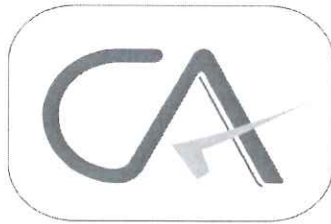


SHIVA PHARMACHEM LIMITED

SPECIAL PURPOSE
IND AS STANDALONE
FINANCIAL STATEMENT
F.Y. 2020-21



talati & talati llp
Chartered Accountants

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

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

SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Balance Sheet as at 31st March, 2021

Amount in Lakhs

Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2A	16,155.32	9,606.00
(b) Capital work - in - progress	2B	3,550.02	5,190.88
(c) Intangible assets	3	7.20	8.15
(d) Right of Use Assets	4	1,145.53	1,204.94
(e) Financial assets			
(i) Investments	5	4,009.29	4,012.79
(ii) Others financial assets	6	517.53	510.15
(f) Deferred tax assets (net)	7	125.20	356.43
(g) Other non - current assets	8	256.03	240.61
Total Non-current assets		25,766.10	21,129.95
2 Current assets			
(a) Inventories	9	7,401.25	6,345.08
(b) Financial assets			
(i) Trade receivables	10	14,239.36	17,964.47
(ii) Cash and cash equivalents	11	1,558.96	1,203.03
(iii) Bank Balances other than (ii) above	12	216.97	430.74
(iv) Loans	13	32.01	36.89
(v) Others financial assets			
(c) Current Tax Assets (Net)			
(c) Other current assets	14	5,460.59	8,667.02
Total Current assets		28,909.13	34,647.23
TOTAL ASSETS		54,675.24	55,777.18
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	15A	708.02	695.02
b) Other equity	15B	28,190.81	21,493.71
Total Equity		28,898.83	22,188.73
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	5,034.20	7,513.24
(ii) Lease Liabilities	16B	11.07	11.27
(iii) Other financial liabilities	16C	550.00	550.00
(b) Long Term Provisions	17	713.21	563.60
(c) Other non-current liabilities	18	333.67	92.48
Total Non-current liabilities		6,642.15	8,730.58



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Balance Sheet as at 31st March, 2021

Amount in Lakhs

Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	9,858.23	16,633.05
(ia) Lease Liabilities	20	0.20	0.19
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	21	999.74	595.99
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	4,701.42	3,976.68
(b) Short Term Provisions	22	1,605.96	897.59
(c) Liability for current tax (Net)	23	1,825.69	2,522.42
(d) Other current liabilities	24	143.02	231.95
Total Current Liabilities		19,134.27	24,857.87
TOTAL EQUITY AND LIABILITIES		54,675.24	55,777.18
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes are an integral part of these standalone special purpose Ind AS financial statement

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

Special Purpose Ind AS Statement of Profit & Loss for the year ended 31st March, 2021

Amount in Lakhs

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
CONTINUING OPERATIONS			
I INCOME			
Revenue from operations	25	52,773.63	63,980.90
Other income	26	1,537.11	3,786.70
Total Income		54,310.74	67,767.60
II EXPENSES			
Cost of materials consumed	27	28,332.00	29,880.39
Purchases of Traded Goods	28	-	3,349.73
Changes in inventories of finished goods and work-in progress	29	(1,296.92)	(916.49)
Employee benefits expense	30	5,546.56	4,859.89
Finance costs	31	745.20	1,625.31
Depreciation and amortization expense	32	2,260.17	2,742.75
Other expenses	33	9,522.89	10,693.60
Total Expenses		45,109.90	52,235.18
III Profit / (loss) before exceptional Items and tax		9,200.83	15,532.42
IV Exceptional Item		-	-
V Profit / (loss) before tax		9,200.83	15,532.42
VI Tax expense			
Current tax	34	2,300.00	3,051.00
Deferred tax charge/(credit)	34	126.57	(102.25)
Tax in respect of earlier years		-	61.02
VII Profit/(Loss) for the year from continuing operations		6,774.27	12,522.66
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(91.29)	111.16
Income tax relating to above items		31.90	(38.84)
Other comprehensive income for the year		(59.39)	72.32
IX Total Comprehensive Income for the year		6,714.87	12,594.97
X Earnings per equity share of INR 10 each (for continuing operation):	35		
Basic (In Rs.)		95.68	180.18
Diluted (In Rs.)		95.68	176.87
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes are an integral part of these standalone special purpose Ind AS 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
Special Purpose Ind AS Statement of Cash Flow for the year ended 31st March, 2021

Amount in Lakhs

Particulars	Amount	Year ended 31st March, 2021	Amount	Year ended 31st March, 2020
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before exceptional Items and tax as per statement of Adjustments for:		9,200.83		15,532.42
Depreciation and amortization expenses	2,260.17		2,742.75	
Finance cost	745.20		1,625.31	
Adjustment for Mat Credit	139.13		(62.40)	
Dividend income	(0.04)		(1,644.65)	
Interest income	(247.70)		(198.56)	
Remeasurements of net defined benefit plans	(91.29)		111.16	
Bad debts / assets written off	-			
(Profit)/ loss on sale of fixed assets (net)	(1.62)		(9.72)	
		2,803.84		2,563.89
Operating profit before working capital changes		12,004.68		18,096.32
Adjustments for (Increase)/decrease for:				
Trade & other receivables	3,725.11		1,170.23	
Inventories	(1,056.16)		1,402.64	
Other Financial Assets	(7.37)		(500.65)	
Other Non Current Assets	(15.42)		(79.34)	
Bank Balance	213.77		418.76	
Short Term Loans	4.88		416.86	
Other Current Assets	3,206.43		(4,412.11)	
Lease Liability	(0.20)		(0.19)	
Long Term Provisions	149.61		58.30	
Other Non Current Liability	240.44		18.16	
Short Term Lease Liability	0.02		0.01	
Creditors	1,128.49		(3,440.80)	
Short Term Provisions	708.37		(386.90)	
Other Current Liabilities	(88.18)		(2,089.02)	
			11.60	
Less: Direct taxes paid (net of refunds)	(2,996.73)			
		5,213.04		(7,412.44)
Net cash flows (used in)/ generated from operating activities after exceptional items (I)		17,217.72		10,683.88
CASH FLOW FROM INVESTING ACTIVITIES:				
Inflows				
Sale proceeds of property, plant and equipment	8.40		(2,196.78)	
Sale proceeds of Investments	3.50		77.81	
Interest received	247.70		198.56	
Dividend received from others	0.04		1,643.65	
Outflows				
Purchase of property, plant and equipment/ intangible	(7,122.39)		-	
Purchase of investments (net)	-		(346.88)	
			-	
Net cash (used in) / generated from investing activities (II)		(6,862.74)		(623.64)



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Statement of Cash Flow for the year ended 31st March, 2021

Amount in Lakhs

Particulars	Amount	Year ended 31st March, 2021	Amount	Year ended 31st March, 2020
CASH FLOW FROM FINANCING ACTIVITIES:				
Inflows				
Proceeds from issue of shares		-	13.00	
Proceeds of short term borrowings (net)		-	127.10	
Outflows				
Repayment of long term borrowings	(2,479.04)		(975.68)	
Repayment of Short term borrowings	(6,774.82)		(30.93)	
Dividend paid			(2,346.07)	
Interest paid	(745.20)		(4,697.55)	
Adjustment in reserves due to business combination			-	
Finance cost			(1,412.34)	
			-	
Net cash (used in) / generated from financing activities (III)		(9,999.05)		(9,322.48)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (I+II+III)		355.93		525.79
Add : Cash and cash equivalence at beginning of the year		1,203.03		677.24
Cash and cash equivalence at end of the year		1,558.96		1,203.03
Cash and Cash equivalent as per above comprises of the following		1,558.96		1,203.03
Cash and Cash Equivalents (Refer Note 11)		1,558.96		1,203.03
Bank Overdrafts (Refer Note 12)		216.97		430.74
Balances as per statement of Cash Flows		1,775.93		1,633.77

The accompanying notes are an integral part of these standalone special purpose 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: 110758/W/W100377

CA Manish Baxi
Partner
Membership No. 045011
Place : Vadodara
Date: 14-08-2023



For and on behalf of Board of Directors

Rakesh Agrawal

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

Anil Inani

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

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

SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	Amount in Lakhs
Balance as at 1st April, 2019	695.02
Shares issued during the year	-
Shares cancellation during the year	-
Balance as at 31st March, 2020	695.02
Shares issued during the year	-
Shares cancellation during the year	-
Balance as at 31st March, 2021	695.02

B. Other Equity

Particulars	Other Equity	Reserve & Surplus			Other Comprehensive Income	Total
		Capital Redemption Reserve	General Reserves	Retained Earnings		
Balance as at 1st April, 2019	-	400.00	922.11	15,708.37	-	17,030.48
Acquisition through Business Combinations	-	-	-	(5,298.67)	-	(5,298.67)
Transfer to Retained Earnings / General Reserves	-	-	(922.11)	922.11	-	-
Total Comprehensive Income for the year	-	-	-	12,522.66	72.32	12,594.97
Share Capital Pending Allotment	13.00	-	-	-	-	13.00
Goodwill Written off	-	-	-	(500.00)	-	(500.00)
Dividend and DDT	-	-	-	(2,346.07)	-	(2,346.07)
Balance as at 31st March, 2020	13.00	400.00	-	21,008.39	72.32	21,493.71
Adjustment on account of different transition dates (Ind AS 116)	-	-	-	(4.78)	-	(4.78)
Balance as at 1st April, 2020	13.00	400.00	-	21,003.61	72.32	21,488.93
Transfer to Retained Earnings / General Reserves	-	(400.00)	400.00	-	-	-
Total Comprehensive Income for the year	-	-	-	6,774.27	(59.39)	6,714.87
Converted into Share Capital	(13.00)	-	-	-	-	(13.00)
Balance as at 31st March, 2021	-	-	400.00	27,777.88	12.93	28,190.81

The accompanying notes are an integral part of these standalone special purpose Ind AS financial statements

As per our Report of even date

For Talati & Talati LLP
 Chartered Accountants
 FRN: 110758WAW/100377



CA Mamish 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

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Corporate information:

Shiva Pharmachem Limited (the "Company") having CIN U24231GJ1999PLC035615 is a public limited company incorporated on 18th March 1999 with its registered office 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 Special Purpose Ind AS Financial Statements.

