Lakhs to Rs. 2200 Lakhs consisting of 11,00,00,000 Equity Shares of Rs. 2 each. Further, as per the resolution passed by the board of directors of the Company and approval of the members at the Extra Ordinary General Meeting held on 13th December 2022, each equity share of nominal face value of Rs. 10 each was sub-divided to 5 equity shares of Rs. 2 each, effective from the same date. The impact of split of shares has been accordingly considered for the Computation of Earnings Per Share as per the requirement of Ind AS 33. | | | | |
| Issued, subscribed and paid up Equity Shares of Rs.2 each (31st March 2022 Rs.10 each) | 10,62,03,000 | 2,124.06 | 70,80,200 | 708.02 |
| Total | 10,62,03,000 | 2,124.06 | 70,80,200 | 708.02 |

Notes:

a) Reconciliation of number of shares

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount In Lakhs | Number of shares | Amount In Lakhs |
| Equity Shares : | | | | |
| Balance as at the beginning of the period | 70,80,200 | 708.02 | 70,80,200 | 708.02 |
| Split of Shares (1) | 2,83,20,800 | - | - | - |
| Bonus shares issued during the period/year (2) | 7,08,02,000 | 1,416.04 | - | - |
| Balance as at the end of the period | 10,62,03,000 | 2,124.06 | 70,80,200 | 708.02 |

(1) As per the resolution passed by the board of directors of the Company and approval of the members at the Extra Ordinary General Meeting held on 13th December 2022, each equity share of nominal face value of Rs. 10 each was sub-divided to 5 equity shares of Rs. 2 each, effective from the same date.

(2) Pursuant to the resolution passed by the members in the Extra Ordinary General Meeting held on 13th December 2022, issuance of 2 bonus shares of face value Rs. 2/- each for every 1 existing fully paid-up equity share of face value Rs. 2/- was approved. Resolution for allotment of these shares was approved by the board of directors on 2nd January 2023 and 7,08,02,000 bonus shares having face value Rs. 2/- were issued resulting to 10,62,30,000 total number of equity shares of the Company having face value Rs. 2/- each

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.



c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|------------------|------------------------|--------------|------------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Rakesh Agrawal | 2,70,01,500 | 25.42% | 18,00,100 | 25.42% |
| Uma R Agrawal | 2,70,01,500 | 25.42% | 18,00,100 | 25.42% |
| Vishal R Agrawal | 2,28,11,700 | 21.48% | 15,20,780 | 21.48% |
| Rahul R Agrawal | 2,49,10,500 | 23.46% | 16,60,700 | 23.46% |

d) Disclosure of Shareholding of Promoters:

Shares held by promoters at the end of the period (31.03.2023)

| Promoter Name | No. of Shares at beginning of the year ** | % of total shares | No. of Shares at end of the year | % of total shares | % Change during the period |
|------------------|---|-------------------|----------------------------------|-------------------|----------------------------|
| Rakesh Agrawal | 2,70,01,500 | 25.42% | 2,70,01,500 | 25.42% | - |
| Vishal R Agrawal | 2,28,11,700 | 21.48% | 2,28,11,700 | 21.48% | - |
| Rahul R Agrawal | 2,49,10,500 | 23.46% | 2,49,10,500 | 23.46% | - |

** The number of shares at the beginning of the year have been restated to give effect of share split of equity shares of face value of Rs. 10 each sub-divided into equity shares of face value of Rs.2 each and bonus shares allotted in the ratio of 2 bonus shares for every 1 share held.

Note 15b - INSTRUMENTS ENTIRELY EQUITY IN NATURE

Compulsorily Convertible Preference Share Capital

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount In Lakhs | Number of shares | Amount In Lakhs |
| Authorised Share Capital | | | | |
| 8.5% Compulsorily Convertible Preference Shares of Rs. 100 each | 6,00,000 | 600.00 | 6,00,000 | 600.00 |
| Note: | | | | |
| Pursuant to the resolution passed by the board of directors of the Company and approval of the members at the Extra Ordinary General Meeting of the Company held on 25th February 2022, the Authorised Preference Share Capital of the Company has been increased to Rs. 600 Lakhs consisting of 6,00,000 8.5% Compulsorily Convertible Preference Shares of Rs. 100 each. | | | | |
| Issued, subscribed and paid up | | | | |
| 8.5% Compulsorily Convertible Preference Shares of Rs. 100 each | - | - | - | - |
| Total | - | - | - | - |

Notes:

a) Reconciliation of number of shares

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount In Lakhs | Number of shares | Amount In Lakhs |
| 8.5% Compulsorily Convertible Preference Shares : | | | | |
| Balance as at the beginning of the period | - | - | - | - |
| Shares issued during the period | 5,50,000 | 550.00 | - | - |
| Shares bought back during the period | (5,50,000) | (550.00) | - | - |
| Balance as at the end of the period | - | - | - | - |

b) Rights, preferences and restrictions attached to shares

8.5% Compulsorily Convertible Preference Shares: The Company has one class of 8.5% compulsorily convertible preference shares having a par value of Rs. 100 per share. Each shareholder shall carry preferential right vis-a-vis Equity shares of the company with respect to payment of dividend and repayment in case of winding up of the company. The dividend shall accrue and be payable at the end of each allotment year.



SHIVA PHARMACHEM LIMITED
Ind AS Statement of Changes in Equity for the period ended 31st March, 2023

Note 15C) OTHER EQUITY

| Particulars | Reserve & Surplus | | | Other Comprehensive Income | Total |
|--|----------------------------|------------------|--|----------------------------|------------------|
| | Capital Redemption Reserve | General Reserves | Retained Earnings | | |
| | | | Remeasurement of defined benefit liability | | |
| Balance as at 1st April, 2021 | - | 400.00 | 27,777.88 | 12.93 | 28,190.81 |
| Transfer to Retained Earnings / General Reserves | - | - | - | - | - |
| Total Comprehensive Income for the period | - | - | 7,471 | (33.55) | 7,437.80 |
| Converted into Share Capital | - | - | - | - | - |
| Balance as at 31st March, 2022 | - | 400.00 | 35,249.23 | (20.62) | 35,628.60 |
| Buy Back of Preference Share | - | - | (550.00) | - | (550.00) |
| Total Comprehensive Income for the period | 550.00 | - | 8,911.70 | (33.86) | 9,427.85 |
| Utilization for Issue of Bonus Share | (550.00) | (40.00) | (466.04) | - | (1,416.04) |
| Transfer to Retained Earnings / General Reserves | - | - | 72.36 | (72.36) | - |
| Balance as at 31st March, 2023 | - | 360.00 | 43,217.25 | (126.84) | 43,090.41 |

The accompanying notes are an integral part of these Ind AS Standalone Financial Statements

As per our Report of even date
For, Talati & Talati LLP
Chartered Accountants

FRN: 110758/WW/100377



C.A. Manish Baxi
Partner
Membership no. 045011

Place: Vadodara
Date : 14/08/2023

For and on behalf of Board of Directors

Rakesh Agrawal
Chairman
DIN:00057955

Anil Inani
Chief Financial Officer

Tarang Maru
Company Secretary

Place: Vadodara
Date : 14/08/2023

Place: Vadodara
Date : 14/08/2023

Amount in Lakhs

SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 16a - NON-CURRENT BORROWINGS

| Particulars | Amount in Lakhs | |
|--|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Secured Loan | | |
| Term Loans from banks | | |
| HDFC Bank Ltd | 1,926.89 | 3,429.75 |
| Less: Current Maturity of Long-term Debts | 988.70 | 1,502.86 |
| | 938.18 | 1,926.89 |
| Unsecured Loans from Directors / Shareholders | | |
| Loans from Directors / Shareholders | - | 1,522.00 |
| Unsecured - Total (B) | - | 1,522.00 |
| Total (A+B) | 938.18 | 3,448.89 |

16a.1 Secured loans referred above to the extent of :

* Rs. 1926.88 Lakhs term loan (Rs.938.18 Lakhs-Non current and Rs 988.70 Lakhs-Current) is Secured by way of Pari Passu charge over entire movable and immovable fixed assets of the company , both present and future located at company's Luna plant. And entire plant and machinery and land and building located at company's Dahej Plant)

(It is further secured by way of personal guarantee of Mr.Rakesh Agrawal and Mr.Vishal Agrawal)

16a.2 Maturity Profile of term loan are set out below

| Particulars | Amount in Lakhs | |
|--------------------|----------------------------|-------------------|
| | Non-Current 1 – 5 Years | Current 1 Year |
| Secured from Banks | 938.18 | 988.70 |

Note 16b - NON CURRENT LEASE LIABILITIES

| Particulars | Amount in Lakhs | |
|---|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Lease Liability (SEZ Land) | 21.70 | 11.07 |
| Less: Current Maturities of Lease Liability | (0.47) | (0.22) |
| Total | 21.22 | 10.85 |

Note 16c - OTHER NON CURRENT FINANCIAL LIABILITIES

| Particulars | Amount in Lakhs | |
|--|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Preference Share Capital Pending Allotment | - | 550.00 |
| Total | - | 550.00 |



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 17 - LONG TERM PROVISIONS

Amount in Lakhs

| Particulars | As at 31st March,2023 | As at 31st March, 2022 |
|---|--------------------------|---------------------------|
| Provision for Retirement Benefits | 1,157.02 | 1,052.16 |
| Less: Current Maturity of Long-term Debts | (246.34) | (244.64) |
| Total | 910.67 | 807.52 |

