

Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai-400 021. Tel : 67527100 Fax : 6752 7101 E-Mail : nvc@nvc.in

Independent Auditor's Report on Audit of Annual Standalone Financial Results and Review of Quarterly Financial Results

To The Board of Directors of
Heranba Industries Limited

Opinion and Conclusion

We have

- a. Audited the Standalone Financial Results for the year ended March 31, 2024, and
- b. Reviewed the Standalone Financial Results for the quarter ended March 31, 2024 (refer 'Other Matters' section below), which were subject to limited review by us,

both included in the accompanying "Statement of Standalone Financial Results for the quarter and year ended March 31, 2024." of Heranba Industries Limited ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2024:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2024

With respect to the Standalone Financial Results for the quarter ended March 31, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,



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2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2024

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2024 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2024, have been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2024 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls with reference to Standalone Financial Statements that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends



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to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2024

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2024, as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company



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to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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

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

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2024

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2024, in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Other Matters

The Statement includes the results for the quarter ended March 31, 2024, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W


N Jayendran

Partner

M. No. 040441

Mumbai, Dated: - May 27, 2024

UDIN: 240404418KFTGV9648



HERANBA INDUSTRIES LIMITED

CIN:L24231GJ1992PLC017315

Regd. Office:PLOT NO 1504/1505/1506/1 GIDC, PHASE-III, VAPI, Valsad-396195, Gujarat, India, Tel. No.: +91 260 240 1646

Corporate Office: 2Nd Floor, A Wing, Fortune Avirahi, Jain Derasar Road, Borivali-West, Mumbai-400092,

Tel. No.: +91 22 28987912

Statement of Standalone Financial Results for the Quarter and Year Ended 31st March 2024

([₹] in crores)

| Sr. No. | Particulars | Quarter Ended | | | Year ended | |
|---------|--|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| | | 31.03.2024 Reviewed | 31.12.2023 Reviewed | 31.03.2023 Reviewed | 31.03.2024 Audited | 31.03.2023 Audited |
| I | Income | | | | | |
| | (a) Revenue from Operations | 261.29 | 301.70 | 258.90 | 1,274.75 | 1,324.38 |
| | (b) Other Income | 10.43 | 6.65 | 4.25 | 30.39 | 13.58 |
| | Total Income | 271.72 | 308.35 | 263.15 | 1,305.14 | 1,337.96 |
| II | Expenses | | | | | |
| | (a) Cost of materials consumed | 138.13 | 184.10 | 142.14 | 830.40 | 907.99 |
| | (b) Purchase of stock in trade | 16.23 | - | 6.75 | 16.23 | 7.09 |
| | (c) Changes in Inventories of Finished Goods and Work-in-Progress | 13.11 | 19.17 | 23.87 | 45.33 | (26.89) |
| | (d) Employee Benefit Expenses | 18.24 | 18.97 | 15.83 | 72.65 | 64.42 |
| | (e) Finance Costs | 4.74 | 2.62 | 2.85 | 11.75 | 7.91 |
| | (f) Depreciation and Amortisation Expenses | 6.98 | 6.25 | 6.00 | 24.85 | 22.59 |
| | (g) Other Expenses | 55.99 | 51.17 | 47.56 | 213.54 | 210.71 |
| | Total Expenses | 253.41 | 282.28 | 245.00 | 1,214.75 | 1,193.82 |
| III | Profit before Tax (I-II) | 18.31 | 26.07 | 18.15 | 90.39 | 144.14 |
| IV | Tax Expenses/(Credit) | | | | | |
| | (a) Current Tax | 8.87 | 7.72 | 5.17 | 28.87 | 38.86 |
| | (b) (Excess) / Short provision for taxation in respect of earlier years | (0.41) | - | (0.49) | (0.41) | (0.49) |
| | (c) Deferred tax charge / (credit) | (3.25) | (0.87) | (0.86) | (4.42) | (4.34) |
| | Total Tax Expenses | 5.21 | 6.85 | 3.82 | 24.04 | 34.03 |
| V | Profit for the Year after Taxes (III-IV) | 13.11 | 19.22 | 14.33 | 66.35 | 110.11 |
| VI | Other Comprehensive Income (net of Taxes) | | | | | |
| | (a) Items that will not be reclassified to profit or loss (net) | (0.15) | 0.05 | (0.26) | (0.02) | 0.10 |
| | (b) Items that will be reclassified to profit or loss (net) | - | - | - | - | 0.08 |
| | Total Other Comprehensive Income (net of Taxes) | (0.15) | 0.05 | (0.26) | (0.02) | 0.19 |
| VII | Total Comprehensive Income for the period (V+VI) | 12.95 | 19.26 | 14.07 | 66.33 | 110.30 |
| VIII | Paid up Equity Share Capital (Face value of Rs.10 Each fully paid up) | 40.01 | 40.01 | 40.01 | 40.01 | 40.01 |
| IX | Other Equity | | | | 837.45 | 776.10 |
| X | Earning per share (not annualised for the quarters) | | | | | |
| | (a) Basic | 3.28 | 4.80 | 3.58 | 16.58 | 27.52 |
| | (b) Diluted | 3.28 | 4.80 | 3.58 | 16.58 | 27.52 |