1.1 Statement of Compliance and Basis of Preparation

The Special Purpose Ind AS Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

For all periods up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Special Purpose Ind AS Financial Statements of the Company comprises, the Special Purpose Ind AS Balance sheet, the Special Purpose Ind AS Statements of Profit and Loss (including Other Comprehensive Income), the Special Purpose Ind AS Statements of Changes in Equity and the Special Purpose Ind AS Statements of Cash Flows as at and for the year ended March 31, 2021 and the Significant Accounting Policies and explanatory notes (collectively, referred to as 'Special Purpose Ind AS Financial Statements').

The Financial Statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with the Accounting Standards prescribed under section 133 of the act read with the relevant rules issued thereunder (Indian GAAP), and other accounting principles generally accepted in India, were audited by SSBK & Co., vide report dated 24th September, 2021 expressed an unmodified opinion on those Financial Statements.

The Special Purpose Ind AS Financial Statement have been prepared by the Company after giving effect to the recognition and measurement principles of the Indian Accounting Standards prescribed under section 133 of the Companies act, 2013 read with Companies (Indian Accounting Standards), rules 2015 as amended, to the above Financials Statements prepared as GAAP in Compliance with securities (Issue of Capital and Disclosure) Requirements Regulations 2018 (ICDR Regulations) for the purpose of inclusion of the same in, the Draft red herring Prospectus ('DRPH') prepared by the Company in connection with its proposed Initial Public offer of equity shares ('IPO'). The opening balances as at April 01, 2020 are classified on account of the above restatement of the Audited Financial Statement for the year ended March 31, 2021.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

The accounting policies have been consistently applied by the Company in preparation of the Special Purpose Ind AS Financial Statements and are consistent with those initially adopted at the date of transition to Ind AS (i.e. April 01, 2020) for preparation of First Ind AS Financial Statements of the Company for the year ended March 31, 2022.

All amounts included in the Special Purpose Ind AS 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.

Historical Cost Convention:

The Special Purpose Ind AS Financial Statements have been prepared on 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:

- (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.
- (f) 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

Current versus non-current classification

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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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
- 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.

1.4 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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 are 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.

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	8 Years

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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

The Company has taken over the following fixed assets under schemes of arrangement {Merger with that of Tash Investment Pvt. Ltd.}, the balance of which have been depreciated on the remaining useful life of that assets under WDV Method.

Sr. No.	Asset Class	Useful Life (Years)
1	Office Building	47 (Remaining Useful Life)

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:

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

1.5 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.

1.6 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:

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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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

1.7 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.

For arrangements entered prior to 1st April 2020, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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 remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the 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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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

1.7 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.

For arrangements entered prior to 1st April 2020, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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 remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the 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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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 remeasured 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 (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.

1.8 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:

- 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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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).

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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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.

1.9 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 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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.

1.10 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.

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.

1.11 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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.

1.12 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.

1.13 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 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 Special Purpose Ind AS Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

1.14 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:

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) 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

1.15 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.
Semi-Finished (WIP) Goods Stock	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.

1.16 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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:

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.

1.17 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 Special Purpose Ind AS 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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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.

(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.

1.18 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.

1.19 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

1.20 Segment Reporting:

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.

1.21 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.

1.22 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS 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.

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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

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 Special Purpose Ind AS Financial Statements in the period in which changes are made and if material, then effects are disclosed in the notes to the Special Purpose Ind AS 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 41, '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.

(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.



SHIVA PHARMACHEM LIMITED

**Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st
March 2021:**

1.23 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
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 1B - Statement of Restatement Adjustments to Audited Standalone Financial Statements of the Company

(a) Reconciliation between Audited Equity and Special Purpose Ind AS Financial Statements Equity

Particulars	Amount in Lakhs		
	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Equity as per Audited Financial Statements	30,938.47	24,072.97	18,228.37
Adjustment for conversion from Previous GAAP to Ind AS	(2,039.64)	(1,066.88)	(502.87)
Total Equity as per Special Purpose Ind AS Financial Statements	28,898.83	23,006.09	17,725.50

(b) Reconciliation between Audited Profit and Special Purpose Ind AS Financial Statements Profit

Particulars	Amount in Lakhs	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Total Comprehensive Income as per Audited Financial Statements	6,865.50	12,875.23
Adjustment for conversion from Previous GAAP to Ind AS	(150.63)	(64.01)
Total Comprehensive Income as per Special Purpose Ind AS Financial Statements	6,714.87	12,811.22

(c) Summary of Special Purpose Ind AS Financial Statements

The Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions) availed as per Ind AS 101, while preparing the Special Purpose Ind AS Financial Statements for the year ended 31st March 2021 and 31st March 2020. The equity balance computed under Special Purpose Ind AS Financial Statements for the year ended 31st March 2020 and equity balance computed on the first-time transition to Ind AS i.e. 1st April 2020, differs due to early application of Ind AS principles with effect from 1st April 2019. Accordingly, the closing equity balance as at 31st March 2020 has not been carried forward to Opening Balance sheet as at 1st April 2020.



The reconciliation of the same is as follows

Particulars	Retained Earnings
Special Purpose Ind AS balance as at 31st March, 2020	21,825.75
Add/Less: Adjustment on account of different transition dates	
(i) Adjustment on account of Ind AS 116 - Leases	(7.34)
(ii) Deferred tax on (i) above	2.57
Balance as at 1st April, 2020 as per Special Purpose Audited Financial Statements for the year ended 31st March, 2021	21,820.97

(d) Material re-groupings:

Appropriate regroupings have been made in the Special Purpose Ind AS Balance Sheet, Special Purpose Ind AS Statement of Profit and Loss and Special Purpose Ind AS Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Company for the year ended 31st March, 2021 respectively prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 2A PROPERTY, PLANT & EQUIPMENTS

FY 2020-21

Sr.No	Particulars	As at 01.04.2020	Gross Block				Balance as at 31.03.2021	As at 01.04.2020	Accumulated Depreciation				Net Block					
			Additions during the year 20-21		Reductions during the year 20-21				Additions during the year 21		Reductions during the year 20-21		Balance as at 31.03.2021	As at 31.03.2021	As at 31.03.2020			
			Transfer under NCLT	Additions	Transfer under NCLT	Reductions			Transfer under NCLT	Additions	Transfer under NCLT	Reductions						
1	Land																	
	Owned	36.96	-	-	-	-	36.96	-	-	-	-	-	-	-	36.96	-	36.96	
2	Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Factory Building	4,308.27	-	633.21	-	-	4,941.48	1,945.44	-	247.18	-	-	-	-	2,192.62	2,748.86	2,362.83	
3	Office Building	251.41	-	-	-	-	251.41	87.30	-	8.06	-	-	-	-	95.37	156.04	184.10	
4	Office Building-ABS Tower	23.37	-	-	-	-	23.37	1.45	-	1.35	-	-	-	2.80	20.57	21.92	21.92	
5	Plant & Machinery	14,683.31	-	7,595.06	-	-	22,278.37	10,187.09	-	1,406.17	-	-	-	11,593.27	10,685.11	4,496.22	10,685.11	
6	Plant Pipe Lines	792.00	-	-	-	-	792.00	694.03	-	33.83	-	-	-	717.86	74.14	107.97	107.97	
7	R & D Equipments	200.71	-	18.22	-	-	218.93	170.27	-	14.41	-	-	-	178.08	40.85	30.44	30.44	
8	Lab Equipments	59.47	-	31.49	-	-	90.96	41.62	-	7.81	-	-	-	56.03	34.93	17.85	17.85	
9	Electrical Installations	658.55	-	52.55	-	-	711.11	516.49	-	41.74	-	-	-	558.23	152.88	142.07	142.07	
10	EHS Equipments	67.53	-	-	-	-	67.53	54.69	-	4.02	-	-	-	58.71	8.83	12.84	12.84	
11	Furniture	579.16	-	-	-	-	579.16	445.71	-	33.53	-	-	-	479.24	99.92	133.45	133.45	
12	Air Conditions	162.07	-	2.06	-	-	164.13	135.45	-	6.46	-	-	-	141.91	22.22	26.62	26.62	
13	Computers	127.34	-	4.61	-	-	131.95	117.04	-	4.85	-	-	-	121.89	10.06	10.30	10.30	
14	Vehicles	1,145.24	-	128.21	-	-	1,273.45	730.86	-	153.78	-	-	-	803.60	382.03	414.38	414.38	
15	Office Equipments	154.72	-	11.68	-	-	166.40	113.73	-	15.23	-	-	-	128.96	37.45	40.99	40.99	
16	Pollution Control Measures	16.80	-	162.26	-	-	179.06	14.36	-	0.64	-	-	-	14.99	164.07	2.44	2.44	
17	ISO Tanks	3,706.14	-	123.89	-	-	3,830.03	2,121.55	-	228.08	-	-	-	2,349.62	1,480.41	1,584.60	1,584.60	
	ISO Tanks	26,973.06	-	8,763.25	-	-	35,648.49	17,367.06	-	2,207.15	-	-	-	19,493.18	16,155.32	9,606.00	9,606.00	
	Total																	

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	Whether title deed holder is a promoter, director or relative of promoter/director or employee of	Property held since which date	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	-	-	-	-	-



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 2B CAPITAL WORK-IN-PROGRESS