Note 18 - OTHER NON CURRENT LIABILITIES

Amount in Lakhs

| Particulars | As at 31st March,2023 | As at 31st March, 2022 |
|---|--------------------------|---------------------------|
| Trade/Security Deposits received | 26.50 | 42.49 |
| Interest Payable on Non Current borrowing | - | 323.11 |
| Total | 26.50 | 365.60 |

Note 19 - CURRENT BORROWINGS

Amount in Lakhs

| Particulars | As at 31st March,2023 | As at 31st March, 2022 |
|---|--------------------------|---------------------------|
| (a) Loans from banks: <u>Secured:</u> PCFC with Banks (Secured by way of Pari Passu charge over entire current assets all movable fixed assets and over immovable property of the company situated at Luna Ta. Padra Dist. Baroda) (The above facility is further secured by personal guarantee of the directors) | 18,887.13 | 14,158.67 |
| (b) Current maturities of Long term borrowings: HDFC Bank-Term Loans | 988.70 | 1,502.86 |
| Total | 19,875.83 | 15,661.53 |

Note 20 - CURRENT LEASE LIABILITY

Amount in Lakhs

| Particulars | As at 31st March,2023 | As at 31st March, 2022 |
|------------------------------|--------------------------|---------------------------|
| Lease liability for SEZ Land | 0.47 | 0.22 |
| Total | 0.47 | 0.22 |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 21 - TRADE PAYABLES

| Particulars | Amount in Lakhs | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| (A) Total Outstanding dues of micro enterprises and small enterprises | 732.47 | 756.92 |
| (B) Total Outstanding dues of creditors other than micro enterprises and small enterprises | 5,724.53 | 7,662.95 |
| Total | 6,457.00 | 8,419.87 |

| Particulars | Amount in Lakhs | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| i. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 732.47 | 756.92 |
| ii. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end on above amount | 4.96 | 1.28 |
| iii. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| iv. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| v. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| vi. Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| vii. Further interest remaining due and payable for earlier years | - | - |

The above has been determined to the extent such parties could be identified on the basis of information available with the company regarding the status of suppliers under MSME.



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 22 - SHORT TERM PROVISIONS

| Particulars | Amount in Lakhs | |
|--|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Provision for employee benefits | | |
| Provision for retirement benefits | 246.34 | 244.64 |
| Provision others | | |
| Provisions for Expenses | 756.51 | 685.20 |
| Provisions for Stock in Transit | 1,052.93 | 659.15 |
| Total | 2,055.79 | 1,588.99 |

Note-23 LIABILITY FOR CURRENT TAX

| Particulars | Amount in Lakhs | |
|--------------------------|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| Provision for Income tax | 3,540.00 | 2,600.00 |
| Total | 3,540.00 | 2,600.00 |

Note 24 - OTHER CURRENT LIABILITIES

| Particulars | Amount in Lakhs | |
|----------------------------------|--------------------------|---------------------------|
| | As at 31st March,2023 | As at 31st March, 2022 |
| 1. Statutory Payable | | |
| TDS Payable | 43.45 | 54.09 |
| TCS Payable | 0.13 | 0.26 |
| IGST Payable | 25.26 | 38.75 |
| ESI Payable | 0.69 | 0.75 |
| Providend Fund Payable | 52.60 | 53.24 |
| | 13.09 | 25.68 |
| 2. Advance from Customers | | |
| Total | 135.23 | 172.76 |



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 25 - REVENUE FROM OPERATIONS

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Sale of Products | | |
| (i) Manufactured goods (Net of return) | 75,823.92 | 68,636.92 |
| (ii) Traded Sales | 346.06 | 2,224.29 |
| Sales of Services | - | - |
| Total | 76,169.97 | 70,861.21 |

Sale of Manufactured goods comprises of :

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---------------------|--------------------------------|--------------------------------|
| Domestic Sales | 18,805.37 | 23,708.09 |
| Export Sales | 52,495.75 | 39,997.17 |
| Deemed Export Sales | 4,522.79 | 4,931.66 |
| Trading Sales | 346.06 | 2,224.29 |
| Total | 75,823.92 | 68,636.92 |

Note 26 - OTHER INCOME

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|--------------------------------|--------------------------------|
| Gain on foreign currency transaction and translation (Net) | 593.98 | 621.05 |
| Interest income comprises: | | |
| Interest from banks on deposits | 5.83 | 87.35 |
| Interest Income - Preference Shares (Financial Assets) | 8.60 | 7.96 |
| | 14.43 | 95.32 |
| Dividend Income | - | 0.00 |
| Profit on Sale of Assets | 4.64 | 8.38 |
| Export Promotion Benefits | 37.26 | 483.46 |
| Reversal of ECL | 16.88 | - |
| Gain on sale of Investment Share | 400.31 | - |
| Other Income (Empty Tank Recovery Charges) | 158.78 | - |
| Insurance claim received - Employees | 4.60 | 6.37 |
| Insurance claim received - Finished Goods | 13.95 | 39.64 |
| Rent Income | 34.10 | - |
| Miscellaneous Income | 19.14 | 14.25 |
| Total | 1,298.08 | 1,268.48 |



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 27 - COST OF MATERIALS CONSUMED

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|----------------------|--------------------------------|--------------------------------|
| Opening Stock | 5,905.30 | 2,907.86 |
| Jobwork Charges | 448.55 | 234.54 |
| Purchases | 36,615.64 | 38,649.59 |
| Total | 42,969.50 | 41,792.00 |
| Less : Closing Stock | 5,486.05 | 5,905.30 |
| Total | 37,483.45 | 35,886.69 |

Note 28 - PURCHASES OF STOCK-IN-TRADE

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--------------------------|--------------------------------|--------------------------------|
| Purchase of traded goods | 400.17 | 2,140.99 |
| Total | 400.17 | 2,140.99 |

Note 29 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---------------------|--------------------------------|--------------------------------|
| Closing Inventories | | |
| Finished Goods | 689.41 | 404.64 |
| Work in Process | 2,185.14 | 3,048.47 |
| Total | 2,874.55 | 3,453.11 |
| Opening inventories | | |
| Finished Goods | 404.64 | 610.39 |
| Work in Process | 3,048.47 | 2,378.01 |
| Total | 3,453.11 | 2,988.41 |
| Total | (578.56) | 464.71 |

Note 30 - EMPLOYEE BENEFITS EXPENSE

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Salaries and wages, Bonus and other allowances | 5,584.23 | 5,330.62 |
| Contribution to provident funds, Family Pension and ESIC | 342.31 | 328.02 |
| Gratuity & Leave Encashment Expense | 170.22 | 163.88 |
| Workmen and Staff welfare expenses | 705.76 | 725.70 |
| Total | 6,802.52 | 6,548.22 |

Note 31 - FINANCE COSTS

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|-----------------------------------|--------------------------------|--------------------------------|
| Interest and other borrowing cost | 852.84 | 492.75 |
| Bank Charges | 55.47 | 79.50 |
| Interest on lease liability | 1.77 | 0.90 |
| Total | 910.07 | 573.16 |



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 32 - DEPRECIATION AND AMORTIZATION EXPENSE

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|--------------------------------|--------------------------------|
| Depreciation on Property, Plant and Equipment | 3,494.41 | 3,679.83 |
| Amortization on Intangible assets | 0.11 | 0.26 |
| Amortization on Right of Use Assets | 52.60 | 52.07 |
| Depreciation on Investment Property | 1.19 | - |
| Total | 3,548.31 | 3,732.16 |

Note 33 - OTHER EXPENSES

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Computer Expenses | 11.39 | 16.08 |
| Donation | 29.08 | 39.62 |
| Duties & Taxes | 26.54 | 43.46 |
| EHS Expenses | 3,227.45 | 1,846.98 |
| Electricity Expense | 34.67 | 18.33 |
| Expected Credit Loss | 5.77 | - |
| Insurance Premium | 217.18 | 225.86 |
| Legal & Professional Expenses | 262.79 | 196.64 |
| CSR Expenses | 235.27 | 300.10 |
| Sitting Fees | 22.75 | 10.50 |
| Packing Material | 600.62 | 602.82 |
| Statutory Audit Fees (Refer Note 33.1 below) | 5.00 | 4.49 |
| Internal Audit Fees | 5.50 | 5.50 |
| Interest on Statutory Payments | 62.64 | 94.04 |
| Postage & Telephone | 41.22 | 37.15 |
| Power & Fuel | 4,511.00 | 3,944.14 |
| Printing & Stationery | 10.11 | 11.02 |
| Laboratory Expenses | 75.99 | 81.60 |
| Lease Rent - ISO Tanks | 500.22 | 411.73 |
| Rent Others | 136.63 | 83.00 |
| Repairs & Maintenance - Building | 97.45 | 85.45 |
| Repairs & Maintenance - Plant & Machinery | 851.24 | 701.77 |
| Repairs & Maintenance - ISO Tanks | 190.85 | 137.46 |
| Repairs & Maintenance - Others | 79.86 | 59.12 |
| Sales Commission | 40.11 | 57.30 |
| Security Expenses | 145.87 | 123.20 |
| Selling & Distribution Expenses | 2,186.23 | 2,926.50 |
| Stores & Spares | 1,108.24 | 1,070.33 |
| Travelling & Conveyance | 305.58 | 179.44 |
| Vehicle Expenses | 29.16 | 17.43 |
| Miscellaneous Expenses | 363.60 | 316.85 |
| Total | 15,420.02 | 13,647.91 |

33.1 Payment to Auditors comprises of:

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|--------------------------------|--------------------------------|
| <u>Auditors' remuneration and expenses:</u> | | |
| For Audit Fees | 5.00 | 4.49 |
| For Other services * | 44.35 | 2.95 |
| Total | 49.35 | 7.44 |

* Other services of Rs.44.35 Lakhs (P.Y 2.95 Lakhs) have been included in Legal & Professional Expenses.