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Corporate Office: 2nd Floor, A wing Fortune Avirahi, Jain Derasar Road Borivali - West, Mumbai 400092 Tel. No. :+91 22 28987912

E-mail : compliance@heranba.com ; Website : www.heranba.co.in

Audited Statement of Standalone Assets and Liabilities as at March 31, 2024

(` in Crores)

| Particulars | | As at 31.03.2024 | As at 31.03.2023 |
|-------------|---|------------------|------------------|
| | | Audited | Audited |
| A | ASSETS | | |
| I | Non-current Assets | | |
| | (a) Property, plant and equipment | 239.66 | 185.99 |
| | (b) Capital work-in-progress | 11.32 | 42.04 |
| | (c) Financial Assets | | |
| | (i) Investments | 1.83 | 0.92 |
| | (ii) Loans | 299.65 | 53.19 |
| | (iii) Other Financial Assets | 6.58 | 5.81 |
| | (d) Deferred Tax Assets (net) | 11.52 | 7.09 |
| | (e) Other Non-current Assets | 5.02 | 6.78 |
| | | 575.58 | 301.82 |
| II | Current Assets | | |
| | (a) Inventories | 244.43 | 297.16 |
| | (b) Financial Assets | | |
| | (i) Trade Receivables | 498.35 | 387.59 |
| | (ii) Cash and cash equivalents | 12.06 | 99.26 |
| | (iii) Bank balances other than (iii) above | 10.36 | 19.37 |
| | (iv) Other Financial Assets | 2.65 | 2.86 |
| | (c) Other Current Assets | 33.33 | 29.34 |
| | | 801.18 | 835.58 |
| | Non-Current Assets held for Sale | 21.90 | 21.90 |
| | TOTAL ASSETS (I+II) | 1,398.67 | 1,159.30 |
| B | EQUITY AND LIABILITIES | | |
| I | Equity | | |
| | (a) Equity share capital | 40.01 | 40.01 |
| | (b) Other equity | 837.45 | 776.10 |
| | TOTAL EQUITY | 877.46 | 816.11 |
| II | Liabilities | | |
| | (i) Non-current liabilities | | |
| | (a) Financial liabilities | | |
| | (i) Lease Liability | 3.62 | 3.51 |
| | (b) Other Non-Current Liabilities | 0.18 | - |
| | (c) Provisions | 10.78 | 8.94 |
| | | 14.58 | 12.46 |
| | (ii) Current liabilities | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 139.49 | 89.01 |
| | (ii) Lease Liability | 0.39 | 0.48 |
| | (iii) Trade payables | | |
| | - total outstanding dues of micro enterprises and small enterprises; and | 28.83 | 14.47 |
| | - total outstanding dues of creditors other than micro enterprises and small enterprises. | 258.11 | 172.12 |
| | (iv) Other financial liabilities | 42.77 | 37.54 |
| | (b) Other current liabilities | 14.91 | 7.70 |
| | (c) Provisions | 1.53 | 1.63 |
| | (d) Current Tax Liabilities | 20.60 | 7.79 |
| | | 506.63 | 330.74 |
| | TOTAL LIABILITIES (i+ii) | 521.21 | 343.19 |
| | TOTAL EQUITY AND LIABILITIES (I+II) | 1,398.67 | 1,159.30 |



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Audited Standalone Cash flow Statement for the year ended March 31, 2024

(` in Crores)

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---------------------------------------|---------------------------------------|
| [A] CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 90.41 | 144.14 |
| Adjustments for: | | |
| Depreciation/Amortisation/Impairment of Property, Plant and Equipments | 24.85 | 22.59 |
| Dividend Income | - | (0.00) |
| Interest Income | (17.14) | (4.20) |
| Interest Expenses | 11.75 | 7.91 |
| Provision for Doubtful Receivables/Advances/Sundry balances written off | 3.88 | (0.96) |
| Fair value of Investment | 0.15 | 0.00 |
| (Profit)/Loss on sale of Property, Plant and Equipments (Net) | (0.10) | (0.06) |
| (Profit)/Loss on sale of Investments (Net) | (0.01) | (0.64) |
| Unrealised foreign exchange (gain)/loss (Net) | (3.12) | (4.19) |
| Sundry Balances Written back | (5.88) | (1.62) |
| Remeasurement of the net defined benefit liability | (0.02) | 0.14 |
| Operating Profit/(Loss) before changes in working capital | 104.76 | 163.11 |
| Adjustment for (Increase)/Decrease in Operating Assets | | |
| Adjustments for decrease (increase) in inventories | 52.73 | (41.42) |
| Adjustments for decrease (increase) in trade receivables, current | (116.86) | 68.90 |
| Adjustments for decrease (increase) in other current assets | (3.65) | 22.34 |
| Adjustments for other financial assets, non-current | (0.77) | 2.26 |
| Adjustments for other financial assets, current | 0.21 | (0.27) |
| Adjustment for Increase/(Decrease) in Operating Liabilities | | |
| Adjustments for increase (decrease) in trade payables, current | 106.16 | (60.70) |
| Adjustments for increase (decrease) in other current liabilities | 7.09 | (5.98) |
| Adjustments for provisions, current | (0.11) | (0.76) |
| Adjustments for provisions, non-current | 1.83 | 1.08 |
| Adjustments for other financial liabilities, current | 4.18 | 8.97 |
| Adjustments for other financial liabilities, non-current | - | - |
| Cash flow from operations after changes in working capital | 155.59 | 157.53 |
| Net Direct Taxes (Paid)/Refunded | (19.73) | (35.02) |
| Net Cash Flow from/(used in) Operating Activities | 135.86 | 122.50 |
| [B] CASH FLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from sales of property, plant and equipment | 1.06 | 0.09 |
| Purchase of property, plant and equipment | (43.81) | (61.31) |
| Purchase of investment | (0.75) | (0.74) |
| Investment in Wholly Owned Subsidiary | - | (0.15) |
| Proceeds from sales of Investment | 0.01 | 2.08 |
| Loan given | (246.46) | (53.19) |
| Dividends received | - | 0.00 |
| Interest received | 17.14 | 4.27 |
| Investment in Bank Deposit | 9.00 | 8.89 |
| Net Cash Flow from/(used in) Investing Activities | (263.79) | (100.06) |
| [C] CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds from short term borrowings | 55.88 | (1.95) |
| Payments of finance lease liabilities | (0.96) | (1.48) |
| Dividends paid | (5.00) | (8.00) |
| Interest paid | (9.18) | (6.65) |
| Net Cash Flow from/(used in) Financing Activities | 40.74 | (18.08) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | (87.20) | 4.36 |
| Cash & Cash Equivalents at beginning of period (see Note 1) | 99.26 | 94.90 |
| Cash and Cash Equivalents at end of period (see Note 1) | 12.06 | 99.26 |
| Notes. | | |
| 1 Cash and Cash equivalents comprises of: | | |
| Cash on Hands | 0.03 | 0.13 |
| Balance with Banks | 12.03 | 53.94 |
| In deposit with maturity of less than three months | - | 45.19 |
| Cash and Cash equivalents | 12.06 | 99.26 |



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Notes:

- 1 The above financial results as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on May 27, 2024.
- 2 The standalone financial results of Heranba Industries Limited (the Company) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure requirements), 2015 as amended.
- 3 During the quarter ended December 31,2023 Mikusu India Private Limited (wholly owned subsidiary company - Acquirer Company) has entered into Share Purchase Agreement dated November 8, 2023, with the promoters and other shareholders to acquire 29,08,719 Equity Shares (FV of Rs. 10 Each) consisting of 48.48% of the total equity share capital of Daikaffil Chemicals India Limited (Target Company) at price of Rs. 24.00 per share aggregating to Rs. 6.98 Crores.

These shares were purchased and transferred to the Company in tranches with the last tranche being transferred on February 05,2024. The Mikusu India Private Limited (Wholly Owned Subsidiary Company) has a defacto control on Daikaffil Chemicals India Limited being the single largest shareholder who has controlling votes at the AGM of the Company. Hence Daikaffil Chemicals India Limited is considered as the Subsidiary Company of Mikusu India Private and in turn a Step Down Subsidiary of Heranba Industries Limited.
- 4 The Board of Directors of the Company at their meeting held on May 27, 2024 has recommended dividend of 1.25 per share (12.5% of FV- Rs.10) on the outstanding equity shares of nominal value of Rs. 10/- each as on record date, subject to shareholder approval at the ensuing Annual General Meeting.
- 5 The figures for the quarter ended March 31,2024 are the balancing figures between the audited figures in respect of the full financial year and unaudited year to date figures upto the third quarter ended December 31,2023, which were subjected to limited review.
- 6 The company is engaged in manufacture and sale of Agro Chemical business. As the Company's business activity falls within a single business segment, there is no separate reportable segment as per Ind AS 108 " Operating Segments".
- 7 Figures for the previous period have been regrouped / re-classified to confirm to the figures of the current period.

By Order of the Board
For Heranba Industries Limited



Raghuram K Shetty
Managing Director
DIN-00038703

Place: Mumbai
Date: May 27, 2024

