TRISTAR INTERMEDIATES PRIVATE LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1ST SEPTEMBER, 2021 TO 31ST MARCH, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

Tristar Intermediates Private Limited

Report on the Audit of the Special purpose IND AS Financial Statements

Opinion

We have audited the Special purpose IND AS financial statements of TRISTAR INTERMEDIATES PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the period September 2021 to March 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the for the period September 2021 to March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Restriction on distribution or use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

UDIN - 22122651AKVMGH5956

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No- 104167W

Sanjay Pichholia

Partner
Membership No- 122651

Place: Mumbai
Date: 11 May 2022

TRISTAR INTERMEDIATES PRIVATE LIMITED
Balance Sheet as at 31st March, 2022

Rs. In million

	Particulars	Note No	As at 31st March, 2022
ASSETS			
NON-CURRENT ASSETS			
(a)	Property, Plant and Equipment	3a	206.49
(b)	Right of Use - Assets	3b	42.17
(c)	Other Intangible Assets	4	0.07
(d)	Financial Assets		
	(i) Other Financial Assets	5	7.97
TOTAL NON-CURRENT ASSETS			**256.70**
CURRENT ASSETS			
(a)	Inventories	6	200.94
(b)	Financial Assets		
	(i) Trade Receivables	7	276.52
	(ii) Cash and Cash Equivalents	8a	22.26
	(iii) Bank Balances other than (ii) above	8b	32.38
	(iv) Loans	9	0.55
	(v) Other Financial Assets	10	0.57
(c)	Other Current Assets	11	56.14
TOTAL CURRENT ASSETS			**589.36**
TOTAL ASSETS			**846.06**
EQUITY AND LIABILITIES			
EQUITY			
(a)	Equity Share Capital	12	9.30
(b)	Other Equity	13	404.72
TOTAL EQUITY			**414.02**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a)	Provisions	14	8.79
(b)	Deferred Tax Liabilities (Net)	15	4.58
(c)	Other Non Current Liabilities		
TOTAL NON-CURRENT LIABILITIES			**13.37**
CURRENT LIABILITIES			
(a)	Financial Liabilities		
	(i) Borrowings	16	84.27
	(ii) Trade Payables		
	a) total outstanding dues of Micro Enterprises and Small Enterprises	17	11.85
	b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	17	258.78
	(iii) Other Financial Liabilities	18	4.55
(b)	Other Current Liabilities	19	57.66
(c)	Provisions	20	1.29
(d)	Current Tax Liabilities (Net)	21	0.27
TOTAL CURRENT LIABILITIES			**418.67**
TOTAL EQUITY AND LIABILITIES			**846.06**

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants

For and on behalf of the Board of Directors of Tristar Intermediates Private Limited

SANJAY PICHHOLIA
Partner

SANJAY RAMKRISHNA MARBALLI
Director
DIN: 00002476

SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 11th May, 2022

Place: Mumbai
Date: 11th May, 2022

TRISTAR INTERMEDIATES PRIVATE LIMITED

Statement of Profit and Loss for the seven months period ended 31st March, 2022

	Particulars	Note No	*Rs. In million* For the seven months period ended 31st March, 2022
I	Revenue from operations	22	1,045.19
II	Other Income	23	1.36
III	**Total Income (I + II)**		**1,046.55**
IV	**EXPENSES**		
(a)	Cost of materials consumed	24	739.10
(b)	Changes in inventories of finished goods and work-in-progress	25	(19.79)
(c)	Employee benefits expense	26	41.99
(d)	Finance costs	27	1.61
(e)	Depreciation and amortization expenses	28	21.32
(f)	Other expenses	29	162.11
	Total Expenses		**946.34**
V	**Profit before tax (III - IV)**		**100.21**
VI	**Tax Expense**		
	Current tax	30(a)	26.29
	Deferred tax	30(a)	(8.34)
	Total Tax Expense		**17.95**
VII	**Profit for the year (V - VI)**		**82.26**
VIII	**Other comprehensive Income**		
(i)	Items that will not be reclassified to profit or loss		
	Remeasurements of the defined benefit plans		(0.67)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	30(b)	0.17
	Total Other Comprehensive income		**(0.50)**
IX	**Total comprehensive income (VII + VIII)**		**81.76**
X	**Earnings per equity share *(in Rs.)***	**31**	
	Basic		88.45*
	Diluted		88.45*
	*Not annualized		

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants

For and on behalf of the Board of Directors of Tristar Intermediates Private Limited

SANJAY PICHHOLIA	**SANJAY RAMKRISHNA MARBALLI**	**SUNIL CHARI**
Partner	Director	Director
	DIN: 00002476	DIN: 00149083
Place: Mumbai	**Place: Mumbai**	
Date: 11th May, 2022	**Date: 11th May, 2022**	

TRISTAR INTERMEDIATES PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31st March, 2022