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March, 2023

Note 34 - INCOME TAXES EXPENSE

Tax expense recognized in the Statement of Profit and Loss

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| i. Recognised in Statement of Profit and Loss | | |
| Current tax | 3,540.00 | 2,600.00 |
| Deferred tax | | |
| Deferred tax charge/(credit) | 116.74 | (30.59) |
| MAT Credit (taken)/utilised | - | - |
| Total deferred income tax expense/(benefit) | 116.74 | (30.59) |
| Total income tax expense | 3,656.74 | 2,569.41 |

A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Profit before tax | 12,324.94 | 10,065.27 |
| Income Tax Expenses Calculated at 34.944% | 4,306.83 | 3,522.24 |
| Effect of Income that is exempt from Tax | (920.27) | (708.61) |
| Effect of expenses that are not deductible in determining taxable profit | 94.17 | 1,483.49 |
| Effect of concession (allowance) | (19.08) | (1,398.25) |
| Effect of Income Tax act Lower Rate of Tax | (46.28) | |
| Effect of Brought Forwarded Losses due Scheme of Merger (ref. note below) | - | (276.86) |
| Adjustments recognised in current year in relation to the current tax of prior years | (10.02) | (36.67) |
| Others | 7.89 | 8.58 |
| Others Bifurcation- | | |
| Difference between tax computed and tax provision created in P&L | | |
| Difference between Tax Base and WDV as per Income Tax Calculation Sheet as on 31/03/2022 | | |
| Rounding off | | |
| Income tax expense recognised in profit or loss | 3,413.24 | 2,593.92 |

Note 35 - EARNING PER SHARE

Amount in Lakhs

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Basic and Diluted earnings per share (Rs) | 8.39 | 7.03 |
| Footnotes: | | |
| The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows. | | |
| (a) Earnings used in the calculation of basic and diluted earnings per share: | | |
| Profit for the Period from continuing operations | 8,911.70 | 7,471.35 |
| Profit for the Period from discontinued operations | - | - |
| (b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share: | 10,62,03,000 | 10,62,03,000 |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for the period ended 31st March 2023

Note 36 - FINANCIAL RATIO ANALYSIS :

| Ratios | | Numerator | Denominator | FY 2022-23 | FY 2021-22 | % Variance |
|---------------------------------|-------|---|---|------------|------------|------------|
| Current Ratio | Times | Current Assets | Current Liabilities | 1.45 | 1.51 | (4.14) |
| Debt-Equity Ratio | Times | Total Debt | Shareholder's Equity | 0.46 | 0.53 | (12.47) |
| Debt Service Coverage ratio | Times | Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance Cost | Debt service = Interest + Principal Repayments | 9.57 | 8.52 | 12.33 |
| Return on Equity ratio | % | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 22% | 23% | (4.59) |
| Inventory Turnover ratio | Times | Cost of goods sold | Average Inventory | 3.65 | 4.12 | (11.51) |
| Trade Receivable Turnover Ratio | Times | Net credit sales | Average Trade Receivable | 3.00 | 3.76 | (20.33) |
| Trade Payable Turnover Ratio | Times | Net credit purchases | Average Trade Payables | 4.98 | 5.78 | (13.86) |
| Net Capital Turnover Ratio | Times | Net sales | Average Working capital= Average Current assets – Average Current liabilities | 5.24 | 5.81 | (9.85) |
| Net Profit ratio | % | Net Profit | Net sales | 11.70% | 10.54% | 10.97 |
| Return on Capital Employed | % | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt | 20.04% | 19.19% | 4.47 |
| Return on Investment | % | Interest (Finance Income) | Investment | 0.25% | 2.33% | (89.19) |



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

Note 37 - Related Party Transactions

1. Related Party Disclosure as per Ind AS – 24:

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows:

(A) Parent Company:

The Company is having no Parent company as at 31.03.2023.

(B) Subsidiary/Joint Ventures/Associate/Others

| Company / Entity | Relation |
|---|--|
| Geetganga Investment Private Limited | Company in which Key Managerial Personnel or their close family member have control |
| Ankshree Investments & Trading Co. Ltd. | Company over which Key Managerial Personnel or their close family member have control |
| Rodin Properties Private limited | Company in which Key Managerial Personnel or their close family member have control |
| Uma Retail Private Limited | Company in which Key Managerial Personnel or their close family member have control |
| Shiva Performance Materials Pvt. Ltd. | Company in which Key Managerial Personnel or their close family member have control |
| Shiva Pharmachem AG (Foreign Company) | Wholly Owned Subsidiary Company |
| Shiva Pharmachem International Inc. (Foreign Company) | Step Down Subsidiary |
| SPL Europe LLC (Foreign Company) (Formerly known as Kischchemicals Manufacturing & Mercantile LLC) | Subsidiary Company |
| SES Engineering Private Limited | Company over which Key Managerial Personnel or their close family member have control* |
| Messina Properties LLP | Entity over which Key Managerial Personnel have significant influence. |
| Sisley Properties LLP | Entity over which SPL have significant influence. |
| Rembrandt Properties LLP | Entity over which Key Managerial Personnel have significant influence. |



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

| | |
|--|--|
| Barcello Properties LLP | Entity over which Key Managerial Personnel or their close family member have control |
| Donatello Properties LLP | Entity over which Key Managerial Personnel or their close family member have control |
| Jaspur Properties LLP | Entity over which Key Managerial Personnel have significant influence. |
| Monet Properties LLP | Entity over which Key Managerial Personnel have significant influence. |
| Red Earth Art Galleries LLP | Entity over which Key Managerial Personnel have significant influence. |
| Shiva Foundation | Entity over which Key Managerial Personnel or their close family member have control |
| Uttarayan Art Foundation | Entity over which Key Managerial Personnel have significant influence. |
| Uttarayan Foundation & Museum for Arts (Section 8 Company) | Entity over which Key Managerial Personnel have significant influence. |
| Geetganga Properties Pvt. Ltd. | Company in which Key Managerial Personnel have significant influence |
| Uttarayan Investment Pvt. Ltd. | Entity over which Key Managerial Personnel or their close family member have control |
| Shiva Performance Speciality Pvt. Ltd. | Entity over which Key Managerial Personnel or their close family member have control |
| Shiva Performance Solutions Pvt. Ltd. | Company in which Key Managerial Personnel have significant influence |
| Sidhan Specialty Chemicals Private Limited | Company in which Key Managerial Personnel or their close family member have control* |
| Styrenix Performance Materials Limited | Entity over which Key Managerial Personnel or their close family member have control |
| Styrenics Polymers Private Limited | Company in which Key Managerial Personnel significant influence |
| Agrawal Vishal Trusteeship Private Limited | Company in which Key Managerial Personnel or their close family member have control |
| RA Trusteeship Private Limited | Company in which Key Managerial Personnel or their close family member have control |

* Note: SES Engineering Private Limited & Sidhan Specialty Chemicals Pvt Ltd was subsidiary till 28th September, 2022. It ceased to be a subsidiary due to 100% loss of control.



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

(C) Key Managerial Personnel/ Relatives of Key Managerial Personnel

| Name of Person | Relation |
|---------------------------|--------------------------------------|
| Mr. Rakesh Agrawal | (Refer Note-1) |
| Mr. Vishal Agrawal | Managing Director |
| Mr. Rahul Agrawal | (Refer Note-2) |
| Mrs. Uma Agrawal | Relative of Key Managerial Personnel |
| Mrs. Madhavi Agrawal | Relative of Key Managerial Personnel |
| Mrs. Ruchika Agrawal | Relative of Key Managerial Personnel |
| Mr. Jagmohan Zalani | Executive Director |
| Mr. Chirag Patel | (Refer Note-3) |
| Mr. Anil Inani | (Refer Note-4) |
| Mr. Tarang Maru | Company Secretary |
| Mr. Purshottamdas Dhumal | Independent Director (Refer Note-5) |
| Mr. Milin K Mehta | Independent Director (Refer Note-6) |
| Mr. Sivarman Narayanswami | Independent Director |
| Mrs. Naina Krishnamurthy | Independent Director (Refer Note-7) |
| Mr. Premkumar Taneja | Independent Director (Refer Note-8) |
| Mr. Dukhbandhu Rath | Independent Director (Refer Note-9) |
| Mrs. Rati Desai | Independent Director (Refer Note-10) |

List of related parties having transactions during the year:

Key Managerial Personnel includes Directors as well as Chief Financial Officer and Company Secretary as identified under Section 2 of Companies Act, 2013.