For FY 2019-20

Sr.No	Particulars	As at 01.04.2019	Gross Block				Balance as at 31.03.2020	As at 01.04.2019	Accumulated Depreciation				Balance as at 31.03.2020	As at 31.03.2020	As at 31.03.2019
			Additions during the year 19-20		Reductions during the year 19-20				Additions during the year 19-20		Reductions during the year 19-20				
			Transfer under NCLT	Additions	Transfer under NCLT	Reductions		Transfer under NCLT	Additions	Transfer under NCLT	Reductions				
1	CWIP ISO Tank	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	CWIP Plant & Machinery	1,486.73	-	3,947.16	-	250.69	5,183.21	-	-	-	-	-	-	1,486.73	-
3	CWIP Factory Building	17.52	-	0.41	-	10.25	7.67	-	-	-	-	-	-	17.52	-
4	CWIP AUC Pharma	36.04	-	-	-	36.04	-	-	-	-	-	-	-	36	-
5	CWIP AUC AC-1	16.62	-	-	-	16.62	-	-	-	-	-	-	-	17	-
	Total	1,504.25	-	3,947.57	-	260.94	5,190.88	-	-	-	-	-	-	1,504.25	-

As at 31st March, 2020

Amount in Lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4,821.56	369.32	-	-	5,190.88
Projects temporarily suspended	-	-	-	-	-

For FY 2020-21

Sr.No	Particulars	As at 01.04.2020	Gross Block				Balance as at 31.03.2021	As at 01.04.2020	Accumulated Depreciation				Balance as at 31.03.2021	As at 31.03.2021	As at 31.03.2020
			Additions during the year 20-21		Reductions during the year 20-21				Additions during the year 20-21		Reductions during the year 20-21				
			Transfer under NCLT Order	Additions	Transfer under NCLT Order	Reductions		Transfer under NCLT Order	Additions	Transfer under NCLT Order	Reductions				
1	CWIP ISO Tank	-	-	140.79	-	94.49	46.30	-	-	-	-	-	-	46.30	-
2	CWIP Plant & Machinery	5,183.21	-	6,669.90	-	8,400.88	3,452.23	-	-	-	-	-	-	3,452.23	5,183.21
3	CWIP Factory Building	7.67	-	175.89	-	132.07	51.49	-	-	-	-	-	-	51.49	7.67
4	CWIP AUC Pharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	CWIP Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	5,190.88	-	6,986.58	-	8,627.44	3,550.02	-	-	-	-	-	-	3,550.02	5,190.88

As at 31st March, 2021

Amount in Lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,649.76	900.27	-	-	3,550.02
Projects temporarily suspended	-	-	-	-	-



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 2A PROPERTY, PLANT & EQUIPMENTS

FY 2020-21

S.No	Particulars	As at 01.04.2020	Gross Block				Balance as at 31.03.2021	As at 01.04.2020	Accumulated Depreciation				Balance as at 31.03.2021	Net Block	
			Additions during the year 20-21		Reductions during the year 20-21				Additions during the year 20-21		Reductions during the year 20-21			As at 31.03.2021	As at 31.03.2020
			Transfer under NCLT	Additions	Transfer under NCLT	Reductions			Transfer under NCLT	Additions	Transfer under NCLT	Reductions			
1	Land	36.96	-	-	-	-	36.96	-	-	-	-	-	36.96	-	36.96
2	Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Factory Building	4,308.27	-	693.21	-	-	4,941.48	1,945.44	-	-	247.18	-	2,192.62	2,748.86	2,362.83
4	Office Building	251.41	-	-	-	-	251.41	87.30	-	-	8.06	-	95.37	156.04	164.10
5	Office Building-ABS Tower	23.37	-	-	-	-	23.37	1.45	-	-	1.35	-	2.80	20.57	21.92
6	Plant & Machinery	14,683.31	-	7,595.06	-	-	22,278.37	10,187.09	-	-	1,406.17	-	11,593.27	10,685.11	4,496.22
7	Plant Pipe Lines	792.00	-	-	-	-	792.00	684.03	-	-	33.83	-	717.86	74.14	107.97
8	R & D Equipments	200.71	-	18.22	-	-	218.93	170.27	-	-	7.81	-	178.08	40.85	30.44
9	Lab Equipments	59.47	-	31.49	-	-	90.96	41.62	-	-	14.41	-	56.03	34.93	17.85
10	Electrical Installations	658.55	-	52.55	-	-	711.11	516.49	-	-	41.74	-	558.23	152.88	142.07
11	Furniture	67.53	-	-	-	-	67.53	54.69	-	-	4.02	-	58.71	8.83	12.84
12	Air Conditions	579.16	-	-	-	-	579.16	445.71	-	-	33.53	-	479.24	99.92	133.45
13	Computers	162.07	-	2.06	-	-	164.13	135.45	-	-	6.46	-	141.91	22.22	26.62
14	Vehicles	127.34	-	4.61	-	-	131.95	117.04	-	-	4.85	-	121.89	10.06	10.30
15	Office Equipments	1,145.24	-	128.21	-	-	1,185.64	730.86	-	-	153.78	-	803.60	382.03	414.38
16	Pollution Control Measures	154.72	-	11.68	-	-	166.40	113.73	-	-	15.23	-	128.96	37.45	40.99
17	ISO Tanks	16.80	-	162.26	-	-	179.06	14.36	-	-	0.64	-	14.99	164.07	2.44
	ISO Tanks	3,706.14	-	123.89	-	-	3,830.03	2,121.55	-	-	228.08	-	2,349.62	1,480.41	1,584.60
	Total	26,973.06	-	8,763.25	-	-	35,648.49	17,367.06	-	-	2,207.15	-	19,483.18	16,155.32	9,606.00

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 promoter/director	Whether title deed holder is a promoter, director or relative of promoter/director or employee of	Property held since which date	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	-	-	-	-	-



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 3 - INTANGIBLE ASSETS

Particulars	Amount in Lakhs
Gross carrying amount	
Deemed Cost as at 1st April, 2019	165.99
Additions during the year	0.11
Disposals during the year	-
Transfer under NCLT order	(5.25)
Balance as at 31st March, 2020	160.85
Additions during the year	-
Disposals during the year	-
Balance as at 31st March, 2021	160.85
Accumulated amortisation	
Balance as at 1st April, 2019	154.71
Additions during the year	2.18
Disposals during the year	-
Transfer under NCLT order	(4.19)
Balance as at 31st March, 2020	152.70
Additions during the year	0.95
Disposals during the year	-
Balance as at 31st March, 2021	153.65
Net carrying amount	
Balance as at 31st March, 2020	8.15
Balance as at 31st March, 2021	7.20



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021
NOTE 4 - RIGHT OF USE ASSET

Particulars	Amount in Lakhs
<u>Gross Carrying amount</u>	
Balance as at 1st April, 2019	1,316.64
Additions during the year	
Disposals during the year	
Balance as at 31st March, 2020	1,316.64
Due to Difference in Transition Dates (Refer Note 1B)	(0.17)
Balance as at 1st April, 2020	1,316.47
Additions during the year	-
Disposals during the year	-
Balance as at 31st March, 2021	1,316.47
<u>Accumulated Depreciation</u>	
Balance as at 1st April, 2019	59.32
Additions during the year	52.39
Disposals during the year	
Balance as at 31st March, 2020	111.71
Due to Difference in Transition Dates (Refer Note 1B)	7.17
Balance as at 1st April, 2020	118.87
Additions during the year	52.07
Disposals during the year	-
Balance as at 31st March, 2021	170.94
<u>Net carrying amount</u>	
Balance as at 31st March, 2020	1,204.94
Balance as at 31st March, 2021	1,145.53

* Carrying Amount as at 1st April, 2019 is recognised on initial application on Ind AS 116



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 5 - FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Units	Amount in Lakhs	No. of Units	Amount in Lakhs
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	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 SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) (55,20,66,666 shares - 70% Quota)	-	2,422.86	-	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) *Balance amount in Note 6	42,95,300	337.38	42,95,300	337.38
Total (A)		4,004.29		4,003.29
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 Enviro Infrastructure Co. Limited (45,000 Preference shares of Rs. 10 each)	-	-	45,000	4.50
Onesto Labs Pvt Ltd (15,000 Preference Shares of Rs. 10 each fully paid at FVTPL)	-	-	-	-
Total (C)	-	-	45,000	4.50
Non-current Investments total (A+B+C)		4,009.29		4,012.79
(a) Aggregate book value of quoted investment		-		-
(b) Aggregate market value of quoted investment		-		-
(c) Aggregate amount of unquoted investment		4,009.29		4,012.79
(d) Aggregate amount of impairment in value of investment.		-		-



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 15A - EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount In Lakhs	Number of shares	Amount In Lakhs
Authorised Share Capital				
Equity Shares of Rs. 10/- each	80,00,000	800.00	70,00,000	700.00
Preference Shares of Rs. 100 each (8.5% CCPS)	-	-		

Note:

As per the scheme of arrangement, the authorised share capital of the Tash Investment Pvt Ltd (Transferor Company) amounting to Rs. 100 Lakhs consisting of 10,00,000 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. 10th September 2020 to Rs. 800 Lakhs consisting of 80,00,000 Equity Shares of Rs. 10 each

Issued, subscribed and paid up

Equity Shares of Rs. 10/- each	70,80,200	708.02	69,50,200	695.02
Total	70,80,200	708.02	69,50,200	695.02

Notes:

(a) Reconciliation of number of shares

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount In Lakhs	Number of shares	Amount In Lakhs
Equity Shares :				
Balance as at the beginning of the year	70,80,200	708.02	69,50,200	695.02
Shares issued during the year			60,00,000	600.00
Shares cancellation during the year			(58,70,000)	(587.00)
Balance as at the end of the year	70,80,200	708.02	70,80,200	708.02

Note:

During FY 2019-20, Shiva Pharmachem Ltd issued 60,00,000 Equity Shares of Rs. 10 each to Equity Holders of the Transferor Company and cancelled 58,70,000 Equity Shares of Rs. 10 each held by the Transferor Company in Shiva Pharmachem Ltd pursuant to the scheme of arrangement approved by the Honourable NCLT. Balance 1,30,000 Equity Shares which were issued but not allotted were shown as Share Capital Pending Allotment. (Refer Note 15B)