(a) Equity Share Capital

Rs. In million

Particulars	31st March, 2022
Issued, Subscribed and Paid-up:	
Balance as at the beginning of the period	9.30
Changes in equity share capital during the period	-
Balance as at the end of the year	**9.30**

(b) Other Equity

Rs. In million

	Reserves and Surplus		
Particulars	General Reserve	Retained Earnings	Total
Balance as at 1st September, 2021	**0.28**	**322.68**	**322.96**
Profit for the Period	-	82.26	82.26
Other Comprehensive income / (loss) (net of tax)	-	(0.50)	(0.50)
Total Comprehensive income for the Period	-	81.76	81.76
Balance as at 31st March, 2022	**0.28**	**404.44**	**404.72**

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants

For and on behalf of the Board of Directors of Tristar Intermediates Private Limited

SANJAY PICHHOLIA
Partner

SANJAY RAMKRISHNA MARBALLI
Director
DIN: 00002476

SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 11th May, 2022

Place: Mumbai
Date: 11th May, 2022

TRISTAR INTERMEDIATES PRIVATE LIMITED
Statement of Cash Flow for seven months period ended 31st March, 2022

Rs. In million

	Particulars	For the seven months period ended 31st March, 2022
A	**Cash flows from operating activities**	
	Profit before tax	**100.21**
	Adjustments for:	
	Depreciation and amortisation expenses	21.32
	Provision for expected credit loss	(0.01)
	Finance Costs	1.61
	Interest Income	(2.76)
	Operating profit before working capital changes	**120.37**
	Changes in :	
	Trade Receivables and other assets	(30.98)
	Inventories	(109.43)
	Trade Payables and other liabilities	100.42
	Cash generated from Operations	**80.38**
	Income taxes paid (net of refunds)	(34.87)
	Net cash flows generated from operating activities	**45.51**
B	**Cash flows from investing activities**	
	Interest Received	2.76
	Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets	(22.47)
	(Increase)/Decrease in bank balances not considered as cash and cash ec	(12.83)
	Net cash flows used in investing activities	**(32.54)**
C	**Cash flows from financing activities**	
	Proceeds / (Repayment) from short term borrowing (net)	(2.18)
	Interest paid	(1.61)
	Net cash flow used in financing activities	**(3.79)**
	Net increase in cash and cash equivalents (A+B+C)	9.18
	Opening Cash and cash equivalents	13.08
	Closing Cash and cash equivalents	**22.26**

Notes:

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

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants

For and on behalf of the Board of Directors of Unitop Chemicals Private Limited

SANJAY PICHHOLIA
Partner

SANJAY RAMKRISHNA MARBALLI
Director
DIN: 00002476

SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 11th May, 2022

Place: Mumbai
Date: 11th May, 2022

TRISTAR INTERMEDIATES PRIVATE LIMITED

Notes accompanying the Financial Statements for the seven months period ended 31st March, 2022.

1. Corporate information

Tristar Intermediates Private Limited (‘the Company) was incorporated in the year 1997, having Corporate Identity number U24231GJ1997PTC032927. The registered office of the Company is at C1/B 3201 & C1/B 3202, GIDC, Sarigam – 396155, District Valsad, Gujarat. The Company is mainly engaged in manufacturing / Trading of Perfumery Chemicals, Speciality Chemicals, Dye Intermediates and high-tech distillation facilities.

2. Significant Accounting Policies

i. Statement of Compliances and Basis of Preparation and Presentation

(a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting as a going concern except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented.

(b) The aforesaid Financial Statements were approved by the Board of Directors and authorized for issue on 11th May, 2022.

(c) A number of Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has established policies and procedures with respect to the 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 between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and Liabilities are classified as Current or Non-Current as per the provisions of Schedule III to the Companies Act, 2013 and the Company’s Normal Operating Cycle. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Notes.

Accounting Estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(e) Critical estimates and judgements

Useful lives of property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Useful lives of intangible assets are determined on the basis of estimated benefits to be derived from use of such intangible assets. The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Their reassessments may result in change in the depreciation /amortization expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31st March, 2022. The Company has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, inventories and has made necessary adjustments to the carrying amounts by recognising provisions/impairment of assets where necessary. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

The principal accounting policies are set out below.

ii. Revenue Recognition

(a) Sale of Goods:

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

(b) Export Incentive:

Income from export incentives such as duty drawback and MEIS are recognized on an accrual basis.

(c) Dividend and Interest Income:

Dividend income from investments is recognized when the shareholder's right to receive dividend has been established.

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

iii. Property, Plant & Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

Depreciation is provided on Written Down Value basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

iv. Intangible Assets

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Copyright & Patent:

The expenditure incurred is amortized over the estimated period of benefit, not exceeding six years commencing with the year of purchase.