| Name of Related Parties | Nature of Relationship | Nature of Transactions | 2022-23 (Rs. In Lakhs) | 2021-22 (Rs. In Lakhs) |
|-------------------------|------------------------|------------------------|---------------------------|---------------------------|
| Mr. Rakesh Agrawal | (Note-1) | Salary | 180.40 | 180.40 |
| | | Conveyance | 2.38 | 1.04 |
| | | Sitting Fees | 2.25 | - |
| | | Interest | - | 1.26 |
| Mr. Vishal R Agrawal | Managing Director | Remuneration | 441.22 | 441.22 |
| | | Conveyance | 9.75 | 8.47 |
| Mr. Rahul R Agrawal | (Note-2) | Remuneration | 60.02 | 99.13 |



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

| | | | | |
|---------------------------------------|--|-----------------------|----------|-----------|
| Mr. Jagmohan Zalani | Executive Director | Salary | 70.15 | 67.67 |
| | | Conveyance | 3.32 | 2.39 |
| Mr. Tarang Maru | Company Secretary | Salary | 9.31 | 8.81 |
| Mr. Chirag Patel | (Note-3) | Salary | 12.40 | 0.19 |
| | | Conveyance | 0.20 | 0.02 |
| Mr. Anil Inani | Chief Financial Officer (Note-4) | Salary | 39.99 | - |
| | | Conveyance | 0.51 | - |
| Geetganga Properties Pvt Ltd | Co. in which Key Managerial Personnel have control | Rent | 4.80 | 4.80 |
| Shiva Pharmachem AG | Wholly Owned Subsidiary Co. | Sales | 24041.68 | 15,468.33 |
| | | Advance for purchases | - | 1,531 |
| Shiva Pharmachem INC. | Step Down Subsidiary | Sales | 11703.58 | 8,241.15 |
| Geetganga Investment Pvt Ltd | Co. in which Key Managerial Personnel have control | Rent | 116.25 | 65 |
| | | Interest | 47.07 | 144.38 |
| Shiva Foundation | Entity over which Key Managerial Personnel have significant influence. | Donation | 8.00 | 8.00 |
| Uttarayan Foundation & Museum for Art | Entity over which Key Managerial Personnel have significant influence. | Donation | - | 2.00 |
| Uttarayan Art Foundation | Entity over which Key Managerial Personnel have | Donation / CSR | 60.00 | 83.00 |



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

| | | | | |
|--|--|---------------------------------|---------|----------|
| | significant influence | | | |
| SES Engineering Pvt. Ltd. | Wholly Owned Subsidiary | Rent | 4.00 | - |
| Shiva Performance Materials Pvt Ltd | Co. in which Key Managerial Personnel have control | Sales | - | 2,118.27 |
| | | Purchase | 14.70 | 14.51 |
| | | Rent | 30.10 | |
| | | Recovery | 0.36 | |
| Styrenix Performance Materials Limited | Co. in which Key Managerial Personnel have control | Receipt of Capital advance | 150.00 | 0 |
| Monet Properties LLP | Entity over which Key Managerial Personnel have significant influence. | Maintenance service | 9.60 | 0 |
| SPL Europe LLC (Foreign Company) (Formerly known as Kischchemicals Manufacturing & Mercantile LLC) | Subsidiary | Investment made during the year | 1,648.2 | - |
| Uma Agrawal | Relative of Key Managerial Personnel | Sitting Fees | - | 0.50 |
| Purshottamdas Dhumal | Independent Director (Note-5) | Sitting Fees | - | 2.90 |
| Milind K Mehta | Independent Director (Note-6) | Sitting Fees | 1.25 | 2.80 |
| Sivaraman Narayanswami | Independent Director | Sitting Fees | 7.00 | 4.30 |
| Naina Krishnamurthy | Independent Director (Note-7) | Sitting Fees | 2.00 | - |
| Premkumar Taneja | Independent Director (Note-8) | Sitting Fees | 6.75 | - |
| Dukhbandhu Rath | Independent Director (Note-9) | Sitting Fees | 3.50 | - |



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

Note-1: Vide resolution dated 09th November 2022, Mr. Rakesh Agrawal ceases to be a Whole Time Director with effect from 14th November 2022 and continues as Non-Executive Director & Non-Executive Chairman of the company with effect from 15th November 2022 at the same remuneration, perquisites & such other conditions approved by the Board of Directors for the period from 15th November 2022 to 30th September 2024 subject to approval of shareholders. Accordingly, he ceases to be a Key Managerial Personnel from 14th November 2022.

Note-2: Vide resolution dated 9th November 2022, Board of Directors approve change in designation of Mr. Rahul Agrawal from Managing Director designated as Joint Managing Director to Non-Executive Director of the company with effect from 09th November 2022.

Note-3: Mr. Chirag Patel had been appointed as Chief Financial Officer of the Company on 30th March 2022 & held the position till 31st July 2022.

Note-4: Mr. Anil Inani has been appointed as Chief Financial Officer of the Company with effect from 01st August 2022.

Note-5: Mr. Purshottamdas Dhumal ceased to be an independent director with effect from 17th February 2022 as he resigned from the company.

Note-6: Mr. Milin Mehta ceased to be an independent director with effect from 17th August 2022 as he resigned from the company.

Note-7: Mrs. Naina Krishnamurthy was appointed as an Additional Director (Independent Director) on 08th April 2022 & was later regularized as Independent Director by shareholders at the Annual General Meeting held on 12th November 2022. She resigned from the company with effect from 01st February 2023.

Note-8: Mr. Premkumar Taneja was appointed as an Additional Director (Independent Director) on 30th March 2022 & was later regularized as Independent Director by shareholders at the Annual General Meeting held on 12th November 2022.

Note-9: Ms. Dukhabandhu Rath was appointed as an Additional Director (Independent Director) on 01st October 2022 & later was regularized as Independent Director by shareholders at the Annual General Meeting held on 12th November 2022.

Note-10: Mrs. Rati Desai was appointed as an Independent Director on 01st March 2023.

Loans from Related Parties:

(Amount In Lakhs)

| Name of Related Party | Nature of Relationship | Balance as on 01-04-2022 | Amount Accepted | Interest for the period | Amount Repaid | Balance as on 31-03-2023 |
|------------------------------|--|--------------------------|-----------------|-------------------------|---------------|--------------------------|
| Geetganga Investment Pvt Ltd | Co. in which Key Managerial Personnel have control | 1840.40 | 12 | 47.07 | 1,899.47 | - |



Shiva Pharmachem Limited
Notes to Ind AS Financial Statements
for the period ended on 31st March 2023

Disclosure on Loans/Advance to Directors/ KMP/ Related parties:

The Company has not granted any Loans repayable on demands or any loans specifying any terms or period of repayment.

| Type of Borrower | Amount of loan or advance in the nature of loan Outstanding | Percentage to the total Loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | NIL | NIL |
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Related Parties | NIL | NIL |
| Total | NIL | NIL |



SHIVA PHARMACHEM LIMITED
Notes to Ind AS Financial Statements for period ended 31st March 23

Note 38 - FAIR VALUE MEASUREMENT

A. Accounting classification and fair values

As at March 31, 2023

Amount in Lakhs

| Particulars | FVTPL | FVTOCI | Amortised Cost | Total | Fair Value | | | Total |
|---|-------|--------------|------------------|------------------|--|---|---|--------------|
| | | | | | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | |
| Investments* | - | 95.08 | - | 95.08 | - | - | 95.08 | 95.08 |
| Other financial assets (Non - Current) | - | - | 116.09 | 116.09 | - | - | - | - |
| Trade receivables | - | - | 27,386.55 | 27,386.55 | - | - | - | - |
| Cash and cash equivalents | - | - | 704.15 | 704.15 | - | - | - | - |
| Bank Balances other than Cash and Cash Equivalents | - | - | 38.33 | 38.33 | - | - | - | - |
| Loans & Advances | - | - | 73.18 | 73.18 | - | - | - | - |
| Total Financial assets | - | 95.08 | 28,318.30 | 28,413.38 | - | - | 95.08 | 95.08 |
| Borrowings (Non-Current) | - | - | 938.18 | 938.18 | - | - | - | - |
| Lease Liabilities (Non-Current) | - | - | 21.22 | 21.22 | - | - | - | - |
| Other Financial Liabilities (Non-Borrowings (Current) | - | - | - | - | - | - | - | - |
| Borrowings (Current) | - | - | 19,875.83 | 19,875.83 | - | - | - | - |
| Lease Liabilities (Current) | - | - | 0.47 | 0.47 | - | - | - | - |
| Trade payables | - | - | 6,457.00 | 6,457.00 | - | - | - | - |
| Total Financial liabilities | - | - | 27,292.71 | 27,292.71 | - | - | - | - |

Amount in Lakhs

As at March 31, 2022

| Particulars | FVTPL | FVTOCI | Amortised Cost | Total | Fair Value | | | Total |
|---|-------|--------------|------------------|------------------|--|---|---|--------------|
| | | | | | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | |
| Investments* | - | 95.08 | - | 95.08 | - | - | 95.08 | 95.08 |
| Other financial assets (Non - Current) | - | - | 525.49 | 525.49 | - | - | - | - |
| Trade receivables | - | - | 23,412.17 | 23,412.17 | - | - | - | - |
| Cash and cash equivalents | - | - | 464.00 | 464.00 | - | - | - | - |
| Bank Balances other than Cash and Cash Equivalents | - | - | 36.60 | 36.60 | - | - | - | - |
| Loans & Advances | - | - | 36.48 | 36.48 | - | - | - | - |
| Total Financial assets | - | 95.08 | 24,474.74 | 24,569.81 | - | - | 95.08 | 95.08 |
| Borrowings (Non-Current) | - | - | 3,448.89 | 3,448.89 | - | - | - | - |
| Lease Liabilities (Non-Current) | - | - | 10.85 | 10.85 | - | - | - | - |
| Other Financial Liabilities (Non-Borrowings (Current) | - | - | 550.00 | 550.00 | - | - | - | - |
| Borrowings (Current) | - | - | 15,661.53 | 15,661.53 | - | - | - | - |
| Lease Liabilities (Current) | - | - | 0.22 | 0.22 | - | - | - | - |
| Trade payables | - | - | 8,419.87 | 8,419.87 | - | - | - | - |
| Total Financial liabilities | - | - | 28,091.36 | 28,091.36 | - | - | - | - |



SHIVA PHARMACHEM LIMITED

Notes to Ind AS Financial Statements for period ended 31st March 23

*Investment in note 5 includes investments in subsidiaries and joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

B. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Financial Assets and Financial Liabilities measured at fair value in the Balance sheet are grouped into three levels of a fair value heirarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis.