(b) Rights, preferences and restrictions attached to

Equity shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Tash Investment Pvt Ltd	-	0%	58,70,000	84.46%
Rakesh Agrawal	18,00,180	25.42%	-	0.00%
Uma R Agrawal	18,00,180	25.42%	-	0.00%
Vishal R Agrawal	15,20,780	21.48%	5,39,900	7.77%
Rahul R Agrawal	16,60,700	23.46%	5,39,900	7.77%

(d) Disclosure of Shareholding of Promoters:

Shares held by promoters at the end of the year (31.03.2021)

Promoter Name	No. of Shares**	%of total shares
Rakesh Agrawal	18,00,100	25.42%
Vishal R Agrawal	15,20,780	21.48%
Rahul R Agrawal	16,60,700	23.46%



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021
NOTE 6 - OTHER NON-CURRENT FINANCIAL ASSETS

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Financial Assets - Preference Shares	92.15	92.15
Add : Interest Income - Preference Shares	7.37	
Total	99.53	92.15
Call option Agreement-Zull Patel	209.00	209.00
Call option Agreement-Gaurav Astik	209.00	209.00
Total	517.53	510.15

NOTE 7 - DEFERRED TAX ASSET (NET)

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Asset	125.20	356.43
Total	125.20	356.43

Component of Deferred Tax Liabilities/(Asset)

Amount in Lakhs

Particulars	Opening balance	Charge / Credit To		Transfer under NCLT Order	Closing balance
		Statement of Profit & Loss	Other Comprehensive Income		
As at 1st April, 2019					
Deferred tax liabilities / (asset) in relation to:					
Property, Plant and Equipments	516.78	0.97	-	-	517.74
ROU asset	(439.36)	18.31	-	-	(421.05)
Provision for Gratuity and Leave Enchashment	210.16	83.03	(38.84)	1.38	255.74
Lease Liability	4.07	(0.06)	-	-	4.00
Provision for expected credit loss	-	-	-	-	-
As at 31st March, 2020	291.65	102.25	(38.84)	1.38	356.43
As at 1st April, 2020					
Deferred tax liabilities / (asset) in relation to:					
Property, Plant and Equipments	517.74	(324.91)	-	-	192.84
ROU asset	(418.49)	18.20	-	-	(400.29)
Provision for Gratuity and Leave Enchashment	255.74	31.58	31.90	-	319.22
Lease Liability	4.00	(0.07)	-	-	3.94
Provision for expected credit loss	-	9.50	-	-	9.50
As at 31st March, 2021	359.00	(265.70)	31.90	-	125.20

* Difference in Deferred Tax from 31st March, 2020 and 1st April, 2020 is on account of restatement adjustment due to Ind AS 116 (Refer Note 1B)

NOTE 8 - OTHER NON-CURRENT ASSETS

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Other Investments		
Paintings & Art Works	13.40	13.40
Deposits Given		
	86.85	71.43
Capital Advances		
Advances to Vendors for Capital Goods	155.78	155.78
Total	256.03	240.61



NOTE 9 - INVENTORIES

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March,
Raw Materials	2,907.86	3,468.24
Work-in Progress	2,378.01	1,364.74
Finished goods (Other than those acquired for trading)	610.39	326.75
Trading Goods	-	-
Packing Material	96.98	69.83
Stores and Spares	551.39	453.38
Stocks In Transit	856.61	662.14
Total	7,401.25	6,345.08

(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.

NOTE 10 - CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March,
Secured, Considered Good		
Unsecured, Considered Good*	14,266.54	17,964.47
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less: Provision for Expected Credit Loss Allowances	(27.18)	-
Total	14,239.36	17,964.47
* Includes receivable from related parties, in which director of the Company is a director or member		
Shiva Pharmachem AG	4,477.89	3,314.07
Shiva Pharmachem International Inc	1,399.57	4,278.37
	5,877.46	7,592.44

NOTE 10.1 - Trade Receivables ageing

As at 31st March, 2021

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	14,085.68	143.00	10.68	-	-	14,239.36
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

As at 31st March, 2020

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	17,902.25	60.61	-	1.61	-	17,964.47
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-



NOTE 11 - CASH AND CASH EQUIVALENTS

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March,
Cash on hand	-	0.12
Balances with Schedule Banks - In current accounts	1,558.96	1,202.92
Total	1,558.96	1,203.03

NOTE 12 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March,
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	216.97	430.74
Total	216.97	430.74

NOTE 13 - CURRENT FINANCIAL ASSETS

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March,
(i) Loans to Related Parties Unsecured - considered good	4.20	2.36
(ii) Loans & Advances to employees Unsecured - considered good	-	-
Loans given	18.20	27.16
Advances given	9.61	7.37
Total	32.01	36.89



NOTE 14 - OTHER CURRENT ASSETS

Amount in Lakhs

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March,
Prepaid expenses	112.27	97.38
Insurance Claim Receivable	87.26	87.26
Advances for Capital Goods	-	-
Receivable from Related party (Refer Note No.5 of additional Information)	1,853.81	3,356.06
	-	-
Advances to Suppliers		
To Related Parties	-	-
To Others	539.56	1,271.01
Total	539.56	1,271.01
Balances with Government Authorities		
Advance Income Tax & TDS	2,361.13	3,374.28
Custom Authorities	5.12	3.28
IGST Rebate	7.22	49.04
Export - Duty Draw Back Receivable	-	-
IGST Refund - DTA Unit	435.99	369.14
IGST Refund - SEZ Unit	17.58	24.58
Customs Duty & IGST Refund - SEZ Unit	-	-
VAT Refund	40.65	35.00
Total	2,867.70	3,855.32
Total	5,460.59	8,667.02



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 15A - EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount In Lakhs	Number of shares	Amount In Lakhs
Authorised Share Capital				
Equity Shares of Rs. 10/- each	80,00,000	800.00	70,00,000	700.00
Preference Shares of Rs. 100 each (8.5% CCPS)	-	-		

Note:

As per the scheme of arrangement, the authorised share capital of the Tash Investment Pvt Ltd (Transferor Company) amounting to Rs. 100 Lakhs consisting of 10,00,000 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. 10th September 2020 to Rs. 800 Lakhs consisting of 80,00,000 Equity Shares of Rs. 10 each

(ii) 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. (Refer Note 52)

Issued, subscribed and paid up

Equity Shares of Rs. 10/- each	70,80,200	708.02	69,50,200	695.02
Total	70,80,200	708.02	69,50,200	695.02

Notes:

(a) Reconciliation of number of shares

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount In Lakhs	Number of shares	Amount In Lakhs
Equity Shares :				
Balance as at the beginning of the year	70,80,200	708.02	69,50,200	695.02
Shares issued during the year			60,00,000	600.00
Shares cancellation during the year			(58,70,000)	(587.00)
Balance as at the end of the year	70,80,200	708.02	70,80,200	708.02

Note:

During FY 2019-20, Shiva Pharmachem Ltd issued 60,00,000 Equity Shares of Rs. 10 each to Equity Holders of the Transferor Company and cancelled 58,70,000 Equity Shares of Rs. 10 each held by the Transferor Company in Shiva Pharmachem Ltd pursuant to the scheme of arrangement approved by the Honourable NCLT. Balance 1,30,000 Equity Shares which were issued but not allotted were shown as Share Capital Pending Allotment. (Refer Note 15B)

(b) Rights, preferences and resolutions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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, 2021		As at 31st March, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Tash Investment Pvt Ltd	-	0%	58,70,000	84.46%
Rakesh Agrawal	18,00,180	25.42%	-	0.00%
Uma R Agrawal	18,00,180	25.42%	-	0.00%
Vishal R Agrawal	15,20,780	21.48%	5,39,900	7.77%
Rahul R Agrawal	16,60,700	23.46%	5,39,900	7.77%

(d) Disclosure of Shareholding of Promoters:

Shares held by promoters at the end of the year (31.03.2021)

Promoter Name	No. of Shares**	%of total shares
Rakesh Agrawal	18,00,100	25.42%
Vishal R Agrawal	15,20,780	21.48%
Rahul R Agrawal	16,60,700	23.46%



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 15B - OTHER EQUITY

Amount in Lakhs

Particulars	Other Equity	Reserve & Surplus			Other Comprehensive Income	Total
	Share Capital Pending Allotment	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of defined benefit liability	
Balance as at 1st April , 2019	-	400.00	922.11	15,708.37	-	17,030.48
Acquisition through Business Combinations	-	-	-	(5,298.67)	-	(5,298.67)
Transfer to Retained Earnings / General Reserves	-	-	(922.11)	922.11	-	-
Total Comprehensive Income for the year	-	-	-	12,522.66	72.32	12,594.97
Share Capital Pending Allotment	13.00	-	-	-	-	13.00
Goodwill Written off	-	-	-	(500.00)	-	(500.00)
Dividend and DDT	-	-	-	(2,346.07)	-	(2,346.07)
Balance as at 31st March, 2020	13.00	400.00	-	21,008.39	72.32	21,493.71
Adjustment on account of different transtion dates (Ind AS 116)	-	-	-	(4.78)	-	(4.78)
Balance as at 1st April , 2020	13.00	400.00	-	21,003.61	72.32	21,488.93
Transfer to Retained Earnings / General Reserves	-	(400.00)	400.00	-	-	-
Total Comprehensive Income for the year	-	-	-	6,774.27	(59.39)	6,714.87
Converted into Share Capital	(13.00)	-	-	-	-	(13.00)
Balance as at 31st March, 2021	-	-	400.00	27,777.88	12.93	28,190.81



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 16A - NON-CURRENT BORROWINGS