(b) Software expenditures:

The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

v. Research & Development

Revenue expenditure incurred on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred. Capital expenditure is included in the Cost of acquisition of the appropriate property plant and equipment and depreciation thereon is charged as per the rates prescribed.

vi. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant & equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are

discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

vii. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and packing materials are value at the lower of cost or net realizable value. Cost is determined on the basis of First in First Out (FIFO) method

Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realizable value whichever is lower.

Stores, spares and consumables other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

viii. Employee Benefits

a) Defined Contribution Plan:

Contribution payable to recognized provident fund, ESIC which are substantially defined contribution plan, is recognized as expense in the Statement of Profit and Loss, as they are incurred.

b) Defined Benefit Plan:

For defined plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

c) Long term Compensated Absences

Company’s liability towards long term compensated absences are determined by independent actuaries, using the projected unit credit method

ix. Foreign Exchange Transactions and Translations

Transactions in foreign currencies i.e. other than the Company’s functional currency of Indian Rupees are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognized in Profit and Loss in period in which they arise.

Forward Exchange Contracts

The use of foreign currency forward contract is governed by the Company’s strategy. The Company uses foreign currency forward contract to hedge its risk associated with foreign currency fluctuation relating to certain firm commitment and forecasted transaction for amount in excess of natural hedge available on export realization against import payment. The Group doesn’t use forward contract for speculative purpose.

All derivative contracts are marked to- market and losses/gains are recognized in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

x. Taxation

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

(a) Current Tax

The tax currently payable is based on taxable profit for the year. 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. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiary, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilised the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in 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 measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(c) Current and Deferred Tax for the year

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

xi. Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalized as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortized using effective interest rate method over period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

xii. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 1, 2019 Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

xiii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation. Contingent liabilities are disclosed 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 Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are possible assets 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. A contingent asset is disclosed, where an inflow of economic benefits is probable.

xiv. Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through Profit or Loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss is recognized immediately in Profit and Loss.

Classification and subsequent measurement

(a) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI); or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Profit and Loss. Any gain and loss on derecognition are recognized in Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in Profit and Loss. Dividend income received on such equity investments are recognized in Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Profit and Loss.

(i) Financial assets at Fair value through Profit & loss

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend of financial assets at FVTPL is recognized when the Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

(ii) Impairment of Financial Assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impairment financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(iii) De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than its entirety, (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(iv) Foreign Exchange Gains & Losses

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

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measure at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(v) Financial liabilities and equity instruments

(a) Classification as debt or equity

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

(b) Equity Instruments

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

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit of loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Compound Financial Instruments

The component parts of compound financial instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instruments' maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

(d) Financial Liabilities

All financial liabilities are subsequently measure at amortised cost or at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measure at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance cost' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(vi) Offsetting

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

(vii) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; or
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

(viii) Dividend Distribution

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(ix) Use of Estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent Liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(x) Earnings per share

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

Note 3a - Property, Plant and Equipment

Rs. In million

	Particulars	Buildings	Plant and Equipments	Furniture & Fittings	Vehicles	Office Equipment	Computer Equipment	Total
(I)	**Gross Carrying Amount**							
	Balance as at 1st September, 2021	62.07	177.28	3.25	3.50	1.06	0.70	247.86
	Additions during the period	10.86	11.44	-	-	0.15	-	22.45
	Less: Disposals during the period	-	-	-	-	-	-	-
	Balance as at 31st March, 2022	**72.93**	**188.72**	**3.25**	**3.50**	**1.21**	**0.70**	**270.31**
(II)	**Accumulated depreciation**							
	Balance as at 1st September, 2021	7.43	32.01	1.18	1.23	0.62	0.36	42.83
	Depreciation expense for the period	3.72	16.09	0.46	0.45	0.15	0.12	20.99
	Less: Disposals during the period	-	-	-	-	-	-	-
	Balance as at 31st March, 2022	**11.15**	**48.10**	**1.64**	**1.68**	**0.77**	**0.48**	**63.82**
(III)	**Net carrying amount (I-II)**							
	Balance as at 1st September, 2021	54.64	145.27	2.07	2.27	0.43	0.34	205.03
	Balance as at 31st March, 2022	**61.78**	**140.62**	**1.61**	**1.82**	**0.44**	**0.22**	**206.49**

Notes:

(i) The title deeds of all the immovable properties are held in the name of the company.

Note 3b - Right of use assets

Rs. In million

	Particulars	Leasehold Land	Total
(I)	**Gross Carrying Amount**		
	Balance as at 1st September, 2021	40.43	40.43
	Additions during the period	-	-
	Less: Disposals during the period	-	-
	Balance as at 31st March, 2022	**40.43**	**40.43**
(II)	**Accumulated depreciation**		
	Balance as at 1st September, 2021	0.49	0.49
	Depreciation expense for the period	0.32	0.32
	Less: Disposals during the period	-	-
	Balance as at 31st March, 2022	**0.81**	**0.81**
(III)	**Net carrying amount (I-II)**		
	Balance as at 1st September, 2021	39.93	39.93
	Balance as at 31st March, 2022	**39.61**	**39.61**

Note:

The lease agreements are duly executed in favour of the company.

Note No. 4 - Intangible Assets *Rs. In million*

	Particulars	Computer Software	Total
(I)	**Gross Carrying Amount**		
	Balance as at 1st September, 2021	-	-
	Additions during the period	0.08	0.08
	Less: Disposals during the period	-	-
	Balance as at 31st March, 2022	**0.08**	**0.08**
(II)	**B. Accumulated amortisation**		
	Balance as at 1st September, 2021	-	-
	Depreciation expense for the period	0.01	0.01
	Less: Disposals during the period	-	-
	Balance as at 31st March, 2022	**0.01**	**0.01**
(III)	**Net carrying amount (I-II)**		
	Balance as at 1st September, 2021	-	-
	Balance as at 31st March, 2022	**0.07**	**0.07**

Notes:

The amortization expense of intangible assets has been included under Note 28 ‘Depreciation and amortization expense’ in the Statement of Profit and Loss.

Note 5: Other Financial Assets (Non Current)

Rs. In million

Particulars	As at 31st March, 2022
Financial Assets at Amortized Cost:	
(unsecured, considered good unless otherwise stated)	
Security Deposits	6.33
Fixed Deposit with original maturity of more than 12 months	1.50
Interest Accrued	0.14
Total Other Financial Assets	**7.97**

Note 6: Inventories

Rs. In million

Particulars	As at 31st March, 2022
Raw Materials	134.77
Packing Materials	1.98
Work-in-progress	39.38
Finished goods	24.81
Total Inventories	**200.94**

Notes:
6.1. The cost of Inventories recognized as an expense during the year was Rs. 857.93 million, including in respect of write down of inventories to net realizable value Rs. 0.39 million.
6.2. The Company has availed credit facilities from banks which are secured interalia by hypothecation of inventories.
6.3. The method of valuation of inventories is stated in sub note vii of Note 2.

Note 7: Trade Receivables

Rs. In million

Particulars	As at 31st March, 2022
Unsecured:	
Considered good	**276.96**
Less: Allowance for Expected Credit Losses	(0.44)
Total Trade Receivables	**276.52**

Notes:
Note 7.1: Trade Receivables ageing schedule as on 31st March,2022

Rs. In million

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	276.70	0.18	0.05	0.02	-	**276.95**
Less: Allowance for Expected Credit Losses						**(0.44)**

7.2. Refer Note 35 for receivables outstanding from Related Parties.
7.3. Refer Note 39 for disclosures related to credit risk and Note 40 for impairment of trade receivables under expected credit loss model and related disclosures.

7.4 Trade receivables are hypothecated to banks against working capital facility.

Note 8a: Cash and Cash Equivalents

Rs. In million

Particulars	As at 31st March, 2022
Balances with banks	
- in Current Account	22.20
Cash on hand	0.06
Total Cash and cash Equivalents	**22.26**

Note 8b: Bank Balances other than cash and cash equivalents

Rs. In million

Particulars	As at 31st March, 2022
Bank Balances other than cash and cash equivalents	
- Fixed Deposits with original maturity of more than 3 months but balance maturity less than 12 months	32.38
Total Bank Balances other than cash and cash equivalents	**32.38**

Note 9: Loans (Current)

Rs. In million

Particulars	As at 31st March, 2022
Financial Assets at Amortized Cost:	
(unsecured, considered good unless otherwise stated)	
Other Loans	0.55
Total Loans (Current)	**0.55**

Notes:

9.1 Other Loans mainly includes loans to employees

9.2 Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

Note 10: Other Financial Assets (Current)

Rs. In million

Particulars	As at 31st March, 2022
At Amortized Cost:	
Interest Accrued on Fixed deposits	0.37
Others	0.20
Total Other Financial Assets (Current)	**0.57**

Notes:

10.1. Refer Note 39 for disclosures related to credit risk and Note 40 for impairment under expected credit loss model and related financial instrument disclosures.

Note 11: Other Current Assets

Rs. In million

Particulars	As at 31st March, 2022
Balances with Government Authorities	30.68
Prepaid expenses	2.79
Advance paid to suppliers	22.67
Total Other Current Assets	**56.14**

Note 12: Equity Share Capital

Particulars	*Rs. In million* As at 31st March, 2022
Authorized:	
1,000,000 Equity shares of Rs.10 each	10.00
Total	**10.00**
Issued, Subscribed and Paid-up:	
930,000 Equity shares of Rs.10 each, fully paid up	9.30
Total Equity Share Capital	**9.30**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	No of Shares	*Rs. In million* As at 31st March, 2022
Issued, Subscribed and Paid-up:		
Balance as at the beginning of the period	930,000	9.30
Total	**930,000**	**9.30**

b) Terms of Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of equity shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31st March, 2022 No. of shares	% shareholding
Equity shares:		
Rossari Biotech Limited	706,780	**76.00%**
Edward Menezes	10	**0.00%**
Sunil Chari	10	**0.00%**
Sanjay R Marballi	22,320	**2.40%**
Uday R Marbail	52,080	**5.60%**
Debashis Chakrabaroty	74,400	**8.00%**
Ramkrishna N Thite	74,400	**8.00%**

d) Shareholding of Promoters

Shares held by promoters at the end of 31st March, 2022 Promoter Name	No. of Shares	% of total shares	% Change during the year
Rossari Biotech Limited	706,780	76.00%	0.00%
Edward Menezes	10	0.00%	0.00%
Sunil Chari	10	0.00%	0.00%
Sanjay R Marballi	22,320	2.40%	0.00%
Uday R Marballi	52,080	5.60%	0.00%
Debashis Chakraborty	74,400	8.00%	0.00%
Ramkrishna N Thite	74,400	8.00%	0.00%
TOTAL	**930,000**		

Note 13: Other Equity

Particulars	*Rs. In million* As at 31st March, 2022
General Reserve	0.28
Retained earnings	404.44
Total Other Equity	**404.72**

Movement in Reserves

Particulars	*Rs. In million* As at 31st March, 2022
General Reserve	
Balance as at the beginning of the period	0.28
Balance as at the end of the period	**0.28**

Particulars	*Rs. In million* As at 31st March, 2022
Retained Earnings	
Balance as at the beginning of the period	322.68
Add: Profit during the period	82.26
Less: Remeasurement gain/(loss) on defined benefit plan	(0.50)
Balance as at the end of the period	**404.44**
Total	**404.72**

Note 14: Provisions (Non-current)

Rs. In million

Particulars	As at 31st March, 2022
Provision for employee benefits	
Gratuity (Unfunded)	5.71
Compensated absences (unfunded)	3.08
Total Provisions (Non-current)	**8.79**

Notes:
14.1. For disclosures related to employee benefits, refer note 36

Note 15: Deferred Tax Liability (Net) (Non-current)

Rs. In million

Particulars	As at 31st March, 2022
Deferred Tax Liability	4.58
Total Deferred Tax Liability (Net) (Non-current)	**4.58**

Note 15.1 Movement in Deferred Tax Liability:

Rs. In million

Particulars	As at 1st September, 2021	Charge / (credit) to profit or loss	Charge / (credit) to OCI	As at 31st March, 2022
Tax effect of items constituting deferred tax liabilities:				
a) Allowances on property, plant & equipment and other assets	15.48	(8.25)	-	7.23
Tax effect of items constituting deferred tax assets:				
Allowances for credit losses	(0.11)	-	-	(0.11)
Provision for Gratuity	(1.51)	0.05	(0.17)	(1.62)
Others	(0.77)	(0.15)	-	(0.92)
Net Tax Asset/(Liability)	**13.09**	**(8.34)**	**(0.17)**	**4.58**

Note 16: Borrowings (Current)

Rs. In million

Particulars	As at 31st March, 2022
Carried at Amortized Cost:	
Secured loans	
Working Capital Loans from Banks	84.27
Total Borrowings (Current)	**84.27**

Notes:
16.1 The rate of interest is 7.50%
16.2 Working capital facilities are secured by first Pari Passu charge on all the present and future Current Assets of the Company.

Note 17: Trade Payables (Current)

Rs. In million

Particulars	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	11.85
Total outstanding dues other than micro enterprises and small enterprises	258.78
Total Trade Payables (Current)	**270.63**

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

Rs. In million

Particulars	As at 31st March, 2022
Dues remaining unpaid:	
Principal	11.85
Interest	-
Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") along with the amount of payment made to the supplier beyond the appointed day during the year	0.10
- Principal paid beyond the appointed date	5.49
- Interest paid in terms of Section 16 of the Act	-
Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	0.10
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-
Amount of interest accrued and remaining unpaid	0.10

Trade Payables ageing schedule as on 31st March, 2022

Rs. in million

Particulars	Outstanding for following periods from due date of Payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	11.85	-	-	-	11.85
(ii) Others	258.77	-	0.01	-	258.78

Note 18: Other Financial Liabilities (Current)

Rs. In million

Particulars	As at 31st March, 2022
Measured at Amortized Cost:	
Security Deposits	0.07
Deferred Govt Grants	4.48
Total Other Financial Liabilities (Current)	**4.55**

Note 19: Other Current Liabilities

Rs. In million

Particulars	As at 31st March, 2022
i. Advances received from customers	55.89
ii. Statutory dues	
- Taxes Payable	1.37
- GST Payable	0.14
- Employee Liabilities	0.26
Total Other Current Liabilities	**57.66**

Note 20: Provisions (Current)

Rs. In million

Particulars	As at 31st March, 2022
Provision for employee benefits	
Gratuity (Unfunded)	0.70
Compensated absences (unfunded)	0.59
Total Provisions (Current)	**1.29**

Notes:
For disclosures related to employee benefits, refer note 36

Note 21: Current Tax Liabilities (Net)

Rs. In million

Particulars	As at 31st March, 2022
Provision for tax (net of Advance Income Tax of Rs.37.90 million)	0.27
Total Current Tax Liabilities (Net)	**0.27**

Note 22: Revenue from operations

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Revenue from contracts with customers:	
Sale of products	1,021.08
Sale of Services	23.62
Other operating revenues:	
i. Others*	0.49
Total Revenue from operations	**1,045.19**

*Includes Export Incentives

Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Contract Price	1,021.08
Less : Discount	-
	1,021.08

Note 23: Other Income

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Interest Income (on financial assets measured at Amortised cost):	
- On bank deposits	1.17
- On others	1.59
Government Grant Amortisation	0.17
Others*	(1.57)
Total Other Income	**1.36**

* Others mainly includes income on account of writeback of liabilities Rs. 0.03 million

Note 24: Cost of materials consumed

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Opening Stock of raw materials and packing materials	47.11
Add: Purchases (Net)	828.74
Less: Closing Stock of raw materials and packing materials	136.75
Total Cost of materials consumed	**739.10**

Note 25: Changes in inventories of finished goods and work-in-progress

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Opening inventories	
Finished Goods	15.21
Work-in-progress	29.19
TOTAL	**44.40**
Less: Closing inventories	
Finished Goods	24.81
Work-in-progress	39.38
TOTAL	**64.19**
Total (increase) / decrease in inventories	**(19.79)**

Note 26: Employee Benefits Expense

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Salaries and wages, including bonus	37.09
Contribution to provident and other funds	4.38
Share-based payments to employees	0.31
Workmen & Staff welfare expenses	0.21
Total Employee Benefits Expense	**41.99**

Notes:

Employee cost includes employee compensation cost of Rs. 0.31 million in relation to Employee stock options granted by holding company to employees of the Company.

Note 27: Finance Costs

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Interest Expense:	
(i) On working capital facilities	0.98
(ii) Other Borrowing Cost	0.63
Total Finance Costs	**1.61**

Notes:

27.1 Other Borrowing cost includes interest payable to MSMED creditors

Analysis of Interest Expense by category:

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Interest Expenses:	
On financial liability at amortized cost	0.98

Note 28: Depreciation and amortization expenses

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Depreciation on property, plant and equipment (refer note 3a)	20.99
Amortisation on right of use asset (refer note 3b)	0.32
Amortisation of intangible assets (refer note 4)	0.01
Total Depreciation and amortization expenses	**21.32**

Note 29: Other Expenses

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Consumption of stores, spares and consumables	0.89
Labour Contract Charges	7.37
Freight & Forwarding Charges	63.41
Selling & Distribution Expense	0.01
Commission on Sales	26.37
Legal and Professional Fees	2.47
Repairs & Maintenance	4.91
Travelling & Conveyance	0.53
Rent	4.29
Corporate Social Responsibility Expenditure	1.79
Power and Fuel	50.07
Insurance Charges	1.67
Provision for Expected credit loss	(0.01)
Payments to the Auditors as	
Statutory Audit Fees	0.42
Net Gain on foreign currency transactions & translation	(13.04)
Miscellaneous expenses	10.96
Total	**162.11**

Note 30: Income Tax recognized in profit or loss

(a) Income Tax recognized in Profit & Loss

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
I. Current Tax Charge:	
In respect of Current period	26.29
Total	**26.29**

Particulars	For the seven months period ended 31st March, 2022
II. Deferred Tax Credit:	
In respect of current year origination and reversal of temporary differences	(8.34)
Total	**(8.34)**
Total (I+II)	**17.95**

(b) Income tax recognized in other comprehensive income

Income taxes related to items that will not be reclassified to profit or loss	0.17
Total	**0.17**

(c) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit or loss is as follows:

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Profit before tax	100.21
Applicable Income tax rate	25.17%
Expected income tax expense	25.22
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	
Effect of expenses/provisions not deductible	(6.14)
Others	(3.90)
Reported income tax expense	**17.95**

Note 31: Earning Per Share (EPS)

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Profit for the period	**82.26**
Weighted average no. of ordinary equity shares used in computing basic EPS	930,000
Basic EPS (face value of Rs. 10 per share) (Rs)	**88.45***
Weighted average no. of ordinary equity shares used in computing diluted EPS	930,000
Diluted EPS (face value of Rs. 10 per share) (Rs)	**88.45***

*Not annualized

Note 32: Segment Information

The company deals in Specialty chemicals and considering the nature of products and the predominant risk and returns of the product are similar, the company has only one operating segment. Hence revenue from external customers shown under geographical information is representative of revenue base on products.

Geographical Revenue:

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Segment Revenue (Gross sales)	
India	468.06
Outside India	577.13
Total	**1,045.19**

Note 33: Details of Research & Development expenditures

Rs. In million

Particulars	For the seven months period ended 31st March, 2022
Revenue expenditure	For the year ended 31st March, 2022
Capital expenditure	0.73
Total	**0.73**

Note 34: Details of CSR Expenditure

Expenditure incurred on Corporate Social Responsibility(CSR) under section 135 of the Companies Act, 2013 is as under:

Gross amount required to be spent by the Company during the year is Rs. 1.79 million

Amount spent during the period:

Rs. In million

Particulars	In cash	Yet to be paid in cash
Construction / Acquisition of any assets	1.50	-
On purpose other than above	0.29	-
	1.79	**-**

Note 35: Related Party Disclosures:

i. List of Related Parties:

a) Enterprises exercising control over the Company
Rossari Biotech Limited (w.e.f. 1st September, 2021)

b) Subsidiaries of enterprise exercising control over the Company
Unitop Chemicals Private Limited (w.e.f. 1st September, 2021)
Buzil Rossari Private Limited (w.e.f. 1st September, 2021)

c) Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Rossari Biotech India Private Limited (w.e.f. 1st September, 2021)

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ii. Transaction with related parties in ordinary course of business is given below:

Rs. In million

Nature of Transaction	For the seven months period ended 31st March, 2022			
	KMP	Enterprises exercising control over the Company	Subsidiaries of enterprise exercising control over the Company	Enterprises on which KMP or their relatives are able to exercise significant influence
A. Transactions during the year				
Sales:				
Rossari Biotech Limited	-	21.01	-	-
Unitop Chemicals Private Limited	-	-	0.01	-
	-	**21.01**	**0.01**	**-**
Purchase:				
Rossari Biotech Limited	-	3.68	-	-
Unitop Chemicals Private Limited	-	-	9.77	-
	-	**3.68**	**9.77**	**-**
Commission Expenses:				
Rossari Biotech Limited	-	25.83	-	-
	-	**25.83**	**-**	**-**
Expenses Reimbursement				
Rossari Biotech Limited	-	6.91	-	-
Buzil Rossari Private Limited	-	-	0.28	-
	-	**6.91**	**0.28**	**-**
Interest Expenses:				
Rossari Biotech Limited	-	0.98	-	-
Rossari Biotech India Private Limited	-	-	-	0.10
	-	**0.98**	**-**	**0.10**
Loan taken				
Rossari Biotech Limited	-	73.30	-	-
Rossari Biotech India Private Limited	-	-	-	10.00
	-	**73.30**	**-**	**10.00**
Loan repaid				
Rossari Biotech Limited	-	73.30	-	-
Rossari Biotech India Private Limited	-	-	-	10.00
	-	**73.30**	**-**	**10.00**
B. Outstanding's:				
Receivables:				
Unitop Chemicals Private Limited	-	-	0.01	-
	-	**-**	**0.01**	**-**
Payable				
Rossari Biotech Limited	-	38.02	-	-
Unitop Chemicals Private Limited	-	-	8.51	-
Buzil Rossari Private Limited	-	-	0.28	-
	-	**38.02**	**8.79**	**-**
Advance from Customer:				
Rossari Biotech Limited	-	51.67	-	-
	-	**51.67**	**-**	**-**
Maximum amount of Loan outstanding during the year				
Rossari Biotech Limited	-	73.30	-	-
	-	**73.30**	**-**	**-**

Note 36: Employee benefits

Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognized Rs. 0.98 million, being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

Defined benefit plan

i. Gratuity plan

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

As per Ind AS 19, the service cost and the net interest cost would be charged to the profit or loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) 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: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

b) 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.

c) 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 cash flows.

d) 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. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

e) 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 thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

TRISTAR INTERMEDIATES PRIVATE LIMITED
Notes accompanying the Financial Statements for the seven months period ended 31st March, 2022. (Contd.)

Gratuity as per actuarial valuation

Rs. In million

	Particulars	As at 31st March, 2022
I	**Expense recognized in the Statement of Profit and Loss for the year ended**	
	1. Current Service Cost	0.49
	2. Interest cost on benefit obligation(Net)	0.20
	Total expenses included in employee benefits expense	**0.69**

Rs. In million

	Recognized in other comprehensive income for the year	As at 31st March, 2022
II	1. Actuarial (gains)/ losses arising from changes in financial assumptions	(0.19)
	2. Actuarial (gains)/ losses arising from changes in experience adjustment	0.86
	3. Actuarial (gains)/ losses arising from changes in demographic assumption	-
	4. Return on plan asset	-
	Recognized in other comprehensive income	**0.67**

Rs. In million

	Change in the present value of defined benefit obligation	As at 31st March, 2022
III	1. Present value of defined benefit obligation at the beginning of the year	5.99
	2. Current service cost	0.49
	3. Interest cost	0.20
	4. Remeasurements (gains)/ losses	
	(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-
	(II) Actuarial (gains)/ losses arising from changes in financial assumption	(0.24)
	(III) Actuarial (gains)/ losses arising from changes in experience adjustment	(0.03)
	5. Past service cost	-
	6. Benefits paid	-
	7. Liabilities assumed/(settled)	-
	Present value of defined benefit obligation at the end of the year	**6.41**

Rs. In million

	Net (Liability) recognized in the Balance Sheet as at	As at 31st March, 2022
IV	1. Present value of defined benefit obligation	6.41
	2. Fair value of plan assets	-
	3. Surplus/(Deficit)	(6.41)
	4. Current portion of the above	(0.70)
	5. Non-current portion of the above	(5.71)

VI

Actuarial assumptions	**As at 31st March, 2022**
1. Discount rate	6.70%
2. Attrition rate	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages
3. Average salary escalation rate	10.00%
4. Mortality table used	Indian Assured Lives Mortality (2012-14) Table

The sensitivity analysis below, have been determined based on reasonable possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

VII

Impact on employee benefits obligations increase / (decrease)	**As at 31st March, 2022**
1. Discount rate varied by +0.5%	6.22
2. Discount rate varied by -0.5%	(6.61)
3. Salary growth rate varied by +0.5%	(6.57)
4. Salary growth rate varied by -0.5%	6.25
5. Withdrawal rate (W.R.) varied + 10%	6.33
6. Withdrawal rate (W.R.) varied - 10%	(6.49)

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.

Rs. In million

VIII

Maturity profile of defined benefit obligation	**As at 31st March, 2022**
Year 1	0.70
Year 2	0.65
Year 3	0.62
Year 4	0.58
Year 5	1.74
More than 5 years	2.61

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in “Contribution to Provident and other funds” in the statement of Profit and Loss account. The Remeasurements of the net defined benefit liability are included in Other Comprehensive Income. The Compensated expenses have been recognized as part of “Salaries and wages, including bonus” in the Statement of Profit and Loss account.

Note 37: Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.The Company has availed credit facilities from banks which are secured interalia by hypothecation of inventories amounting to Rs. 84.27 million.

Note 38: Financial Risk management framework

The company has formulated and implemented a policy on risk management, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Company's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks. For COVID related disclosures refer note 2 (i) e in our critical estimates and judgements.

Market Risk

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk. This risk may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of this risk is explained below.

Currency Risk

The company is exposed to exchange rate risk as certain portion of the revenues and expenditure are denominated in foreign currencies. The Company imports certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would decrease / increase the Rupee value of debtors/ creditors. For exposure beyond natural hedge, the company uses foreign exchange derivatives such as foreign exchange forward contracts to minimize the risk.

Rs in million

Particulars	As at March 31, 2021	
	Assets	**Liabilities**
USD	153.62	131.26
EURO	3.30	-

Liquidity risk

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

i. Maturity profile of financial liabilities:

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Rs in million

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March, 2022					
Short term borrowings	84.27	84.27	-	-	-
Trade payables	270.63	270.63	-	-	-
Other Financial Liabilities (current and non current)	4.55	4.55	-	-	-
Total	**359.45**	**359.45**	**-**	**-**	**-**

Note 39: Credit Risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The Company's exposures are continuously monitored and wherever necessary we take advances/Letter of Credits to minimize the risk.

Note 40: Trade receivable and advances

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The company has computed expected credit losses based on actual basis. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

Reconciliation of allowance for expected credit loss in respect of trade receivables:

Rs in million

Particulars	As at March 31, 2022
Balance as at beginning of the period	0.45
Additions during the period	(0.01)
Balance as at end of the period	**0.44**

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

Note 41: Sensitivity Analysis

Foreign Currency Sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31st March 2022	USD	10%	2.41
	EURO	10%	0.33

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note 42: Offsetting Of balances:

The Company has not offset financial assets and financial liabilities, unless permissible contractually.

Note 43: Fair Value Disclosures

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted price 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).
- The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Note 44: Additional regulatory information required by Schedule III

(i) Details of benami property held
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions

(ii) Borrowing secured against current assets
The company have sanctioned borrowings/facilities from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter
The company has not been declared wilful defaulter by any bank or financial institution or any lender.

(iv) Relationship with struck off companies
The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies
The company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements
The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(viii) Undisclosed Income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property
The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company
The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes 3a and 3b to the financial statements, are held in the name of the company.

(xii) Registration of charges or satisfaction with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

For and on behalf of the Board of Directors of Tristar Intermediates Private Limited

SANJAY RAMKRISHNA MARBALLI	**SUNIL CHARI**
Director	Director
DIN: 00002476	DIN: 00149083

Place: Mumbai
Date: 11th May, 2022