Financial Instruments measured at amortised cost:

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts will be significantly different from the values that would eventually be received or settled.



NOTE 38 - Financial instruments – Fair values and risk management

The Company's principal financial liabilities comprises of trade and other payables. The Company's financial assets include trade and other receivables, and cash & cash equivalents that it derives directly from its operations.

The Company is exposed to a variety of risks namely market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. This provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk assessment on various components is described below:

(i) Trade and other receivables

The exposure to credit risk on accounts receivables and amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. Accounts receivables were outstanding from few customers and hence the Group has concentration of accounts receivables and consequent risk to that extent. The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the Company operates. Loss rates are based on actual credit loss experience and past trends.

The following year/period end trade receivables though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at 31st March 2023 & 31st March 2022:

| Particulars | Amount in Lakhs | |
|-------------------------------|------------------|------------------|
| | 31st March 2023 | 31st March 2022 |
| Neither impaired nor past due | | |
| Past due but not impaired | | |
| 0-6 Months | 27,350.47 | 23,020.77 |
| 6-12 Months | 22.82 | 360.39 |
| More than 12 Months | 13.26 | 31.02 |
| Total | 27,386.55 | 23,412.17 |

| Particulars | Amount in Lakhs | |
|---|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Balance at the beginning of the period | 27.18 | 27.18 |
| Movements in allowance | (11.11) | - |
| Balance at the end of the period | 16.07 | 27.18 |

(ii) Cash and Cash Equivalents, Bank Deposits and Investments

The Company maintains its cash and cash equivalents, bank deposits and investment with reputed banks, financial institutions, and corporates. The credit risk on these instruments is limited because the counterparties are banks and high credit rated financial institutions and corporates assigned by credit rating agencies.

(iii) Other Financial Assets

This consists of loans and advances given to Employees and Security Deposits given to lessors as well as to utility providers like Electricity companies. These carries limited credit risk based on the financial position of parties and Company's historical experience of dealing with these parties.

(b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.



(i) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Company's fixed rate financial liabilities to interest rate risk is as follows:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

| Particulars | Amount in Lakhs | |
|--|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Closing Balance of Borrowings | 20,814.01 | 19,110.42 |
| Sensitivity analysis of impact on profit or loss due to change in interest rate: | | |
| Increase by 1% | (208.14) | (191.10) |
| Decrease by 1% | 208.14 | 191.10 |

(ii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables for investments in debt oriented mutual funds and other financial instruments caused by factors specific to an individual investments, its issuer and market. The Company's exposure to price risk arises from diversified investments in mutual funds, preference shares and other equity instruments and classified in the balance sheet at fair value.

| Particulars | Amount in Lakhs | |
|---|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Closing Balance of Investments at Fair Value through Other Comprehensive Income (Investment in Unquoted Preference Shares and Other Equity Instruments) | 95.08 | 95.08 |
| Sensitivity analysis of impact on other comprehensive income due to changes in prices of | | |
| Increase by 5% | (4.75) | (4.75) |
| Decrease by 5% | 4.75 | 4.75 |

(iii) Commodity Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of pharmaceutical ingredients, including the raw material components for such pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31st March 2023 and 31st March 2022 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

(iv) Foreign Currency Risk

Period Ended 31st March 2023

| Particulars | Amount in Lakhs | |
|------------------------------|------------------|-----------|
| | Foreign Currency | INR |
| Financial Assets | | |
| US Dollar (USD) | 251.63 | 20,676.44 |
| Impact on Profits | | 206.76 |
| Increase by 1% | | (206.76) |
| Decrease by 1% | | |
| Euro (EUR) | - | - |
| Impact on Profits | | - |
| Increase by 1% | | - |
| Decrease by 1% | | - |
| Financial Liabilities | | |
| US Dollar (USD) | 248.81 | 20,292.72 |
| Impact on Profits | | (202.93) |
| Increase by 1% | | 202.93 |
| Decrease by 1% | | |
| Euro (EUR) | - | - |
| Impact on Profits | 0.38 | 34.30 |
| Increase by 1% | | (0.34) |
| Decrease by 1% | | 0.34 |



Year Ended 31st March, 2022

Amount in Lakhs

| Particulars | Foreign Currency | INR |
|------------------------------|------------------|-----------|
| Financial Assets | | |
| US Dollar (USD) | 197.90 | 15,000.10 |
| Impact on Profits | | 150.00 |
| Increase by 1% | | (150.00) |
| Decrease by 1% | | |
| Euro (EUR) | - | - |
| Impact on Profits | | - |
| Increase by 1% | | - |
| Decrease by 1% | | |
| Financial Liabilities | | |
| US Dollar (USD) | 223.44 | 16,936.11 |
| Impact on Profits | | (169.36) |
| Increase by 1% | | 169.36 |
| Decrease by 1% | | |
| Euro (EUR) | 1.02 | 86.63 |
| Impact on Profits | | (0.87) |
| Increase by 1% | | 0.87 |
| Decrease by 1% | | |

(c) **Liquidity Risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company follows a Conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Company has a overdraft facility with banks to support any temporary funding requirements.

The Company has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

As at 31st March 2023

Amount in Lakhs

| Particulars | Less than 1 Year | More than 1 Year | Total |
|-----------------------------|------------------|------------------|------------------|
| Borrowings | 19,875.83 | 938.18 | 20,814.01 |
| Lease Liabilities | 0.47 | 21.22 | 21.70 |
| Trade Payables | 6,394.06 | 62.94 | 6,457.00 |
| Other Financial Liabilities | - | - | - |
| Total | 26,270.36 | 1,022.34 | 27,292.71 |

As at 31st March, 2022

Amount in Lakhs

| Particulars | Less than 1 Year | More than 1 Year | Total |
|-----------------------------|------------------|------------------|------------------|
| Borrowings | 15,661.53 | 3,448.89 | 19,110.42 |
| Lease Liabilities | 0.22 | 10.85 | 11.07 |
| Trade Payables | 8,375.81 | 44.07 | 8,419.87 |
| Other Financial Liabilities | - | 550.00 | 550.00 |
| Total | 24,037.55 | 4,053.80 | 28,091.36 |



NOTE 39 - Capital Management

For the purpose of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented in the balance sheet. The funding requirements are predominately met through equity and revenue generated from operations.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell non-core assets to reduce the debt.

The following table summarizes the capital of the Company:

| Particulars | Amount in Lakhs | |
|-------------------------------|------------------|------------------|
| | 31st March 2023 | 31st March 2022 |
| Debt (a) | 20,814.01 | 19,110.42 |
| Cash and Cash Equivalents (b) | 704.15 | 464.00 |
| Net Debt (c)=(a)-(b) | 20,109.86 | 18,646.42 |
| Total Equity/Net Worth | 45,214.47 | 36,336.62 |
| Gearing Ratio | 44.48% | 51.32% |

*No changes were made in the objectives, policies or processes for managing capital during the current and previous year.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Corporate information:

Shiva Pharmachem Limited (the company) having CIN U24231GJ1999PLC035615 is a Public Unlisted Company incorporated in India. The Registered office of the Company is located at 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara 390023, Gujarat (India).

The company is engaged in the business of manufacturing and is a Global supplier of Acid, Alkyl Chlorides, and advanced intermediates.

1. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements.

1.1 Statement of compliance and basis of preparation and presentation:

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified and other accounting principles generally accepted in India. These policies have been consistently applied to all the years presented, unless otherwise stated.

All amounts included in the Financial Statements are reported in Indian Rupees ("INR" or "Rs."), which is also the Company's functional currency. All the values are rounded to the nearest Lakhs (INR 00,000) up to two decimals, except otherwise indicated.

The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on 14th August 2023.

Historical Cost Convention:

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

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- ii. Defined Benefits Plan – Plan Assets are measured at Fair Value.

1.2 Business Combinations - Common Control Transactions

In accordance with Appendix C to Ind AS 103, business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the Company before and after the business combination, and where that control is not transitory is accounted using the pooling of interest method as enumerated below:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies
- (c) The financial information presented in respect of prior periods is restated as if the business combination had occurred from the beginning of the earliest period in the financial information, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (e) The identity of the reserves is preserved and are presented in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserves.

1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in notes below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, then effects are disclosed in the notes to the financial statements.