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Secured Loan		
Term Loans from banks		
HDFC Bank Ltd	4,758.13	5,347.50
Less: Current Maturity of Long-term Debts	1,307.50	632.50
	3,450.63	4,715.00
Car Loans		
Yes Bank-Car Loan	7.57	40.01
Less: Current Maturity of Long-term Debts [Refer Note-A Below]	-	15.46
	7.57	24.55
Axis Bank Car Loan	-	143.06
Less: Current Maturity of Long-term Debts	-	77.10
	-	65.96
Loan from Financial Institutions		
IIFL Wealth Finance Ltd	-	36.30
India Infoline Finance Ltd	-	1,351.97
Secured - Total (A)	3,458.20	6,193.78
Unsecured Loans from Directors / Shareholders		
Loans from Directors / Shareholders	1,576.00	1,319.46
Unsecured - Total (B)	1,576.00	1,319.46
Total (A+B)	5,034.20	7,513.24

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

* Rs. 4758.13 Lakhs term loan (Rs.3450.63 Lakhs-Non current and Rs 1307.50 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		Current
	5 Years above	1 – 5 Years	1 Year
Secured from Banks	-	3,450.63	1,307.50

NOTE 16B - NON - CURRENT LEASE LIABILITIES

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Lease Liability (Dahej Land)	11.27	11.46
Less : Current Maturities of Lease Liability	(0.20)	(0.19)
Total	11.07	11.27



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 16C - OTHER NON - CURRENT FINANCIAL LIABILITIES

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Preference Share Capital Pending Allotment	550.00	550.00
Total	550.00	550.00

NOTE 17 - LONG TERM PROVISIONS

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Retirement Benefits	913.51	731.85
Less: Current Maturity of Long-term Debts	(200.30)	(168.25)
Total	713.21	563.60

NOTE 18 - OTHER NON - CURRENT LIABILITIES

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade/Security Deposits received	139.70	34.87
Interest Payable on Non Current borrowing	193.97	57.61
Total	333.67	92.48



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 19 - CURRENT BORROWINGS

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Loans from banks:		
<u>Secured:</u>		
Bill Discounting	-	2,676.53
PCFC with Banks	8,399.92	12,735.15
(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. (The above facility is further secured by personal guarantee of the directors)		
<u>Unsecured loan</u>		
-From Related Party	5.10	
(b) Current maturities of Long term borrowings:		
Standard Chartered Bank-ECB	-	496.31
HDFC Bank-Term Loans	1,307.50	632.50
Yes Bank - Car Loan	16.99	15.46
Union Bank Of india - Car Loan	62.77	-
Axis Bank - Car Loan	65.96	77.10
Total	9,858.23	16,633.05

NOTE 20 - CURRENT LEASE LIABILITY

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease liability for Dahei SEZ Land	0.20	0.19
Total	0.20	0.19

NOTE 21 - TRADE PAYABLES

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
(A) Total Outstanding dues of micro enterprises and small	999.74	595.99
(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	4,701.42	3,976.68
Total	5,701.16	4,572.67

Amount in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
i. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	999.74	595.99
ii. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end on above amount	1.87	-
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



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 16.1 Trade Payables ageing

As at 31st March, 2021

Particulars	Amount in Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	987.96	10.54	1.24		999.74
(ii) Others	4,667.18	23.18	3.47	7.58	4,701.42
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31st March, 2020

Particulars	Amount in Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	588.68	7.32	-	-	595.99
(ii) Others	3,950.39	17.88	6.10	2.31	3,976.68
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 22 - SHORT TERM PROVISIONS

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Provision for retirement benefits	200.30	168.25
Provision others		
Provisions for Expenses	549.05	67.20
Provisions for Stock in Transit	856.61	662.14
Total	1,605.96	897.59

NOTE - 23 LIABILITY FOR CURRENT TAX

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Provision for Income tax	1,825.69	2,522.42
Total	1,825.69	2,522.42

NOTE 24 - OTHER CURRENT LIABILITIES

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
1. Statutory Payable		
TDS Payable	24.57	58.46
TCS Payable	1.35	0.04
IGST Payable	13.63	87.33
ESI Payable	1.05	1.25
Providend Fund Payable	44.33	37.25
2. Advance from Customers	58.10	47.61
Total	143.02	231.95



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 25 - REVENUE FROM OPERATIONS

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of Products		
(i) Manufactured goods (Net)	52,773.63	61,792.91
(ii) Traded Sales	-	2,187.99
Total	52,773.63	63,980.90

Sale of Manufactured goods comprises of :

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Domestic Sales	16,628.85	10,322.78
Export Sales	32,582.12	49,028.22
Deemed Export Sales	3,562.66	2,441.92
Trading Sales	-	2,187.99
Total	52,773.63	63,980.90

NOTE 26 - OTHER INCOME

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Gain on foreign currency transaction and translation (Net)	587.04	814.86
Interest income comprises:		
Other Interest	247.70	198.56
Interest Income - Preference Shares (Financial Assets)	7.37	-
Total	255.08	198.56
Dividend Income	0.04	1,644.65
Profit on Sale of Assets	1.62	9.72
Export Promotion Benefits	691.11	1,014.85
Insurance claim received - Employees	-	11.47
Insurance claim received - Finished Goods	-	87.26
Rent Income	2.00	4.80
Excess Provision of Doubtful Debts W/back	-	0.40
Miscellaneous Income	0.22	0.12
Total	1,537.11	3,786.70



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 27 - COST OF MATERIALS CONSUMED

Amount in Lakhs

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Stock	3,468.24	3,507.12
Jobwork Charges	393.31	513.81
Purchases	27,378.32	29,612.02
Total	31,239.86	33,632.95
Less : Closing Stock	2,907.86	3,752.56
Total	28,332.00	29,880.39

NOTE 28 - PURCHASES OF STOCK-IN-TRADE

Amount in Lakhs

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchase of traded goods	-	3,349.73
Total	-	3,349.73

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

Amount in Lakhs

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2020
Closing Inventories		
Finished Goods	610.39	1,779.16
Work in Process	2,378.01	1,803.15
Stock in Trade		424.17
Total	2,988.41	4,006.49
Opening inventories		-
Finished Goods	326.75	1,529.17
Work in Process	1,364.74	1,443.92
Stock in Trade		116.90
Total	1,691.49	3,089.99
Total	1,296.92	916.49

NOTE 30 - EMPLOYEE BENEFITS EXPENSE

Amount in Lakhs

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries and wages, Bonus and other allowances	4,432.75	3,753.87
Contribution to provident funds, Family Pension and ESIC	278.49	234.85
Gratuity & Leave Encashment Expense	147.85	350.33
Workmen and Staff welfare expenses	687.46	520.84
Total	5,546.56	4,859.89



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 31 - FINANCE COSTS

Amount in Lakhs

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest and other borrowing cost on borrowings	643.75	1,433.26
Bank Charges	100.53	191.11
Interest on lease liability	0.92	0.93
Total	745.20	1,625.31



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 32 - DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on Property, Plant and Equipment	2,207.15	2,688.18
Amortization on Intangible assets	0.95	2.18
Amortization on Right of Use Assets	52.07	52.39
Total	2,260.17	2,742.75

NOTE 33 - OTHER EXPENSES

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Computer Expenses	12.17	6.83
Donation	42.51	56.58
Duties & Taxes	45.54	71.29
EHS Expenses	920.26	581.75
Electricity Expense	12.33	11.26
Expected Credit Loss allowance	27.18	-
Sponsorship Expense	-	5.00
Insurance Premium	152.12	121.33
Insurance Medical Claim	1.27	-
Legal & Professional Expenses	247.52	342.90
Loss due to Fire	-	87.26
CSR Expenses	70.01	45.76
Sitting Fees	13.00	11.80
Packing Material	481.70	684.19
Statutory Audit Fees (Refer Note 33.1 below)	3.65	1.19
Tax Audit Fees	-	3.15
Internal Audit Fees	7.50	5.00
Interest on Statutory Payments	79.19	11.09
Postage & Telephone	29.77	36.46
Power & Fuel	2,343.51	2,450.97
Printing & Stationery	10.58	19.40
Laboratory Expenses	79.96	48.74
Lease Rent - ISO Tanks	408.67	39.61
Rent Others	12.39	16.04
Repairs & Maintenance - Building	97.11	191.91
Repairs & Maintenance - Plant & Machinery	544.78	550.37
Repairs & Maintenance - ISO Tanks	93.16	223.13
Repairs & Maintenance - Others	61.07	109.88
Sales Commission	29.81	101.23
Tax on Regular Assessment (AY 2017-2018 TIPL)	-	4.48
Security Expenses	110.42	113.95
Selling & Distribution Expenses	2,277.07	3,043.51
Stores & Spares	829.42	991.74
Travelling & Conveyance	129.95	329.76
Vehicle Expenses	15.98	27.83
Miscellaneous Expenses	333.27	348.23
Total	9,522.89	10,693.60



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

33.1 Payment to Auditors comprises of:

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Auditors' remuneration and expenses:		
For Audit Fees	3.65	4.34
For Other services *	1.85	4.05
Total	5.50	8.39

NOTE 34 - INCOME TAXES EXPENSE

Tax expense recognized in the Statement of Profit and Loss

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
i. Recognised in Statement of Profit and Loss		
Current tax	2,300.00	3,051.00
Deferred tax		
Deferred tax charge/(credit)	265.70	(102.25)
MAT Credit (taken)/utilised	(139.13)	-
Total deferred income tax expense/(benefit)	126.57	(102.25)
Tax in respect of earlier years		61.02
Total income tax expense	2,426.57	3,009.77

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:

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit before tax	9,200.83	15,532.42
Income Tax Expenses Calculated at 34.944%	3,219.74	5,427.65
Effect of Income that is exempt from Tax	(811.81)	(2,692.62)
Effect of expenses that are not deductible in determining taxable profit	957.00	46.90
Effect of consession (allowance)	(1,118.19)	(7.19)
Effect of Brought Forwarded Losses due Scheme of Merger (ref. note below)	-	75.56
Adjustments recognised in current year in relation to the current tax of prior years	-	61.02
Others	179.84	98.44
Income tax expense recognised in profit or loss	2,426.57	3,009.77