1.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

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

1.5 Property, Plant and Equipment Recognition and Measurement:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at its cost. Following the initial recognition, all items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes or levies, directly attributable cost of bringing the item to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Such cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The Management of respective companies have carried out the technical review for identification of significant components with different useful life with that of useful life of the original assets to which it belongs. However, based on technical analysis, it has been noticed that the useful life of the significant components is more or less remain the same with that of the original assets to which it belongs so no separate useful life is assigned to significant components. All the significant components are depreciated based on the same useful life with that of original assets to which it belongs.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

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 and cost of the item can be measured reliably.

Depreciation:

Depreciation on items of Property, Plant and Equipment is provided to the extent of depreciable amount on the Written down Value (WDV) Method. Depreciation is provided by the Company based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under 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, and maintenance support, etc.

| Sr. No. | Asset Class | Useful Life (Years) |
|---------|------------------------------|---------------------|
| 1 | Continuous Plant & Machinery | 12 |

Freehold land is not depreciated. Useful Life considered for calculation of depreciation for various classes of assets are as under:

| Sr. No. | Asset Class | Useful Life (Years) |
|---------|----------------------------|---------------------|
| 1 | Factory Building | 30 |
| 2 | Office Building | 60 |
| 3 | Plant & Machinery | 8 |
| 4 | Plant Pipelines | 8 |
| 5 | R&D Equipment | 10 |
| 6 | Lab Equipment | 8 |
| 7 | Electrical Installation | 8 |
| 8 | EHS | 8 |
| 9 | Furniture | 10 |
| 10 | Air Conditioner | 10 |
| 11 | Computers | 3 |
| 12 | Vehicles | 8 |
| 13 | Office Equipment | 5 |
| 14 | Pollution Control Measures | 8 |
| 15 | ISO Tanks | 20 |

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each reporting period. If any of these expectations differs from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively.

De-recognition:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

1.6 Capital Work-in-Progress

Projects under which tangible assets are not yet ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets and not included as a part of capital work-in-progress.

Costs incurred during the period of implementation of a project, till it is commissioned, is accounted as capital work-in-progress and after commissioning the same is transferred/allocated to the respective item of property, plant and equipment.

1.7 Investment Property

Recognition and Measurement

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Policies with respect to depreciation, useful life and de-recognition are followed on the same basis as stated for property, plant and equipment above.

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 an external independent valuer.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

1.8 Intangible Assets

Recognition and Measurement:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Expenditure:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss in the period in which expenditure is incurred.

Amortisation

Intangible assets with finite lives are amortised over the estimated useful economic life using the Written-Down Value (WDV) Method. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The estimated useful life of intangible assets as determined by the Company is mentioned as below:

| Sr. No. | Asset Class | Useful Life (Years) |
|---------|-------------------|---------------------|
| 1 | Computer Software | 6 |

1.9 Leases

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 judgment in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgment involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

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

Right of Use Assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of lease.

Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, or a change in the lease payment

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

The Company applies the short-term lease recognition exemption to its short-term leases of ISO Tanks and Buildings taken on Lease/Rent (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Further the above lease also qualifies for low-value assets recognition exemption as they are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

1.10 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.

The Company determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A. Financial Assets

Initial Recognition and Measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

Subsequent Measurement:

(a) Financial Assets measured at Amortised Cost (AC):

A financial asset is subsequently measured at amortised cost if it meets the following criteria:

- i) the asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and
- ii) the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it meets the following criteria:



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Notes to Financial Statements for the year ended on 31st March 2023:

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

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

On de-recognition of such financial assets, cumulative gain or loss previously recognised in other comprehensive income is not reclassified from the equity to statement of profit and loss.

(c) Financial Assets measured at Fair Value through Profit or Loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

(d) Investment in Subsidiaries, Associates and Joint Ventures:

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any) in accordance with Ind AS 27 – Separate Financial Statements. The investments in preference shares with the right of surplus assets which are in nature of equity in accordance with Ind AS 32 are treated as separate category of investment and measured at FVTOCI.

(e) Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the Company has elected to present the value changes in other comprehensive income. However, dividend on such equity investments is recognised in statement of profit and loss when the Company's right to receive payment is established.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

For trade receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

B. Financial Liabilities

Initial Recognition and Measurement:

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

Subsequent Measurement:

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of Financial Instruments:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received.

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

Offsetting:

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

1.11 Fair Value Measurement

The Company measures financial instruments, such as, investments, derivatives at fair value at each balance sheet date.

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



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

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

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

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

Level 2 — Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.

Level 3 — Valuation techniques for inputs that are unobservable for the asset or liability.

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

1.12 Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.



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Notes to Financial Statements for the year ended on 31st March 2023:

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus. An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Foreign Currencies Transactions and Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered by the Company are recorded in the functional currencies, by applying to the foreign currency rate, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items (Monetary assets and liabilities) of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the statement of profit and loss.

1.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

A contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more of uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

1.16 Revenue Recognition (Revenue from Contracts with Customers)

The Company derives Revenue primarily from sale of manufactured products being "Chemicals". Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(a) Sale of Goods:

Revenue from sale of goods is recognised at the point of time when control of the goods is transferred to the customer, generally on dispatch/delivery of the goods except in case of export sales, which are recognised on the basis of bill of lading on satisfaction of performance obligation and transfer of control.

Sale of goods is recognised net of sales returns and trade discounts. Sales excludes amounts of indirect taxes on sales.

(b) Dividend and Interest Income:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Dividend income from investments is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

(c) Rental Income

Rental income from investment property is recognised in the statement of profit and loss over the term of the lease.

(d) Insurance Claims:

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exists for the measurement and realisation of the amount.

Insurance Claims, other than claim filed against fire accident, have been booked on receipt basis.

(e) Miscellaneous Income:

All other income is recognized on an accrual basis, when there is no uncertainty in its ultimate realization/collection.

1.17 Inventories:

Inventories have been valued on the following basis:

| Nature of Inventories | Basis of Inventories Valuation |
|-----------------------|--|
| Raw Material Stock | Inventories of Raw Materials are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average basis. Cost of raw material excludes all taxes and duties. |



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

| | |
|---------------------------------|---|
| Semi-Finished Goods Stock (WIP) | Semi-Finished (WIP) Goods Stocks are valued at cost plus appropriate overheads directly attributable to manufacturing activity. |
| Finished Goods Stock | Inventories of Finished Goods are valued at the lower of cost and net realisable value. Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition. |
| Packing Material Stock | Packing Material stocks are valued at cost. |
| Stores & Spares Stock | Stores & Spares stocks are valued at cost. |
| Stock in Transit | Stock in transit stocks is valued at material cost. |

As management is of the view that the goods are mainly intended to be exported and hence GST has not been added in valuation of Finished Goods.

Further imported goods received and laying at port as at balance sheet date and the same is received in factory during the subsequent month has been included in Inventories as goods in transit as at balance sheet date.

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

1.18 Employee Benefits Expense

Defined Contribution Plans:

The Company's contribution paid/payable during the period to Provident Fund and other welfare funds are considered as defined contribution plans.

Recognition and Measurements of Defined Contribution Plan:

The contribution paid/payable under those plans are recognised as an expense, in the statement of profit and loss during the period in which the employee renders the services.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined Benefit Plans:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation superannuation. The gratuity is paid @15 days' basic salary for every completed year of service as per the Payment of Gratuity Act, 1972.

Recognition and Measurements of Defined Benefit Plan:

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses are recognised immediately in the statement of profit and loss and Other Comprehensive Income.

1.19 Tax Expenses

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income, in which case, the tax is also recognised in other comprehensive income.

(a) Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Indian Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the balance sheet date.

(b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

(c) Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) credit are recognised if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions, being over and above regular tax liability, can be carried forward for a period of the years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent MAT liability.

(d) Presentation of Current and Deferred Tax:

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax income/expense are recognised in other comprehensive income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

1.20 Borrowing Costs

Borrowing costs includes interest & exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

1.21 Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.22 Segment Reporting:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

The Company identifies operating segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the segments for the purpose of making decisions about resource allocation and performance assessment.

The operating segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations. Operating segment is reported in the manner evaluated by Board, considered as Chief Operating Decision Maker under Ind AS 108 "Operating Segment".

The Company has only one segment of activity, namely "Manufacturing of Chemicals", in accordance with the definition of "Segment" covered under Indian Accounting Standards (Ind AS) 108 on Operating Segments.

1.23 Cash Flow Statement

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

1.24 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial Statements have been disclosed in the notes below.

A. Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the Financial Statements.

(a) Leases:

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



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

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

B. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and if material, then effects are disclosed in the notes to the Financial Statements.

(a) Taxes:

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

(b) Defined Benefit Plans:

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The same is disclosed in Note 40, 'Employee Benefit Expense'.

(c) Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the Discounted Cash Flow (DCF) model, which involve various judgements and assumptions.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

(d) Property, Plant and Equipment:

Property, Plant and Equipment represents significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Company's assets are determined by management at the time asset is acquired and reviewed periodically including at the end of each reporting period. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

1.25 Event occurred after the Balance Sheet Date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

1. Disclosure of Changes in Estimates

- i. Effect of Change in estimate on the current period
- ii. If applicable and practicable, effect of change in estimate on the future periods
- iii. If applicable and impracticable, the fact that it is impracticable to estimate the effect on future periods.