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 35 - EARNING PER SHARE

Particulars	Amount in Lakhs	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Basic earnings per share (Rs)		
From continuing operations (Rs.)	95.68	180.18
From discontinued operations (Rs.)	-	-
Total basic earnings per share (Rs.)	95.68	180.18
Diluted earnings per share (Rs)		
From continuing operations (Rs.)	95.68	176.87
From discontinued operations (Rs.)	-	-
Total diluted earnings per share (Rs.)	95.68	176.87
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 year from continuing operations	6,774.27	12,522.66
Profit for the year from discontinued operations	-	-
(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
Weighted average number of equity shares used in the calculation of diluted earnings per share	70.80	69.50
Ajustments for calculation of Diluted earnings per Share	-	1.30
Weighted average number of equity shares used in the calculation of diluted earnings per share	70.80	70.80



SHIVA PHARMACHEM LIMITED

Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 36 - FINANCIAL RATIO ANALYSIS:

Ratios		Numerator	Denominator	2020-21	2019-20	% Variance	Reason for Variance (Where variance is more than 25%)
Current Ratio	Times	Current Assets	Current Liabilities	1.51	1.39	8.40	
Debt-Equity Ratio	Times	Total Debt	Shareholder's Equity	0.52	1.09	(52.64)	Due to increase in Total Shareholder's Equity
Debt Service Coverage ratio	Times	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance cost	Debt service = Interest & Lease Payments + Principal Repayments	3.06	3.42	(10.51)	
Return on Equity ratio	%	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	27%	63%	(57.74)	Due to Covid-19 there is a reduction in sales of the company due to which the profit of the company was reduced
Inventory Turnover ratio	Times	Cost of goods sold	Average Inventory	3.93	4.59	(14.23)	
Trade Receivable Turnover Ratio	Times	Net credit sales	Average Trade Receivable	3.28	2.32	41.03	Due to increase in revenue collection from the customers
Trade Payable Turnover Ratio	Times	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.33	3.84	38.73	Due to increase in payments to creditors
Net Capital Turnover Ratio	Times	Net sales = Total sales - sales return	Average Working Capital = Current assets – Current liabilities/2	10.80	6.54	65.21	During the year the working capital of the company has reduced significantly
Net Profit ratio	%	Net Profit	Net sales = Total sales - sales return	17%	20%	(10.92)	
Return on Capital Employed	%	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	23%	37%	(38.66)	Due to Covid-19 there is a reduction in sales of the company due to which the profit of the company was reduced

* For March 31, 2020 closing balance has been considered instead of average balance for calculation of Net Capital Turnover Ratio as Ind AS opening balance as at 1st April 2019 not available.



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 38 - FAIR VALUE MEASUREMENT

A. Accounting classification and fair values

As at March 31, 2021					Amount in Lakhs			
Fair Value								
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Investments*	-	5.00	-	5.00	-	-	5.00	5.00
Other Financial Assets (Non - Current)	-	-	517.53	517.53	-	-	-	-
Trade receivables	-	-	14,239.36	14,239.36	-	-	-	-
Cash and cash equivalents	-	-	1,558.96	1,558.96	-	-	-	-
Other bank balance	-	-	216.97	216.97	-	-	-	-
Loans & Advances	-	-	32.01	32.01	-	-	-	-
Total Financial assets	-	5.00	16,564.82	16,569.82	-	-	5.00	5.00
Borrowings (Non-Current)	-	-	5,034.20	5,034.20	-	-	-	-
Lease Liabilities (Non-Current)	-	-	11.07	11.07	-	-	-	-
Other Financial Liabilities (Non-Current)	-	-	550.00	550.00	-	-	-	-
Borrowings (Current)	-	-	9,858.23	9,858.23	-	-	-	-
Lease Liabilities (Current)	-	-	0.20	0.20	-	-	-	-
Trade payables	-	-	5,701.16	5,701.16	-	-	-	-
Total Financial liabilities	-	-	21,154.87	21,154.87	-	-	-	-

As at March 31, 2020					Amount in Lakhs			
Fair Value								
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Investments*	-	9.50	-	9.50	-	-	-	-
Trade receivables	-	-	17,964.47	17,964.47	-	-	-	-
Cash and cash equivalents	-	-	1,203.03	1,203.03	-	-	-	-
Other bank balance	-	-	430.74	430.74	-	-	-	-
Loans	-	-	36.89	36.89	-	-	-	-
Other Financial Assets (Non - Current)	-	-	510.15	510.15	-	-	-	-
Total Financial assets	-	9.50	20,145.28	20,154.78	-	-	-	-
Borrowings (Non-Current)	-	-	7,513.24	7,513.24	-	-	-	-
Other Financial Liabilities (Non-Current)	-	-	550.00	550.00	-	-	-	-
Trade payables	-	-	22,188.73	22,188.73	-	-	-	-
Borrowings (Current)	-	-	16,633.05	16,633.05	-	-	-	-
Lease Liabilities (Non-Current)	-	-	11.27	11.27	-	-	-	-
Lease Liabilities (Current)	-	-	0.19	0.19	-	-	-	-
Total Financial liabilities	-	-	46,896.47	30,252.15	-	-	-	-

The Company has assessed that trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and advances other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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 hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

measurement of fair values

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).

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.



SHIVA PHARMACHEM LIMITED
Special Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

NOTE 39 - 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 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 obligation. The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk assessment on various components is describe

(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 Company has concentration of accounts receivables and cosequent 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 Group operates. Loss rates are based on actual credit loss experience and past trends.

The following year end trade receivables, loans and other financial assets balances, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at March 31, 2021 and March 31, 2020 :

Particulars	Amount in Lakhs	
	31st March 2021	31st March 2020
Neither impaired nor past due		
Past due but not impaired		
0-3 Months	14,085.68	17,902.25
3-6 Months	-	-
6-12 Months	143.00	60.61
more than 365 days	10.68	1.61
Total	14,239.37	17,964.47

Movements in expected credit loss allowance

Particulars	Amount in Lakhs	
	31st March 2021	31st March 2020
Balance at the beginning of the year	-	-
Movements in allowance	27.18	-
Balance at the end of the year	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

(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 2021	31st March 2020
Closing Balance of Borrowings	14,892.43	24,146.29
Sensitivity analysis of impact on profit or loss due to change in interest rate:		
Increase by 1%	(148.92)	(241.46)
Decrease by 1%	148.92	241.46

(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 equity shares, preference shares and other equity instruments and classified in the balance sheet at fair value.

The exposure of the Company's investments to price risk is as follows:

Particulars	Amount in Lakhs	
	31st March 2021	31st March 2020
Closing Balance of Investments at Fair Value through Other Comprehensive Income (Investment in Unquoted Preference Shares and Other Equity Instruments)	5.00	9.50
Sensitivity analysis of impact on other comprehensive income due to changes in prices of investments		
Increase by 5%	0.25	0.48
Decrease by 5%	(0.25)	(0.48)

(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 Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31st March 2021 and 31st March 2020 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

(iv) Foreign Currency Risk

Particulars	Amount in Lakhs	
	Foreign Currency	INR
Financial Assets		
US Dollar (USD)	130.58	9,547.14
Impact on Profits		
Increase by 1%		95.47
Decrease by 1%		(95.47)
Euro (EUR)		
Impact on Profits		
Increase by 1%		-
Decrease by 1%		-
Financial Liabilities		
US Dollar (USD)	141.14	10,319.53
Impact on Profits		
Increase by 1%		(103.20)
Decrease by 1%		103.20
Euro (EUR)		
Impact on Profits	0.03	2.93
Increase by 1%		-
Decrease by 1%		-



Period Ended 31st March 2020

Amount in Lakhs

Particulars	Foreign Currency	INR
Financial Assets		
US Dollar (USD)	193.45	14,618.04
Impact on Profits		
Increase by 1%		146.18
Decrease by 1%		(146.18)
Euro (EUR)		
Impact on Profits		
Increase by 1%		-
Decrease by 1%		-
Financial Liabilities		
US Dollar (USD)	220.00	16,624.62
Impact on Profits		
Increase by 1%		(166.25)
Decrease by 1%		166.25
Euro (EUR)		
Impact on Profits	0.47	38.82
Increase by 1%		-
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, 2021

Amount in Lakhs

Particulars	Less than 1 Year	More than 1 Year	Total
Borrowings	9,858.23	5,034.20	14,892.43
Lease Liabilities	0.20	11.07	11.27
Trade Payables	5,701.16	-	5,701.16
Other Financial Liabilities	-	550.00	550.00
Total	15,559.60	5,595.27	21,154.87

As at 31st March, 2020

Amount in Lakhs

Particulars	Less than 1 Year	More than 1 Year	Total
Borrowings	16,633.05	7,513.24	24,146.29
Lease Liabilities	0.19	11.27	11.46
Trade Payables	4,572.67	-	4,572.67
Other Financial Liabilities	-	550.00	550.00
Total	21,205.91	8,074.51	29,280.42

NOTE 40 - 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:

Other Financial Liabilities	Amount in Lakhs	
	31st March 2021	31st March 2020
Debt (a)	14,892.43	24,146.29
Cash and Cash Equivalents (b)	1,558.96	1,203.03
Net Debt (c)=(a)-(b)	13,333.47	22,943.25
Total Equity/Net Worth	28,898.83	22,188.73
Gearing Ratio	46.14%	103.40%

*Lease liability arising on account of implementation of Ind AS 116 is not considered in the above working, as it is a liability.

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



SHIVA PHARMACHEM LIMITED

Special purpose Ind As notes to Financial statements for the year ended 31st March 2021

NOTE 41 - DETAILS OF EMPLOYEE BENEFITS

(A) Defined Contribution Plan

The Company has defined contribution plan in form of Provident Fund, Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified rates to fund the schemes

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Provident Fund	265.98	223.08
Employee State Insurance Scheme	12.52	11.77
Total	278.49	234.85

(B) Defined Benefit Plans

For defined benefits in the form of Gratuity, Leave Salary, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial Gains and Losses are recognized in the Statement of Profit and Loss in the period which they occur.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(1) Post Employment Benefit

Employee's Contribution	0%
Employer's Contribution	100%
Salary definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death/disability)
Benefit on Retirement	$15/26 \times \text{Salary} \times \text{Duration of Service}$
Benefit on Resignation/Withdrawals	Same as Retirement Benefit based on service up to exit
Benefit on Death	Same as Retirement Benefit but no vesting Condition applies
Retirement age*	58 years

The benefits are governed by the Payment of Gratuity Act, 1972 or company scheme rules, whichever is higher.

(2) Other Long term Employee Benefit

Employee's Contribution	0%
Employer's Contribution	100%
Salary Definition for Encashment	Last drawn Basic Salary
Salary Definition for Availment	Last drawn CTC Salary
Vesting Condition	Not Applicable
Leave Credited Annually	25 days
Leave Denominator	30 days
Maximum Accumulation	120 days
Encashment during the Service	Not allowed
Benefit on Retirement	$\text{Leave Days} \times \text{Encashment Salary} / \text{Leave Denominator}$
Benefit on Resignation/Withdrawals	Same as Retirement Benefit
Benefit on death	Same as Retirement Benefit
Benefit on Availment	$\text{Leave Days} \times \text{Availment Salary} / \text{Leave Denominator}$
Retirement Age*	58 years

*Incase of employees with age above the retirement age mentioned in Plan features, the retirement is assumed to happen. Other Long term leave benefits are governed by the entity's leave policy.

Aforesaid post-employment benefit plans typically expose the Company to risks such as: actuarial risk, investment risk, liquidity risk, market risk and legislative risk.



(i) **Actuarial Risk**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- Adverse Salary Growth Experience
- Variability in mortality rates
- Variability in withdrawal rates

(ii) **Investment Risk**

For funded plans that rely on insurers for managing the assets the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(iii) **Liquidity Risk**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

(iv) **Market Risk**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate.

(v) **Legislative Risk**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act or Shop and Establishment Act thus requiring

There are no changes in the benefit scheme since the last valuation. There are no special events such as benefit improvements or curtailments or settlements during the inter-valuation period.

The following tables summarise the components of defined benefit expense recognised in the Statement of Profit and Loss/OCI and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Reconciliations

(a) **Gratuity**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning	409.85	319.98
Current Service Cost	69.25	54.14
Interest Expense	24.07	22.93
Remeasurements - Actuarial (gains) / losses	32.26	44.94
Benefits paid by the company	(10.93)	(3.65)
Transfer due to demerger with Shiva Performance Materials Pvt Ltd	-	(28.49)
Defined Benefit Obligation at the end	524.51	409.85



(b) Leave Encashment

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning	321.99	281.45
Current Service Cost	35.85	32.59
Interest Expense	18.68	18.34
Remeasurements - Actuarial (gains) / losses	59.04	66.23
Benefits paid by the company	(46.55)	(36.52)
Transfer due to demerger with Shiva Performance Materials Pvt Ltd	-	(40.09)
Defined Benefit Obligation at the end	389.00	321.99

Components of Defined Benefit Cost recognized in the Standalone Statement of Profit and Loss under Employee Benefit Expenses:

(a) Gratuity

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Current Service Cost	69.25	54.14
Net Interest Cost	24.07	22.93
Defined Benefit Cost recognised in the Statement of Profit and Loss	93.32	77.08

(b) Leave Encashment

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Current Service Cost	35.85	32.59
Net Interest Cost	18.68	18.34
Defined Benefit Cost recognised in the Statement of Profit and Loss	54.53	50.93

Components of Defined Benefit Cost recognized in the Statement of Other Comprehensive Income:

(a) Gratuity

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Actuarial (gains) / losses on Defined Benefit Obligation		
Due to Change in financial assumptions	3.14	23.33
Due to experience adjustments	29.11	21.61
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	32.26	44.94

(b) Leave Encashment

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Actuarial (gains) / losses on Defined Benefit Obligation		
Due to Change in financial assumptions	2.29	6.95
Due to experience adjustments	56.74	59.28
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	59.04	66.23

The assumptions used to determine net periodic benefit cost are set out below:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Discount Rate	6.50%	6.60%
Salary Escalation	6.00% p.a.	6.00% p.a.
Withdrawal Rates	25.00% p.a at younger ages reducing to 1.00% p.a% at older ages	25.00% p.a at younger ages reducing to 1.00% p.a% at older ages



Amount, timing and uncertainty of future cash flows

Sensitivity Analysis

(a) Gratuity

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Discount Rate Sensitivity		
Increase by 0.5%	509.15	397.19
Decrease by 0.5%	540.80	422.77
Salary growth rate Sensitivity		
Increase by 0.5%	537.76	421.11
Decrease by 0.5%	510.87	398.79
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	524.88	410.10
W.R. x 90%	523.99	409.04

(b) Leave Encashment

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Discount Rate Sensitivity		
Increase by 0.5%	377.80	312.05
Decrease by 0.5%	400.89	332.55
Salary growth rate Sensitivity		
Increase by 0.5%	400.89	332.56
Decrease by 0.5%	377.70	311.95
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	389.51	322.53
W.R. x 90%	388.44	321.40

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

The Effect of the Plan on the Company's Future Cash Flows

(i) The Description on funding arrangements and funding policy

The Company do not have any funding arrangement. They settle the Gratuity and Leave encashment on Pay-N-Go basis.

(ii) The Expected Contributions to the Plan for the next annual reporting period.

The Gratuity Benefits Scheme and Privilege Leave Benefits scheme is managed on unfunded basis so expected Contribution is shown as Nil.

(iii) The Maturity Profile of Defined Benefit Obligation

(a) Gratuity

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
The Weighted Average Duration (Years) as at valuation date	6.47Years	6.62 Years
Year 1 Cashflow	105.17	90.39
Year 2 Cashflow	48.99	28.57
Year 3 Cashflow	31.95	36.84
Year 4 Cashflow	63.27	23.62
Year 5 Cashflow	58.12	46.33
Year 6 to 10 Cashflow	212.33	186.37



(b) Leave Encashment

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
The Weighted Average Duration (Years) as at valuation date	6.35 Years	6.81 Years
Year 1 Cashflow	95.13	77.86
Year 2 Cashflow	38.10	22.40
Year 3 Cashflow	23.02	28.94
Year 4 Cashflow	41.78	17.78
Year 5 Cashflow	30.96	29.20
Year 6 to 10 Cashflow	121.01	111.78



SHIVA PHARMACHEM LIMITED

Financial Purpose Ind AS Notes to Financial Statements for the year ended 31st March, 2021

42 - LEASES

The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). The Company has taken lease hold land on lease. Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. The Company has used discounting rate of 8% to arrive at the present value of its future cash flows towards lease liabilities.

Lease Liabilities - Maturity Analysis

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Less than 1 year	0.20	0.19
1 - 5 years	0.99	0.92
More than 5 years	10.08	10.36
Total	11.27	11.46

Movement of Lease Liabilities

Particulars	Amount in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	11.46	11.63
Addition	-	-
Interest on Lease Liability	0.92	0.93
Payment towards Lease Liability	(1.10)	(1.10)
Total	11.27	11.46

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



SHIVA PHARMACHEM LIMITED**Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:****Note 37 - Related Party Transactions****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 31.03.2021

(B) Subsidiary/Joint Ventures/Associate/Others

Company / Entity	Relation
Geetganga Investment Private Limited	Company in which Key Managerial Personnel have control
Ankshree Investments & Trading Co. Ltd.	Company in which Key Managerial Personnel have control
Rodin Properties Private limited	Entity over which Key Managerial Personnel have significant influence.
Uma Retail Private Limited	Entity over which Key Managerial Personnel have significant influence.
Shiva Performance Materials Pvt. Ltd.	Company in which Key Managerial Personnel have control
Shiva Pharmachem AG (Foreign Company)	Wholly Owned Subsidiary Company
Shiva Pharmachem International Inc. (Foreign Co.)	Wholly Owned Subsidiary Company
VR Finechem Pvt Ltd	Wholly Owned Subsidiary Company
SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) (Foreign Company)	Subsidiary Company
SES Engineering Private Limited	Wholly Owned Subsidiary Company
Messina Properties LLP	Entity over which Key Managerial Personnel have significant influence.
Sisley Properties LLP	Entity in which Capital Contribution is made
Rembrandt Properties LLP	Entity over which Key Managerial Personnel have significant influence.
Barcello Properties LLP	Entity over which Key Managerial Personnel have significant influence.
Donatello Properties LLP	Entity over which Key Managerial Personnel have significant influence.
Jasgur Properties LLP	Entity over which Key Managerial Personnel have significant influence.
Monet Properties LLP	Entity over which Key Managerial Personnel have significant influence.



SHIVA PHARMACHEM LIMITED**Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:**

Red Earth Art Galleries LLP	Entity over which Key Managerial Personnel have significant influence.
Shiva Foundation	Entity over which Key Managerial Personnel have significant influence.
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 control
Uttarayan Investment Pvt. Ltd.	Entity over which Key Managerial Personnel have significant influence.
Shiva Performance Speciality Pvt. Ltd.	Entity over which Key Managerial Personnel have significant influence.
Shiva Performance Solutions Pvt. Ltd.	Company in which Key Managerial Personnel have control
Sidhan Specialty Chemicals Private Limited	Entity over which Key Managerial Personnel have significant influence.

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

Name of Person	Relation
Mr. Rakesh Agrawal	Whole Time Director and Chairman
Mr. Vishal Agrawal	Managing Director
Mr. Rahul Agrawal	Joint Managing Director
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. Tarang Maru	Company Secretary
Mr. Thakorbhai D Patel	Executive Director
Mr. Milin K Mehta	Independent Director
Mr. Purshottamdas Dhumal	Independent Director
Mr. Sivarman Narayanswanu	Independent Director



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Transactions with related parties 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	2020-21 Amount (Rs. In Lacs)	2019-20 Amount (Rs. In Lacs)
Shiva Pharmachem Limited				
Mr. Rakesh Agrawal	Whole Time Director and Chairman	Salary	180.40	108.55
		Conveyance	-	0.29
		Interest	16.27	2.68
		Loan Taken	135.00	415.00
		Loan Repaid	484.00	7.00
Mr. Vishal R Agrawal	Managing Director	Remuneration	331.30	331.30
		Conveyance	6.78	5.74
Mr. Rahul R Agrawal	Joint Managing Director	Remuneration	-	33.06
Mr. Jagmohan Zalani	Executive Director	Salary	64.72	65.83
		Conveyance	2.13	2.15
Mr. Tarang Maru	Company Secretary	Salary	6.60	5.77
Mr. Thakorbhai D Patel	Executive Director	Salary	-	12.89
		Conveyance	-	0.46
Umadevi R Agrawal	Relative of Key Managerial Personnel	Interest	6.19	0.55
		Loan Repaid	425.00	-
		Sitting Fees	1.50	2.10
Geetganga Properties Pvt Ltd	Co. in which Key Managerial Personnel have control	Rent	1.60	4.80
		Loan Repayment Received	2.36	-
Shiva Pharmachem AG	Wholly Owned Subsidiary Co.	Sales	13,692.31	9,870.45
Shiva Pharmachem Inc.	Wholly Owned Subsidiary	Sales	5,308.02	13,946.73
Ankshree Investments & Trading	Co. in which Key Managerial	Interest	-	211.22



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

	Personnel have control	Loan Repaid	-	2,025
Geetganga Investment Pvt Ltd	Co. in which Key Managerial Personnel have control	Interest	-	24.94
		Loan Repaid	-	349.00
Shiva Foundation	Entity over which Key Managerial Personnel have significant influence.	Donation	6.00	13.00
Uttarayan Foundation & Museum for Art	Entity over which Key Managerial Personnel have significant influence.	Donation	5.00	45.00
Uttarayan Art Foundation	Entity over which Key Managerial Personnel have significant influence	Donation / CSR	54.00	10.00
SES Engineering Pvt. Ltd.	Wholly Owned Subsidiary	Services	5.50	-
		Interest on Preference Shares	7.37	-
		Loan Repayment Received	-	429.53
		Investment in Preference Shares	-	429.53
Mr. Milin K Mehta	Independent Director	Sitting fees	3.30	1.90
Mr. Purshottamdas Dhumal	Independent Director	Sitting fees	4.60	3.70
Mr. Sivarman Narayanswanu	Independent Director	Sitting fees	3.60	4.10
VR Finechem Pvt Ltd				
Mr. Vishal Agrawal	Managing Director	Interest	1.03	-
		Loan Taken	24.00	-
		Loan Repaid	24.00	-
Geetganga Investment Pvt Ltd	Co. in which Key	Interest	57.61	50.70
		Loan Taken	1,037.00	128.00



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

	Managerial Personnel have control	Loan Repaid	-	-
--	-----------------------------------	-------------	---	---

- VR Finechem Pvt Ltd merged with Shiva Pharmachem Ltd w.e.f. 01st April 2020

Balances with related parties at the end of the year:

Name of Related Parties	Nature of Relationship	Nature of Balance	2020-21 Amount (Rs. In Lacs)	2019-20 Amount (Rs. In Lacs)
Rakesh S Agrawal	Whole Time Director and Chairman	Loan Taken	61.00	410.00
Umadevi R Agrawal	Relative of Key Managerial Personnel	Loan Taken	-	425.00
Geetganga Properties Pvt Ltd	Co. in which Key Managerial Personnel have control	Loan Given	-	2.36
Shiva Pharmachem AG	Wholly Owned Subsidiary	Trade Receivables	4,477.89	3,314.07
Shiva Pharmachem Inc	Wholly Owned Subsidiary	Trade Receivables	1,399.57	4,278.37
SES Engineering Pvt Ltd	Wholly Owned Subsidiary	Investment in Preference Shares (Equity Component)	337.38	337.38
		Investment in Preference Shares (Liability Component)	99.53	92.15
VR Finechem Pvt Ltd				
Geetganga Investment Pvt Ltd	Co. in which Key Managerial Personnel have control	Loan Taken	1,515.00	478.00
		Interest Accrued	193.17	57.61



SHIVA PHARMACHEM LIMITED**Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:****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):

- a. CSR amount required to be spent per section 135 of the companies act, 2013 read with Schedule VII thereof by the company during the year is Rs. 154.29 Lakhs (Previous Year is Rs. 43.66 Lakhs).
- b. Actual expenditure related to CSR spent during the year is Rs. 70.01 Lakhs (Previous Year is Rs. 37.67 Lakhs)
- c. Shortfall in spending related to CSR activities during the year is Rs. 84.28 Lakhs (Previous Year is Rs. 6.00 Lakhs)
- d. Unspent amount pertaining to the financial year 2020-21, Rs. 84.28 Lakhs is transferred to a separate CSR Account for the purpose of its ongoing Art projects. The same will be utilized in Succeeding Financial Years.
- e. CSR expense has been utilized for the following activities:

Particulars	(Amount in Lakhs)	
	2020-21	2019-20
Health (including COVID -19)	16.75	7.30
Education	3.87	4.37
Art, Culture and Heritage	47.00	10.00
Rural Development	2.39	16.00
Total	70.01	37.67

- Out of above Expenditure Rs. 47 Lakhs (Previous Year is Rs. 10.00 Lakhs) contributed to Uttarayan Art foundation which is a related party of the company.

3. Contingent Liability

- (a) As on 31st March 2021, the company has a contingent liability of Rs. 4959.04 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 2021 is as follows:

Bank	Letter of Credit/ Bank Guarantee	Amount (In Rs. Lakhs)
IDBI Bank	Letter of Credit	1,923.95
Citi Bank	Letter of Credit	1,752.14
IDBI Bank	Bank Guarantee	115.72
Standard Chartered Bank	Letter of Credit	1,167.23
TOTAL		4,959.04



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Additional information pursuant to Schedule III :

(b) The Company has no disputed tax demands, in respect of excise duty, service tax custom duty, value added tax and sales tax as they have opted for "**Sabka Vishwas Scheme**" and "**Vera Samadhan Yojna**" except the following liabilities in respect of Income Tax for which 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	31.15	AY 2016-2017	Appeal Filed at ITAT- Ahmedabad
2	Income Tax Act 1961	Income Tax	26.62	AY 2017-2018	Appeal Filed at CIT (A)
3	Gujarat VAT Act, 2003	CST	54.66	AY 2017-2018	Appeal Filed at Joint Commissioner of State
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
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



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Additional information pursuant to Schedule III :

14	Income Tax Act 1961	Income Tax	NIL	AY 2016-17	ITO
VR FINEHCHEM PRIVATE LIMITED					
1	Income Tax Act 1961	Income Tax	165.36	AY 2018-19	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 year ended March 31, 2021. 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 (Rs. In Lakhs)	As on (Rs. In Lakhs)
		March 31, 2021	March 31, 2020
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	172.75	---
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.87	---
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	---	---
7	Further interest remaining due and payable 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.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Additional information pursuant to Schedule III :

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 Special Purpose Ind AS Financials Statements for the year ended 31st March 2021.

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 31.03.2021	
Particulars	Amount Rs. (Rs. in Lakhs)
Shiva Performance Ltd	1,853.81
Total Rs.	1,853.81

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 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"

The joint operations continued till 31st May 2021 & w.e.f. 01st June 2021 demerged unit started its own functioning after receiving all statutory approvals. The amount outstanding as at 31st March 2021 was actually a function of joint operations and the same have been apportioned as per approval of Hon'ble NCLT Order. Accordingly, they are not treated as loan transactions.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Additional information pursuant to Schedule III :

6. During the FY 2021-22, Shiva Pharmachem Limited has entered into the Scheme of Arrangement with VR Finechem Pvt Ltd in the nature of Amalgamation u/s. 230 to 232 of the Companies Act, 2013:

The Scheme of Arrangement 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 scheme became effective on 30th September 2022, the date on which the Company had filed the order approved by the NCLT with Registrar of Companies, Ahmedabad (ROC). Under the said scheme, all the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. relating to VR Finechem Private Limited have been transferred to Shiva Pharmachem Limited from the appointed date in the scheme i.e. 1st April 2021.

However, owing to the fact that the merger as mentioned above meets the definition of Common Control Business Combination as stated under Appendix C to Ind AS 103 since the combining entity is ultimately controlled by Shiva Pharmachem Ltd both before and after the business combination (Refer Note 1.2 – "Common Control Business Combinations"), the comparative financial information in respect of prior periods has to be restated as if the business combination had occurred from the beginning of the earliest preceding period. Since, the earliest comparative period to be presented in the Restated Consolidated Financial Information is 1st April, 2019 in connection with the proposed issue of equity shares of the Company, the same has been considered these Special Purpose Ind AS Financial Statements for FY 2020-21 and the impact of merger has been given from 1st April 2019.

The Company issued 5,50,000, 8.5% Compulsorily convertible non-cumulative preference shares of Rs. 100 each as Purchase Consideration to the Shareholders of VR Finechem Private Limited pursuant to the scheme of arrangement becoming effective.

7. Outbreak of COVID-19:

Due to outbreak of COVID-19 globally and in India, the Company's management has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Despite reduced cases of COVID-19 being reported in the country, there have been massive disruptions in supply chain especially from global. Accordingly, the Company will continue to monitor any material changes to future economic conditions.



SHIVA PHARMACHEM LIMITED

Notes to Special Purpose Ind AS Financial Statements for the year ended on 31st March 2021:

Additional information pursuant to Schedule III :

8. 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 in FY 2022-23.

**For Talati & Talati LLP
Chartered Accountants
(Firm Reg. No: 110758W/W100377)**



CA Manish Baxi
Partner
Membership No. 045011
Place: Vadodara
Date: 14-08-2023



For and On behalf of Shiva Pharmachem Ltd



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