2. Corporate Social Responsibility (CSR):

As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2019, the Group has to spent at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

- CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule VII thereof by the company during the period ended 31st March 2023 is Rs. 234.82 Lakhs (Previous year Rs. 214.91 Lakhs)
- Actual expenditure related to CSR spent during the period ended 31st March 2023 is Rs. 31.27 Lakhs (Previous year Rs. 45.10 Lakhs)
- Shortfall in spending related to CSR activities during the year is Rs. 203.55 Lakhs. (Previous year Rs. 169.81 Lakhs)
- Unspent amount pertains to year as on 31st March 2023 is INR 203.55 Lakhs. Company has opened separate CSR Account and transferred INR 204.00 Lakhs for its Art ongoing project, which is going to be utilized in next three years.
- Total unspent amount of the previous years preceding the reporting period was amount to INR 109.81 lakhs.

(Amount in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|------------------------------|--------------|--------------|
| Health (including COVID -19) | 15.65 | 22.00 |
| Education | 8.39 | 6.61 |
| Art, Culture and Heritage | 0.00 | 10.94 |
| Rural Development | 7.23 | 5.55 |
| | 31.27 | 45.10 |

- The unspent amount of the previous year relating to an ongoing project has been spent in the current financial year amounting to Rs. 60 Lakhs. The said amount is contributed to Uttarayan Art foundation which is related parties of SPL.

3. Contingent Liability

- (a) As on 31st March 2023, the company has a contingent liability of Rs.934.70 Lakhs constituted by Letter of Credits and Bank Guarantees. Further with respect to Unpaid Disputed Statutory Dues, the contingent liability outstanding as on 31st March 2023 is as follows:



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

| Bank | Letter of Credit/ Bank Guarantee | Amount (In Rs. Lakhs) |
|--------------|----------------------------------|-----------------------|
| CITI Bank | Letter of Credit | 702.33 |
| IDBI Bank | Bank Guarantee | 116.38 |
| TOTAL | | 934.71 |

(b) Corporate Guarantees given by Shiva Pharmachem Limited during period ended 31st March 2023:

| Sr. No. | Nature of Transactions | Date of Transactions | Name of Person | Amount (In Rs. Lakhs) | Purpose |
|---------|------------------------|----------------------|---|-----------------------|---|
| 1 | Corporate Guarantee | 12/05/2021 | MKB Bank Public Limited 1056, Budapest, Vaci utca 38, Hungary | 1960.00 | For providing guarantee to MKB Bank Public Limited for HUF credit agreement for investment entered into by Kis chemicals kft Shiva Pharmachem Ltd. Is guarantor / obligor for Kis chemicals kft. |
| 2 | Corporate Guarantee | 12/05/2021 | K & H Bank ZRT H-1056, Budapest, Lechner Odon Fasar 9, Hungary | 900.47 | |
| 3 | Corporate Guarantee | 12/05/2021 | Ministry of Foreign Affairs and Trade of Hungary 1027- Budapest, Hungary | 12,556.55 | Ministry of Foreign Affairs and Trade of Hungary (obligee) and Kischchemicals kft (beneficiary) concluded agreement for supporting investment project. Shiva Pharmachem Ltd. (Surety) guarantees in favour of obligee the repayment of |



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

| | | | | | |
|--|------------------|--|--|------------------|--|
| | | | | | amount of subsidy provided to beneficiary. |
| | Total Rs. | | | 15,417.02 | |

(c) The Company has no disputed tax demands, in respect of excise duty, service tax custom duty, value added tax and sales tax except the following liabilities in respect of Income Tax & GST for which the matters are pending with the various appellate authorities:

| SHIVA PHARMACHEM LIMITED | | | | | |
|---|------------------------|-----------------------|------------------------------|---------------------------------------|---------------------------------------|
| Sr. No. | Name of Statute | Nature of Dues | Amount (In Rs. Lakhs) | Period to which amount relates | Forum where dispute is pending |
| 1 | Income Tax Act 1961 | Income Tax | 26.62 | AY 2017-2018 | ITAT Ahmedabad |
| 2 | Income Tax Act 1961 | Income Tax | 10.09 | AY 2021-2022 | CIT(A) |
| 3 | Income Tax Act 1961 | Income Tax | 61.71 | AY 2017-2018 | DCIT |
| 4 | Indirect Tax | GST | 1,011.97 | 23-10-2017 to 09-10-2018 | Ahmedabad High Court |
| TASH INVESTMENTS PRIVATE LIMITED | | | | | |
| Sr. No. | Name of Statute | Nature of Dues | Amount (In Rs. Lakhs) | Period to which amount relates | Forum where dispute is pending |
| 1 | Income Tax Act 1961 | Penalty u/s 271(1)(c) | 106.17 | AY 2011-2012 | CIT(A)-Vadodara |
| 2 | Income Tax Act 1961 | Penalty u/s 271(1)(c) | 172.94 | AY 2012-2013 | CIT(A)-Vadodara |
| 3 | Income Tax Act 1961 | Income Tax | 145.26 | AY 2010-2011 | ITAT Ahmedabad |
| 4 | Income Tax Act 1961 | Income Tax | 55.60 | AY 2011-2012 | ITAT Ahmedabad |
| 5 | Income Tax Act 1961 | Income Tax | 55.60 | AY 2011-2012 | Gujarat High Court |
| 6 | Income Tax Act 1961 | Income Tax | NIL | AY 2012-2013 | ITAT Ahmedabad |
| 7 | Income Tax Act 1961 | Income Tax | NIL | AY 2012-2013 | Gujarat High Court |
| 8 | Income Tax Act 1961 | Income Tax | 84.82 | AY 2013-2014 | ITAT Ahmedabad |
| 9 | Income Tax Act 1961 | Income Tax | 144.97 | AY 2015-2016 | ITAT Ahmedabad |



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

| | | | | | |
|------------------------------------|---------------------|------------|--------|--------------|------------------------|
| 10 | Income Tax Act 1961 | Income Tax | 53.02 | AY 2016-2017 | CIT(A)-Faceless appeal |
| 11 | Income Tax Act 1961 | Income Tax | 22.42 | AY 2017-2018 | CIT(A)-Faceless appeal |
| 12 | Income Tax Act 1961 | Income Tax | 40.41 | AY 2018-2019 | CIT(A)-Faceless appeal |
| 13 | Income Tax Act 1961 | Income Tax | NIL | AY 2015-16 | ITO |
| 14 | Income Tax Act 1961 | Income Tax | NIL | AY 2016-17 | ITO |
| VR FINEHCEM PRIVATE LIMITED | | | | | |
| 1 | Income Tax Act 1961 | Income Tax | 165.36 | AY 2018-2019 | CIT(A)-Faceless appeal |

4. Trade Payables – MSME Vendor Outstanding & Interest on MSME Vendor:

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the period ended March 31, 2023. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

| Sl. No | Particulars | As on | |
|--------|--|------------------|------------------|
| | | March 31st, 2023 | March 31st, 2022 |
| 1 | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 732.46 | 756.92 |
| 2 | Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 4.96 | 1.28 |
| 3 | Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | --- | --- |
| 4 | Interest paid , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | --- | --- |
| 5 | Interest paid , under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | --- | --- |
| 6 | Interest due and payable towards suppliers registered under MSMED Act, for payments already made | --- | --- |



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

| | | | |
|---|---|-----|-----|
| 7 | Further <u>interest remaining due and payable</u> for earlier years | --- | --- |
|---|---|-----|-----|

5. Demerger of Shiva Performance Division:

Pursuant to implementation of Scheme 2, the unit of Shiva Pharmachem Limited located at Karakhadi (Performance Division), Vadodara was demerged w.e.f. October 01, 2019 and subsequently merged to Shiva Performance Materials Private Limited. The said arrangement was approved by the Ahmedabad bench of Hon'ble NCLT vide its order no. CP (CAA) No. 60/NCLT/AHM/2020 dated 18th December 2020. The approved arrangement was intimated by the Company to ROC on 01-02-2021 and accordingly became effective from 01-02-2021.

Under the said scheme, all the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. relating to demerged unit of Shiva Pharmachem Limited have been transferred to Shiva Performance Materials Private Limited. The accounting treatment giving effect of the said arrangement has been given in the financials for the year ended 31st March 2020.

As per Clause 13 of the Scheme,

"All costs, Payments & Other Liabilities that the Demerged Company shall be required to bear to give effect to this clause 13 shall be borne solely by the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof."

As a result of Demerger, the following joint liabilities as at 01-10-2019 have been demerged / separated as per Clause 13 of the Scheme to Shiva Performance Materials Pvt Ltd and reflected as Current Assets under the Balance Sheet of Shiva Pharma Chem Ltd.

| Outstanding Balance As at 31.03.2023 | | |
|---|---|---|
| Particulars | As at 31.03.2023 Amount (In Rs. Lakhs) | As at 31.03.2022 Amount (In Rs. Lakhs) |
| Shiva Performance Materials Pvt Ltd (LC-BG Limit) | 647.22 | 747.22 |
| Shiva Performance Materials Pvt Ltd (Working Capital Limit) | 985.48 | 985.48 |
| Total Rs. | 1,632.70 | 1,732.70 |

Moreover, clause 13 of the Scheme also provided as follows:

"It is clarified that till entry is made in the records of the appropriate authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and / or asset license, permission



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

approval, contract or agreement and rights and benefits arising there from as the case may be, in trust for and on behalf of the Resulting Company”

Pursuant to Scheme 2, the details of which have been set out under Note 51 (Business Combinations), all the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. relating to demerged unit of Shiva Pharmachem Limited have been transferred to Shiva Performance Materials Private Limited. The joint operations continued till 31st May 2021 & w.e.f. 1st June 2021 demerged unit started its own functioning after receiving all the statutory approvals. The amount outstanding as at 31st March 2023, 31st March 2022 and 31st March 2021 was a result of joint operations and the same have been apportioned as per approval of Hon'ble NCLT Order. Accordingly, the receivables from Shiva Performance Materials Pvt Ltd as set out under Note 16 "Receivables from Related Party" is not required to be treated as loan transaction in the Financial Statements. Given that there was no transaction between the parties and the said receivables is on account of the Scheme 2, the same is not required to be reported as a related party transaction.

6. Shiva Pharmachem Limited has entered into the Scheme of Arrangement in the nature of Amalgamation u/s. 230 to 232 of Companies Act 2013:

During the FY 2021-22, the Company M/s. Shiva Pharmachem Limited has entered into the scheme of arrangement with M/s. VR Finechem Private Limited.

- (a) The Scheme of Arrangement of merger of VR Finechem Private Limited into Shiva Pharmachem Limited has been approved by the Honourable NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD COURT NO. II vide its Order No. CP(CAA) 12/AHM/2022 IN CA(CAA) 70/230-232/AHM/2021 Dated - 26th September 2022. The said Arrangement has been effective from 01st April 2021. The Scheme has accordingly been given effect in this financial statement with effect from 01st April 2021.
- (b) Pursuant to the Scheme of Arrangement One fully paid-up Compulsorily Convertible Preference Share of INR 100 (Indian Rupees Hundred) of SPL, the Transferee Company, shall be issued for every Ten equity shares of INR 10 (Indian Rupees Ten) each of VR Finechem Pvt Limited, the Transferor Company, held by such shareholder whose name is recorded in the register of members of the Transferor Company, on the record date (i.e.26-09-2022). Accordingly, 550000 8.5% Compulsorily Convertible Preference Share of INR 100 is issued to the members of the Transferor Company.
- (c) Pursuant to the scheme of arrangement become effective the authorised share capital of the VRFPL (transferor Company) amounting to Rs. 550 Lakhs (55,00,000 equity share of Rs. 10 each) will get consolidated with that of the SPL (Transferee Company). Accordingly, the total authorised capital increased from the date of NCLT Order i.e., 26-09-2022.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

7. Authorised Share Capital:

- (a) As per the scheme of arrangement, the authorised share capital of the VR Finechem Pvt Ltd (Transferor Company) amounting to Rs. 550 Lakhs consisting of 55,00,000 Equity Shares of Rs. 10 each was consolidated with that of the Shiva Pharmachem Ltd (Transferee Company). The Authorised Equity Share Capital increased from the date of NCLT Order i.e. 26th September 2022 to Rs. 1,350 Lakhs consisting of 1,35,00,000 Equity Shares of Rs. 10 each. (Refer Note 6)
- (b) Pursuant to the resolution passed by the board of directors of Shiva Pharmachem Ltd and approval of the members at the Annual General Meeting of the Company held on 12th November 2022, the Authorised Equity Share Capital of the Company has been increased from Rs. 1,350 Lakhs to Rs. 2,200 Lakhs consisting of 2,20,00,000 Equity Shares of Rs. 10 each.
- (c) Pursuant to the special resolution passed by the Members of Shiva Pharmachem Ltd in the Extra Ordinary General Meeting held on 13th December, 2022 the Authorised Equity Share Capital of the Company is altered due to sub-division of equity shares from Rs. 2200 Lakhs consisting of 2,20,00,000 Equity Shares of Rs. 10 each to Rs. 2800 Lakhs divided into 11,00,00,000 equity shares of Rs. 2 each and 6,00,000 Preference Shares of Rs.100 each.

8. Split of Face Value of Shares:

- (a) Pursuant to the resolutions passed by Board of Directors and approval of Shareholders at the Extra Ordinary General Meeting held on 13th December 2022, the face value of the equity shares was split from Rs. 10 per equity share to Rs. 2 per Equity Share.
- (b) Accordingly, the issued, subscribed, and paid-up equity share capital of the Company, being 70,80,200 equity shares of Rs. 10 each was split into 3,54,01,000 Equity Shares of Rs. 2 each.

9. Issue of Bonus Shares:

Pursuant to the resolution passed by the members of the Company i.e. Shiva Pharmachem Ltd in the Extra Ordinary General Meeting held on 13th December 2022, issuance of 2 bonus shares of face value Rs. 2/- each for every 1 existing fully paid-up equity share of face value Rs. 2/- was approved.

Resolution for allotment of these shares was approved by the board of directors on 2nd January 2023 and 7,08,02,000 bonus shares having face value of Rs. 2/- were issued resulting to 10,62,3000 total number of equity shares of the Company having face value Rs. 2/- each. The Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013.

The impact of issuance of bonus shares has been accordingly considered for the Computation of Earnings Per Share as per the requirement of Ind AS 33 – Earning Per Share.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

10. Buy back of Compulsorily Convertible Preference Shares:

During the year, pursuant to the Resolution passed by the Board of Directors on 09th November 2022, the company has bought back its 8.5%, 5,50,000 number of Compulsorily Convertible Preference Shares of Face value of Rs 100 each fully paid up, at a buyback price of Rs. 100/- per share from the preference shareholders of the company.

These shares have been extinguished on December 15, 2022. Post buyback the company's Preference share capital as on 31 March, 2023 is Rs. NIL. The company has funded the buyback from its Retained Earnings. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of Rs. 550.00 lakhs equal to the nominal value of the shares bought back as an appropriation from Retained Earnings.

11. Loss of Control:

During the Year, the Company Shiva Pharmachem Ltd had entered into an agreement on 29th September 2022 to sell its investment in SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd for a total consideration of ₹ 406.31 Lakhs. Consequently, with effect from 29th September 2022, SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd ceased to be subsidiary company of Shiva Pharmachem Limited.

12. Loss due to Fire & Insurance Claim receivable:

A Fire took place on 30th October 2019 in the factory premises situated at Village Dahej, Vagra Dist. Bharuch, where Machineries of One plants and stock of semi-finished materials lying at said premises were completely destroyed. The total loss suffered by the company due to fire is estimated at Rs. 87.26 Lakhs. The company has lodged total insurance claims for such loss on account of fire for Rs. 87.26 Lakhs in October 2019. Out of total insurance claim of Rs. 87.26 Lakhs, during the FY 2022-2023, the Company has received insurance claim of Rs. 40.23 Lakhs.

The difference of Rs. 47.03 Lakhs, between claims receivables as provided in books by the company and actual receipt thereof has been written off in the books.

13. Title Deeds of Immovable Property not held in the Name of the company:

The title deeds of all the immovable properties, (other than immovable properties relating to Right of use assets where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (Property, Plant and Equipment and capital work-in progress) are held in the name of the Company.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

14. Working Capital/Borrowings:

The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company, of the respective quarters, except for the following:

| For The Quarter | Sanction Amount to which the discrepancy relates (Rs. Lakhs) | Nature of Current Assets | Amount as per Quarterly Return & Statements (Rs. Lakhs) | As per Books of Accounts (SAP) (Rs. Lakhs) | Difference (Rs. Lakhs) | Nature of Discrepancy | Remarks including subsequent rectification, if any |
|-----------------|--|--------------------------|---|--|------------------------|---|---|
| Jun-22 | 27,000 | Inventory | 9,858.74 | 9,785.26 | 73.48 | Purchase Invoices booking done at later date. | No Revised Statement Filed with the Bank till date. |
| Mar-23 | 27,000 | Inventory | 9,207.35 | 10,265.46 | 1,058.11 | Stock in Transit amounting to Rs. 1058.11 Lakhs booked at later date. | No Revised Statement Filed with the Bank till date. |
| Jun-22 | 27,000 | Creditors | 3,552.32 | 3,480.26 | 72.05 | Invoice booking done at later date | No Revised Statement Filed with the Bank till date. |
| Sep-22 | 27,000 | Creditors | 2,881.04 | 2,882.95 | 1.91 | Invoice booking done at later date | No Revised Statement Filed with the Bank till date. |
| Mar-23 | 27,000 | Creditors | 5,163.81 | 5,158.09 | 5.71 | Invoice booking done at later date | No Revised Statement Filed with the Bank till date. |

15. Other Statutory Information:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transaction with struck off company.

(iii) The Company is not declared wilful defaulter by any bank or financial Institution or other lender at any time during the Financial Year.

(iv) The Company has used the borrowings from Banks and Financial Institutions for the Purpose for which it was taken.



Shiva Pharmachem Limited

Notes to Financial Statements for the year ended on 31st March 2023:

Additional information pursuant to Schedule III:

(v) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company has not traded or invested in Crypto currency or Virtual Digital Currency during the financial year.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ix) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(x) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961

**For Talati & Talati LLP
Chartered Accountants**

Firm Reg. No. 110758/W/100377

**CA. Manish Baxi
Partner**

Membership No. 045011

Place: Vadodara

Date:



For and on behalf of Shiva Pharmachem Ltd


**Rakesh Agrawal
Chairman**

DIN: 00057955

Place: Vadodara

Date:


**Anil Inani
Chief Financial Officer**

Place: Vadodara

Date:


**Tarang Maru
Company Secretary**
Place: Vadodara
Date: