



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITOP CHEMICALS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of UNITOP CHEMICALS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone IND AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter – In brief	
Key audit matter description	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

How the scope of our audit responded to the key audit matter	Principal audit procedure performed: <ul style="list-style-type: none"> • Focusing on the Company’s revenue recognition for compliance with Ind AS; • Testing the design, implementation and operating effectiveness of the Company’s controls on recording revenue; • Performing Substantive testing for cut-off with verification of contractual terms of invoices, dispatch/deliveries receipts, inventory reconciliations and circularization of receivable balances and analytical review procedures. • Our test of details focused on cut-off samples to verify that only revenue pertaining to current year is recognized based on terms and conditions set out in sales contracts and delivery documents.
Key observations, if any	None

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, but does not include the standalone financial statements and our auditor’s report thereon.

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

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

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit

matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, no funds have been

advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

e) The Company has not declared or paid any dividend for the previous year and the same is not in contravention with section 123 of the Companies Act 2013 to the extent it applies for payment of dividend.

4. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

UDIN : 23122651BGWHVJ1665

For **JMT & ASSOCIATES**
Chartered Accountants
Firm’s Registration No. 104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No.122651

Mumbai, April 25, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of UNITOP CHEMICALS PRIVATE LIMITED of even date)

- i. In respect of the Company's fixed assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The company has maintained proper records showing full particulars of Intangible assets
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of the Company's Inventories:
- a) In our opinion, physical verification of inventory other than with third parties is conducted at reasonable intervals by the Management. As information and explanation given to us there is no inventory is kept with the third parties.

Statement of discrepancy with more than 10% in inventories in respective quarter end :

Quarter	Stock as per Financials	Stock as per Stock Statement	Difference	%	Reasons
June 2022	561793596	486246372	75547224	13	Variations mainly on account of goods in transit not included in stock statement.
September 2022	599503416	479516700	119986716	20	
March 2023	524479053	387921450	136557603	26	

- b) During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. As on date of verification it is observed that the quarterly returns or

statements as required by the banks of financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided guarantees, granted loans and advances in the nature of loans during the year to companies and other parties, details of which are stated below. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

(a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has provided guarantees and granted advances in the nature of loans to other parties as below:

Particulars	Advances in Nature of Loans – Employee Advances (Rs. In Millions)
Aggregate amount paid during the year - Other parties	0.63
Balance outstanding as at the balance sheet date - Other parties	0.50

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not

granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 (“the Act”) and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- v. The Company is yet to file DPT 3 return for year ended 31.03.2023.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act for the business activities carried out by the Company. As observed and information provided to us, such accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.

Name of the Statue	Nature of Dues	Amount (In Lacs)	Period to which amount relates	Remarks if any
Income Tax Act 1961	Demand	0.09	A.Y. 2009-10	Appeal Proceedings (UCPL)
Income Tax Act 1961	Demand	0.37	A.Y. 2014-15	Appeal Proceedings (UCPL)
Income Tax Act 1961	Demand	200.95	A.Y. 2016-17	Appeal Proceedings (UCPL)
Income Tax	Demand	2.09	A.Y. 2018-	Appeal Proceedings

Act 1961			19	(UCPL)
Income Tax Act 1961	Demand	5.60	A.Y. 2019-20	Appeal Proceedings (UCPL)

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- xii. According to the information and explanations given to us, the Company is not a Nidhi

Company. Accordingly, clause 3(xii) of the Order is not applicable.

- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) The Company have appointed independent internal auditor during the year and earlier to that management have ensured independent checks and controls commensurate with size and nature of its business.

(b) We have considered the reports of internal auditor and internal audit system needs to be strengthened in line with the volume of business as company is having the status of subsidiary of public company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. There are no qualifications or adverse remarks in the consolidated financial statements of the Company.

UDIN: 23122651BGWHVJ1665
For JMT & ASSOCIATES
Chartered Accountants
Firm Registration No. 104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Mumbai, April 25, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of UNITOP CHEMICALS PRIVATE LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **UNITOP CHEMICALS PRIVATE LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the yearended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

UDIN : 23122651BGWHVJ1665
For **JMT & ASSOCIATES**
Chartered Accountants
Firm Registration No.104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No.122651

Mumbai, April 25, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Standalone Balance Sheet as at 31st March, 2023

		<i>Rs. In million</i>		
Particulars		Note	As at	As at
		No.	31st March, 2023	31st March, 2022
ASSETS				
NON-CURRENT ASSETS				
(a)	Property, Plant and Equipment	3a	637.16	710.06
(b)	Right of Use - Assets	3b	105.00	106.20
(c)	Capital Work-in-Progress	3c	20.70	5.00
(d)	Goodwill	4	20.96	20.96
(e)	Other Intangible Assets	5	22.51	25.23
(f)	Financial Assets			
	(i) Investments	6a	12.44	12.41
	(ii) Other Financial Assets	7	15.48	16.91
(g)	Income Tax Assets (Net)	8	30.41	33.02
(h)	Deferred Tax Assets (Net)	9	1.80	-
(i)	Other Non-current Assets	10	24.08	2.91
TOTAL NON-CURRENT ASSETS			890.54	932.70
CURRENT ASSETS				
(a)	Inventories	11	524.48	507.45
(b)	Financial Assets			
	(i) Investments	6b	56.82	25.42
	(ii) Trade Receivables	12	1,486.83	1,073.12
	(iii) Cash and Cash Equivalents	13a	276.73	80.23
	(iv) Bank Balances other than (iii) above	13b	118.70	35.54
	(v) Loans	14	0.56	0.29
	(vi) Other Financial Assets	15	2.00	0.56
(c)	Other Current Assets	16	72.18	127.74
TOTAL CURRENT ASSETS			2,538.30	1,850.35
TOTAL ASSETS			3,428.84	2,783.05
EQUITY AND LIABILITIES				
EQUITY				
(a)	Equity Share Capital	17	4.29	4.29
(b)	Other Equity	18	2,762.15	2,193.29
TOTAL EQUITY			2,766.44	2,197.58
LIABILITIES				
NON-CURRENT LIABILITIES				
(a)	Provisions	19	12.11	7.12
(b)	Deferred Tax Liability (Net)	20	-	9.83
TOTAL NON-CURRENT LIABILITIES			12.11	16.95
CURRENT LIABILITIES				
(a)	Financial Liabilities			
	(i) Trade Payables			
	a) total outstanding dues of Micro Enterprises and Small Enterprises	21	90.53	55.48
	b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21	513.22	460.45
	(ii) Other Financial Liabilities	22	14.12	18.31
(b)	Other Current Liabilities	23	6.67	12.56
(c)	Provisions	24	4.46	3.65
(d)	Current Tax Liabilities (Net)	25	21.29	18.07
TOTAL CURRENT LIABILITIES			650.29	568.52
TOTAL EQUITY AND LIABILITIES			3,428.84	2,783.05

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

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

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25th April, 2023

Place: Mumbai
Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Standalone Statement of Profit and Loss for the Year ended 31st March, 2023

		<i>Rs. In million</i>	
Particulars	Note No.	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
I	Revenue from operations	5,541.30	4,543.79
II	Other Income	17.80	220.09
III	Total Income (I+II)	5,559.10	4,763.88
IV	EXPENSES		
(a)	Cost of Goods Sold	4,064.34	3,373.23
(b)	Changes in Inventories	3.48	(66.85)
(c)	Employee benefits expense	240.86	165.82
(d)	Finance costs	0.90	2.08
(e)	Depreciation and amortization expenses	102.69	86.55
(f)	Other expenses	424.78	381.06
	Total Expenses	4,837.05	3,941.89
V	Profit before tax [III-IV]	722.05	821.99
	Tax Expenses		
	Current Tax	188.15	213.04
	Deferred Tax	(11.38)	(31.65)
VI	Total Tax Expense	176.77	181.39
VII	Profit after tax [V-VI]	545.28	640.60
VIII	Other Comprehensive Income		
A	Items that will not be reclassified to profit or loss		
i	Remeasurements of the defined benefit plans	(0.67)	(1.32)
ii	Income tax relating to items that will not be reclassified to profit or loss	0.25	0.33
	Total other comprehensive income/(Loss)	(0.42)	(0.99)
IX	Total comprehensive income (VII + VIII)	544.86	639.61
X	Earnings per equity share (in Rs.)		
	Basic	12,699.86	14,919.88
	Diluted	12,699.86	14,919.88

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

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

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25th April, 2023

Place: Mumbai
Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Standalone Statement of Changes in Equity for the year ended 31st March, 2023

(a) Equity Share Capital

Particulars	Rs. In million	
	31st March, 2023	31st March, 2022
Issued, Subscribed and Paid-up:		
Balance as at the beginning of the year	4.29	4.89
Buyback during the year	-	(0.60)
Balance as at the end of the year	4.29	4.29

(b) Other Equity

Particulars	Reserves and Surplus					
	Capital Reserve	Capital Redemption Reserve	Deemed Capital Contribution	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2021	0.74	0.57	-	150.06	2,646.63	2,798.00
Profit for the year	-	-	-	-	640.60	640.60
Other Comprehensive income / (loss) for the year (net of tax)	-	-	-	-	(0.99)	(0.99)
Total Comprehensive income for the year	-	-	-	-	639.61	639.61
Dividend paid on equity shares	-	-	-	-	(431.00)	(431.00)
Buyback of Shares	-	-	-	-	(825.32)	(825.32)
Movement during the year		0.60	12.00	-	(0.60)	12.00
Balance as at 31st March, 2022	0.74	1.17	12.00	150.06	2,029.32	2,193.29
Profit for the year	-	-	-	-	545.28	545.28
Movement during the year	-	-	24.00	-	-	24.00
Other Comprehensive income / (loss) for the year (net of tax)	-	-	-	-	(0.42)	(0.42)
Total Comprehensive income for the year	-	-	24.00	-	544.86	568.86
Dividend paid on equity shares	-	-	-	-	-	-
Buyback of Shares	-	-	-	-	-	-
Balance as at 31st March, 2023	0.74	1.17	36.00	150.06	2,574.18	2,762.15

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

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

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

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SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25th April, 2023

Place: Mumbai
Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Standalone Statement of Cash Flow for the year ended 31st March, 2023

Particulars	<i>Rs. In million</i>	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A Cash flows from operating activities		
Profit before tax	722.05	821.99
Adjustments for:		
Depreciation and amortisation expenses	102.69	86.55
(Profit)/Loss on disposal of property, plant and equipment	(2.50)	(18.30)
Provision for expected credit loss	0.02	9.44
Finance Costs	0.90	2.08
Dividend Income	-	(43.91)
Interest Income	(10.61)	(2.21)
Profit on sale of mutual funds	(1.86)	(155.43)
Operating profit before working capital changes	810.69	700.21
Changes in :		
Trade Receivables and other assets	(379.61)	(368.19)
Inventories	(17.02)	(160.86)
Trade Payables and other liabilities	82.88	38.57
Cash generated from Operations	496.94	209.73
Income taxes paid (net of refunds)	(182.33)	(207.27)
Net cash flows generated from operating activities	314.61	2.46
B Cash flows from investing activities		
Net (Investment) / redemption of Mutual Funds	(31.43)	1,323.31
Profit on sale of mutual funds	1.86	155.43
Dividend Received	-	43.91
Interest Received	10.61	2.86
Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets	(45.18)	(231.94)
Proceeds from sale of property, plant and equipment and intangible assets	6.09	64.27
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	(83.16)	3.17
Net cash flows generated from / (used in) investing activities	(141.21)	1,361.01
C Cash flows from financing activities		
Proceeds / (Repayment) from short term borrowing (net)	-	(128.22)
Deemed Contribution	24.00	12.00
Interest paid	(0.90)	(2.09)
Dividend paid on equity shares (including Dividend distribution tax)	-	(431.00)
Buyback of Shares	-	(825.31)
Net cash flow used in financing activities	23.10	(1,374.62)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	196.50	(11.15)
Opening Cash and cash equivalents	80.23	91.38
Closing Cash and cash equivalents	276.73	80.23

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 52 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Place: Mumbai
Date:25th April, 2023

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

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Place: Mumbai
Date:25th April, 2023

Sd/-
SUNIL CHARI
Director
DIN: 00149083

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 3a: Property, Plant and Equipments
Rs. In million

Particulars	Buildings	Plant and Equipments	Furniture & Fittings	Vehicles	Office Equipment	Computer Equipment	Total
(I) Gross Carrying Amount (Deemed Cost)							
Balance as at 31st March, 2021	407.22	226.07	19.85	7.79	4.66	2.60	668.19
Acquisitions through business combinations [Refer note 49]	4.01	2.04	0.15	0.70	0.04	0.02	6.96
Additions during the year	124.15	110.25	2.34	14.09	2.23	1.17	254.23
Less: Disposals during the year	(60.76)	(2.27)	-	(5.16)	-	-	(68.19)
Balance as at 31st March, 2022	474.62	336.09	22.34	17.42	6.93	3.79	861.19
Additions during the year	13.01	16.47	2.74	0.20	0.59	2.40	35.41
Less: Disposals during the year	-	(12.21)	(0.07)	(11.47)	-	-	(23.75)
Balance as at 31st March 2023	487.63	340.35	25.01	6.15	7.52	6.19	872.85
(II) Accumulated depreciation							
Balance as at 31st March, 2021	38.43	41.05	4.75	1.92	1.89	1.08	89.12
Depreciation expense for the year	35.71	37.76	3.86	4.05	1.46	0.72	83.56
Less: Disposals during the year	(16.22)	(1.54)	-	(3.79)	-	-	(21.55)
Balance as at 31st March, 2022	57.92	77.27	8.61	2.18	3.35	1.80	151.13
Depreciation expense for the year	40.03	47.18	3.92	4.25	1.66	1.73	98.77
Less: Disposals during the year	-	(7.91)	(0.03)	(6.27)	-	-	(14.21)
Balance as at 31st March 2023	97.95	116.54	12.50	0.16	5.01	3.53	235.69
(III) Net carrying amount (I-II)							
Balance as at 31st March, 2021	368.79	185.02	15.10	5.87	2.77	1.52	579.07
Balance as at 31st March, 2022	416.70	258.82	13.73	15.24	3.58	1.99	710.06
Balance as at 31st March 2023	389.68	223.81	12.51	5.99	2.51	2.66	637.16

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 31st March, 2021	117.49	117.49
Acquisitions through business combinations [Refer note 49]	0.59	0.59
Additions during the year	0.96	0.96
Less: Disposals during the year	-	-
Balance as at 31st March, 2022	119.04	119.04
Additions during the year	-	-
Less: Disposals during the year	-	-
Balance as at 31st March 2023	119.04	119.04
(II) Accumulated depreciation		
Balance as at 31st March, 2021	11.55	11.55
Depreciation expense for the year	1.29	1.29
Balance as at 31st March, 2022	12.84	12.84
Depreciation expense for the year	1.20	1.20
Less: Disposals during the year	-	-
Balance as at 31st March, 2023	14.04	14.04
(III) Net carrying amount (I-II)		
Balance as at 31st March, 2021	105.94	105.94
Balance as at 31st March, 2022	106.20	106.20
Balance as at 31st March, 2023	105.00	105.00

Note:

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

Note 3c: Capital Work in Progress (CWIP)

CWIP ageing schedules as on 31st March, 2023

Rs. In million

CWIP	Amount in CWIP for a period of					Total
	Less than 1 years	1 - 2 years	2 - 3 years	More than 3 years		
	Projects in progress	17.81	2.89	-	-	
Total CWIP	17.81	2.89	-	-	20.70	

CWIP ageing schedules as on 31st March, 2022

Rs. In million

CWIP	Amount in CWIP for a period of					Total
	Less than 1 years	1 - 2 years	2 - 3 years	More than 3 years		
	Projects in progress	5.00	-	-	-	
Total CWIP	5.00	-	-	-	5.00	

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note No. 4 - Goodwill	(Rs. In million)
Particulars	Amount
Balance as at 31st March, 2021	-
Acquisitions through business combination (Refer note 49)	20.96
Deductions/Adjustment during the year	-
Balance as at 31st March, 2022	20.96
Additions during the year	-
Deductions/Adjustment during the year	-
Balance as at 31st March, 2023	20.96

Note 5: Other Intangible Assets

		<i>Rs. In million</i>		
Particulars		Computer Software	Technology and Trademark	Total
(I) Gross Carrying Amount				
Balance as at 31st March, 2021		0.36	-	0.36
Acquisitions through business combinations [Refer note 49]		-	26.70	26.70
Deductions during the year		-	-	-
Balance as at 31st March, 2022		0.36	26.70	27.06
Additions during the year		-	-	-
Less: Disposals during the year		-	-	-
Balance as at 31st March, 2023		0.36	26.70	27.06
(II) B. Accumulated amortisation				
Balance as at 31st March, 2021		0.13	-	0.13
Amortisation expense for the year		0.15	1.55	1.70
Deductions for the year		-	-	-
Balance as at 31st March, 2022		0.28	1.55	1.83
Amortisation expense for the year		0.05	2.67	2.72
Deductions for the year		-	-	-
Balance as at 31st March, 2023		0.33	4.22	4.55
(III) Net carrying amount (I-II)				
Balance as at 31st March, 2021		0.23	-	0.23
Balance as at 31st March, 2022		0.08	25.15	25.23
Balance as at 31st March, 2023		0.03	22.48	22.51

Notes:

The amortization expense of intangible assets has been included under Note 32 'Depreciation and amortization expense' in the Statement of Profit and Loss.

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 6a: Investments (Non-Current)

Particulars	Face value per unit	As at		As at	
		31st March, 2023		31st March, 2022	
		No. of shares	Amount	No. of shares	Amount
Investment in Equity Instruments (fully paid-up)					
Quoted					
Equity Shares of 63 Moons Technologies Ltd.	2.00		-		-
Equity Shares of Bank of Baroda	2.00	522	0.09	602	0.06
Unquoted					
At Cost:					
Equity Shares of Masti Leasing & Fin.Co.P.Ltd.	10.00	200,000	2.00	200,000	2.00
In Joint Venture Company					
Equity Shares of Hextar Unitop Sdn. Bhd.	1 MYR	750,000	10.35	750,000	10.35
Total Investment (Non-Current)			12.44		12.41
Other Disclosures					
Aggregate carrying value of quoted investments			0.04		0.04
Aggregate market value of quoted investments			0.09		0.06
Aggregate carrying value of unquoted investments			12.35		12.35
Aggregate impairment in value of investments			-		-

Note 6b: Investments (Current)

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Quoted (Fair value through profit or loss)				
Units of Baroda BNP Paribas Equity Savings Fund - Reg - Growth		-	499,990	6.19
Units of Baroda BNP Paribas Large and Midcap Fund - Regular Growth		-	249,978	4.13
Kotak Money Market Fund - Direct Plan	13,149	50.34		-
Units of Franklin India Short Term Income Plan	1,306	6.48	19,719	8.67
Units of Kotak FMP Series 246-(1153D) - Regular Plan - Growth		-	500,000	6.43
Total Investments (Current)		56.82		25.42
Other Disclosures				
Aggregate carrying value of quoted investments		-		19.44
Aggregate market value of quoted investments		56.82		25.42
Aggregate amount of unquoted investments		-		-

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 7: Other Financial Assets (Non Current)

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Financial Assets at Amortized Cost: (unsecured, considered good unless otherwise stated)		
Security Deposits	15.40	16.63
Fixed Deposit with original maturity of more than 12 months	0.05	0.25
Interest Accrued	0.03	0.03
Total Other Financial Assets	15.48	16.91

Note 8: Income Tax Assets (Net) (Non Current)

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax (net off Provision for Tax of Rs. 162.46 million (31st March 2022 – Rs. 371.10 million))	30.41	33.02
Total Income Tax Assets (Net) (Non-current)	30.41	33.02

Note 9: Deferred Tax Asset (Net) (Non-current)

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Asset (Refer note 20)	1.80	-
Total Deferred Tax Assets (Net) (Non-current)	1.80	-

Note 10: Other Non-Current Assets

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Capital advances	23.52	2.23
Prepaid Expenses	0.56	0.68
Total Other Non-Current Assets	24.08	2.91

Note 11: Inventories

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Raw Materials (Including in transit of Rs.23.04 million (31st March 2022 - Rs.27.42 million)	319.53	296.85
Packing Materials	11.78	13.48
Work-in-progress	55.83	6.20
Finished goods	137.34	190.45
Consumables, stores and spares	-	0.47
Total Inventories	524.48	507.45

Notes:

11.1. The cost of Inventories recognized as an expense during the year was Rs. 4360.54 million (31st March, 2022 Rs. 3,555.85 million), including in respect of write down of inventories to net realizable value Rs. 0.83 million (31st March, 2022 - Rs.0.19 million).

11.2. The Company has availed credit facilities from banks which are secured interalia by hypothecation of inventories.

11.3. The method of valuation of inventories is stated in sub note vii of Note 2.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 12: Trade Receivables

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Unsecured:		
Considered good	1,499.81	1,086.08
Less: Allowance for Expected Credit Losses	(12.98)	(12.96)
Total Trade Receivables	1,486.83	1,073.12

Notes:
12.1 Trade Receivables ageing schedule as on 31st March,2023

Particulars	<i>Rs. In million</i>					Total
	Outstanding for following periods from due date of Payment					
	Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	1,474.15	14.41	4.70	3.65	2.90	1,499.81
Less: Allowance for Expected Credit Losses						(12.98)

12.2 Trade Receivables ageing schedule as on 31st March,2022

Particulars	<i>Rs. In million</i>					Total
	Outstanding for following periods from due date of Payment					
	Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	1,074.77	3.27	4.87	1.74	1.43	1,086.08
Less: Allowance for Expected Credit Losses						(12.96)

Notes:

12.3 Refer Note 40 for receivables outstanding from Related Parties.

12.4 Refer Note 44 for disclosures related to credit risk and Note 45 for impairment of trade receivables under expected credit loss model and related disclosures.

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

Note 13a: Cash and Cash Equivalents

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
- in Current Account	68.40	78.35
- Fixed deposits with original maturity of less than 3 months	207.96	1.52
Cash on hand	0.37	0.36
Total Cash and cash Equivalents	276.73	80.23

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 13b: Bank Balances other than cash and cash equivalents

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	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	118.70	35.54
Total Bank Balances other than cash and	118.70	35.54

Notes:

Deposits includes deposits earmarked with Gujarat Pollution Control Board Rs. 0.13 million (31st March 2022 - Rs. 0.13 million), Superintendent of Excise and Prohibition- Bharuch Rs. 0.15 million (31st March 2022 Rs. 0.06 million). The balance deposits are marked as lien against letter of credit and bank guarantees.

Note 14: Loans (Current)

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Financial Assets at Amortized Cost: (unsecured, considered good unless otherwise stated)		
'Other Loans (refer note 14.2)	0.56	0.29
Total Loans (Current)	0.56	0.29

Notes:

14.1 Other Loans mainly includes loans to employees

14.2 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 15: Other Financial Assets (Current)

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
At Amortized Cost:		
Others	2.00	0.56
Total Other Financial Assets (Current)	2.00	0.56

Notes:

15.1. Refer Note 44 for disclosures related to credit risk and Note 45 for impairment under expected credit loss model and related financial instrument disclosures.

Note 16: Other Current Assets

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Balances with Government Authorities	41.97	107.80
Prepaid expenses	6.31	6.69
Advance paid to suppliers	23.90	13.25
Total Other Current Assets	72.18	127.74

Note 17: Equity Share Capital

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Authorized:		
110,000 (31st March, 2022 - 110,000) Equity shares of Rs.100 each	11.00	11.00
Total	11.00	11.00
Issued, Subscribed and Paid-up:		
42,936 (31st March, 2022 - 42,936) Equity shares of Rs.100 each, fully paid up	4.29	4.29
Total Equity Share Capital	4.29	4.29

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

Particulars	No of Shares	As at	
		31st March, 2023	31st March, 2022
Issued, Subscribed and Paid-up:			
Balance as at the beginning of the year.	42,936	0.00	48,892
Less : Buyback of Shares (refer Note b below)	-	(5,956)	(0.60)
Total	42,936	0.00	42,936

b) During the year ended 31st March, 2022 the Board of directors of the Company approved buyback of 5956 Equity Shares by the owners which has been given effect to. The Buy Back Offer has been duly authorised by way of a resolution passed at a meeting of the Board on 5th July, 2021 and special resolution passed at the general meeting on 28th July, 2021 pursuant to which the Buy back is being made through private offers as prescribed under the Buyback Rules.

c) 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.100/- 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.

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

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% shareholding	No. of shares	% shareholding
Equity shares:				
Rossari Biotech Limited	34,309	79.91%	27,888	64.95%
Rajeshwari Dharmaraj Shetty	3,222	7.50%	5,371	12.51%
Jeeanath Dharmaraj Shetty	4,291	9.99%	4,941	11.51%
Saibala Dharmaraj Shetty	-	0.00%	2,569	5.98%
Balakrishna Rajiv Shetty	1,074	2.50%	2,147	5.00%

e) Shareholding of Promoters

Shares held by promoters at the end of 31st March, 2023		
Promoter Name	No. of Shares	% Change during the year
Rossari Biotech Limited	34,309	23.024%
Edward Menezes	10	0.000%
Sunil Chari	10	0.000%
TOTAL	34,329	
Shares held by promoters at the end of 31st March, 2022		
Promoter Name	No. of Shares	% Change during the year
Rossari Biotech Limited	27888	64.952%
Edward Menezes	10	0.023%
Sunil Chari	10	0.023%
Rajeshwari Dharmaraj Shetty	5,371	-1.608%
Jeeanath Dharmaraj Shetty	4,941	-1.611%
Saibala Dharmaraj Shetty	2,569	-6.978%
Balakrishna Rajiv Shetty	2,147	0.000%
TOTAL	42,936	

Note 18: Other Equity

Particulars	As at	
	31st March, 2023	31st March, 2022
Capital Reserve	0.74	0.74
Capital Redemption Reserve	1.17	1.17

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Deemed Capital Contribution	36.00	12.00
General Reserve	150.06	150.06
Retained earnings	2,574.18	2,029.32
Total Other Equity	2,762.15	2,193.29

Movement in Reserves

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve		
Balance as at the beginning of the year	0.74	0.74
Movement during the year	-	-
Balance as at the end of the year	0.74	0.74

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Redemption Reserve		
Balance as at the beginning of the year	1.17	0.57
Movement during the year (refer Note 16b)	-	0.60
Balance as at the end of the year	1.17	1.17

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deemed Capital Contribution		
Balance as at the beginning of the year	12.00	-
Add: Additions during the year	24.00	12.00
Balance as at the end of the year	36.00	12.00

Particulars	As at 31st March, 2023	As at 31st March, 2022
General Reserve		
Balance as at the beginning of the year	150.06	150.06
Balance as at the end of the year	150.06	150.06

Particulars	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings		
Balance as at the beginning of the year	2,029.32	2,646.63
Add: Profit during the year	545.28	640.60
Less: Dividend including tax thereon	-	(431.00)
Less: Buyback of Shares Including Tax thereon	-	(825.32)
Less: Transferred to Capital Redemption Reserve on Account of buyback of shares	-	(0.60)
Less: Remeasurement gain/(loss) on defined benefit plan	(0.42)	(0.99)
Balance as at the end of the year	2,574.18	2,029.32
Total	2,762.15	2,193.29

Description of Nature and purpose of other equity:
Retained earnings:

Retained earnings represent the amount of accumulated earnings.

Capital Reserve:

Capital Reserve represents subsidy received from Government towards investment in Plant & Machinery & establishing factory at

Capital Redemption Reserve:

Capital Redemption Reserve is created on redemption of Preference shares and Equity shares

Deemed Capital Contribution:

Deemed capital Contribution represents amount received from Rossari Biotech Limited (Holding Company) paid to key

General Reserve:

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Note 19: Provisions (Non-current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Provision for employee benefits		
Gratuity	5.13	2.76
Compensated absences (unfunded)	6.98	4.36
Total Provisions (Non-current)	12.11	7.12

Notes:

For disclosures related to employee benefits, refer note 41

Note 20: Deferred Tax Liability (Net) (Non-current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Deferred Tax Liability	-	9.83
Total Deferred Tax Liability (Net) (Non-current)	-	9.83

Note 20.1 Movement in Deferred Tax Assets:

Particulars	<i>Rs. In million</i>				
	As at	Charge /	Charge /	Recognised	As at
	31st March, 2022	(credit) to	(credit) to	in Business	31st March, 2023
		profit or loss	OCI	combination	
Tax effect of items constituting deferred tax					
Allowances on property, plant & equipment and other assets	16.39	(9.72)			6.67
Fair Value of Investment		0.34			0.34
Tax effect of items constituting deferred tax					
Allowances for credit losses	(3.26)	(0.02)		-	(3.28)
Provision for Gratuity	(1.18)	(0.39)	(0.24)	-	(1.81)
Other employee benefits	(2.12)	(1.60)		-	(3.72)
Net Deferred Tax Asset/(Liability)	9.83	(11.39)	(0.24)	-	(1.80)

Particulars	<i>Rs. In million</i>				
	As at	Charge /	Charge /	Recognised	As at
	31st March, 2021	(credit) to	(credit) to	in Business	31st March, 2022
		profit or loss	OCI	combination	
Tax effect of items constituting deferred tax					
Allowances on property, plant & equipment and other assets	43.09	(33.42)		6.72	16.39
Tax effect of items constituting deferred tax					
Allowances for credit losses	(3.25)	(0.01)		-	(3.26)
Provision for Gratuity	(1.17)	0.32	(0.33)	-	(1.18)
Other employee benefits	(3.58)	1.46		-	(2.12)
Net Deferred Tax Asset/(Liability)	35.09	(31.65)	(0.33)	6.72	9.83

Note 21: Trade Payables (Current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	90.53	55.48
Total outstanding dues other than micro enterprises and small enterprises	513.22	460.45
Total Trade Payables (Current)	603.75	515.93

Notes:

21.1 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:

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Dues remaining unpaid:		
Principal	90.53	55.48
Interest	0.52	0.15
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	-	-
- Principal paid beyond the appointed date	71.91	40.22
- 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	0.52	0.15
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	0.52	0.15

21.2 Trade Payables ageing schedule as on 31st March, 2023

Particulars	Outstanding for following periods from due date of Payment				<i>Rs. In million</i>
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	(i) MSME	90.53	-	-	-
(ii) Others	510.38	1.04	-	1.74	513.22

21.3 Trade Payables ageing schedule as on 31st March, 2022

Particulars	Outstanding for following periods from due date of Payment				<i>Rs. In million</i>
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	(i) MSME	55.48	-	-	-
(ii) Others	456.07	2.48	0.27	1.63	460.45

Note 22: Other Financial Liabilities (Current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Measured at Amortized Cost:		
Security Deposits	0.20	-
Creditors for capital goods & services	6.33	10.72
Others	7.59	7.59
Total Other Financial Liabilities (Current)	14.12	18.31

Note 23: Other Current Liabilities

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
i. Advances received from customers	2.98	5.84
ii. Statutory dues		
- Taxes Payable	2.41	3.98
- GST Payable	0.79	2.15
- Employee Liabilities	0.49	0.59
Total Other Current Liabilities	6.67	12.56

Note 24: Provisions (Current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Provision for employee benefits		
Gratuity	2.07	1.91
Compensated absences (unfunded)	2.39	1.74
Total Provisions (Current)	4.46	3.65

Notes:

For disclosures related to employee benefits, refer note 41

Note 25: Current Tax Liabilities (Net)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Provision for tax	21.29	18.07
(net of Advance Income Tax of Rs. 506.90 million (31 st March 2022 – Rs. 108.93 million))		
Total Current Tax Liabilities (Net)	21.29	18.07

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 26: Revenue from operations

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Revenue from contracts with customers:		
Sale of products	5,518.40	4,526.38
Other operating revenues:		
i. Others*	22.90	17.41
Total Revenue from operations	5,541.30	4,543.79

*Includes Export Incentives

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

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Contract Price	5,518.40	4,527.91
Less : Discount	-	1.53
	5,518.40	4,526.38

Note 27: Other Income

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Interest Income (on financial assets measured at Amortised cost):		
- On bank deposits	10.57	2.06
- On others	0.04	0.15
Dividend Income	-	43.91
Rental Income	-	0.15
Profit / (Loss) on disposal of property, plant and equipment	2.50	18.30
Profit on Sale of Mutual Funds/Shares	1.86	155.43
Others	2.83	0.09
Total Other Income	17.80	220.09

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 28: Cost of materials consumed

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Opening Stock of raw materials and packing materials	310.80	216.79
Add: Purchases (Net)	4,084.85	3,433.52
Add : on Acquisition of Business (refer Note 49)	-	33.72
Less: Closing Stock of raw materials and packing materials	331.31	310.80
Total Cost of materials consumed	4,064.34	3,373.23

Note 29: Changes in inventories of finished goods and work-in-progress

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Opening inventories		
Finished Goods	190.45	129.80
Work-in-progress	6.20	-
TOTAL	196.65	129.80
Less: Closing inventories		
Finished Goods	137.34	190.45
Work-in-progress	55.83	6.20
TOTAL	193.17	196.65
Total (increase) / decrease in inventories	3.48	(66.85)

Note 30: Employee Benefits Expense

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Salaries and wages, including bonus	215.62	143.03
Contribution to provident and other funds	10.61	10.12
Share-based payments to employees	0.84	0.58
Workmen & Staff welfare expenses	13.79	12.09
Total Employee Benefits Expense	240.86	165.82

Notes:

Employee cost includes employee compensation cost of Rs. 0.81 million (previous year: Rs. 0.58 million) in relation to Employee stock options granted by holding company to employees of the Company.

Note 31: Finance Costs

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Interest Expense:		
(i) On working capital facilities	0.02	1.93
(ii) Other Borrowing Cost	0.88	0.15
Total Finance Costs	0.90	2.08

Note:

31.1 Other Borrowing cost includes interest payable to MSMED creditors

Analysis of Interest Expense by category:

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Interest Expenses:		
On financial liability at amortized cost	0.02	1.93

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 32: Depreciation and amortization expenses

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Depreciation on property, plant and equipment (refer note 3a)	98.77	83.56
Amortisation on right of use asset (refer note 3b)	1.20	1.29
Amortisation of intangible assets (refer note 5)	2.72	1.70
Total Depreciation and amortization expenses	102.69	86.55

Note 33: Other Expenses

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Consumption of stores, spares and consumables	4.81	3.83
Labour Contract Charges	24.18	11.47
Freight & Forwarding Charges	158.35	143.94
Selling & Distribution Expense	15.88	5.02
Commission on Sales	69.80	101.93
Legal and Professional Fees	20.39	2.09
Repairs & Maintenance	11.17	11.56
Travelling & Conveyance	19.87	9.68
Rent	0.66	0.88
Loss on sale of Assets	-	0.49
Corporate Social Responsibility Expenditure (refer Note 38)	10.99	7.74
Power and Fuel	81.30	66.53
Insurance Charges	9.64	4.92
Donation	0.03	0.01
Bad Debts	-	9.40
Less: Utilisation of Provision for Expected Credit Loss on Trade Receivable	-	(9.40)
Provision for Expected credit loss	0.02	9.44
<u>Payments to the Auditors as</u>		
Statutory Audit Fees	1.20	1.18
Net (Gain)/ Loss on foreign currency transactions & translation	(37.76)	(25.61)
Miscellaneous expenses	34.25	25.96
Total	424.78	381.06

Note 34: Income Tax recognized in profit or loss
(a) Income Tax recognized in Profit & Loss

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
I. Current Tax Charge:		
In respect of Current year	188.15	213.04
Total	188.15	213.04

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
II. Deferred Tax Credit:		
In respect of current year origination and reversal of temporary	(11.38)	(31.65)
Total	(11.38)	(31.65)
Total (I+II)	176.77	181.39

(b) Income tax recognized in other comprehensive income

Income taxes related to items that will not be reclassified to profit or loss	0.25	0.33
Total	0.25	0.33

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(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:

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Profit before tax	722.05	821.99
Applicable Income tax rate	25.17%	25.17%
Expected income tax expense	181.74	206.89
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible	2.88	(16.27)
Others	3.53	(9.23)
Reported income tax expense	188.15	181.39

Note 35: Earning Per Share (EPS)

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Profit for the year	545.28	640.60
Weighted average no. of ordinary equity shares used in computing basic	42,936	42,936
Basic EPS (face value of Rs. 100 per share) (Rs)	12,699.86	14,919.88
Weighted average no. of ordinary equity shares used in computing diluted	42,936	42,936
Diluted EPS (face value of Rs. 100 per share) (Rs)	12,699.86	14,919.88

Note 36: 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:

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Segment Revenue (Gross sales)		
India	3,983.90	3,221.61
Outside India	1,557.41	1,322.18
Total	5,541.31	4,543.79

The Company is not reliant on revenues from transactions with any single external customer and has only one customer who contributes to more than 10% of its revenues.

Note 37: Details of Research & Development expenditures

Particulars	Rs. In million	
	For the Year ended 31st March 2023	For the Year ended 31st March, 2022
Revenue expenditure	18.16	14.18
Capital expenditure	0.12	0.40
Total	18.28	14.58

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 38: 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. 10.99 million (31st March, 2022 - Rs.7.74 million)

Amount spent during the year:

Particulars	In cash	Yet to be paid in cash	<i>Rs. In million</i>
			Total 31st March 2023
Construction / Acquisition of any assets	-	-	-
On purpose other than above	10.99	-	10.99
	10.99	-	10.99

Particulars	In cash	Yet to be paid in cash	<i>Rs. In million</i>
			Total 31st March 2022
Construction / Acquisition of any assets	-	-	-
On purpose other than above	7.74	-	7.74
	7.74	-	7.74

Note 39: Contingent Liability and commitments**Commitments**

Estimated amount of contracts remaining to be executed of Property, Plant & Equipment's (net of advances) and not provided for Nil(31st March, 2022 - Rs. 3.20 million).During the year, company has provided Bank guarantee of Rs.17.50 Million

Note 40: 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) **Joint venture**
Hextar Unitop Sdn. Bhd.
- c) **Subsidiaries of enterprise exercising control over the Company**
Tristar Intermediates Private Limited (w.e.f. 1st September, 2021)
Buzil Rossari Private Limited (w.e.f. 1st September, 2021)
- d) **Associate of enterprise exercising control over the Company**
Romakk Chemicals Private Limited (w.e.f. 1st December, 2021)

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

Nature of Transaction	For the year ended 31st March, 2023				For the year ended 31st March, 2022			
	Enterprises exercising control over the Company	Joint Venture company	Subsidiaries of enterprise exercising control over the Company	Associate of enterprise exercising control over the Company	Enterprises exercising control over the Company	Joint Venture company	Subsidiaries of enterprise exercising control over the Company	Associate of enterprise exercising control over the Company
<i>Rs. In million</i>								
A. Transactions during the year								
Sales:								
Rossari Biotech Limited	650.60	-	-	-	68.80	-	-	-
Hextar Unitop Sdn. Bhd.	-	32.64	-	-	-	31.17	-	-
Romakk Chemicals Private Limited	-	-	-	1.33	-	-	-	5.53
Tristar Intermediates Private Limited	-	-	68.33	-	-	-	9.77	-
	650.60	32.64	68.33	1.33	68.80	31.17	9.77	5.53
Purchase:								
Rossari Biotech Limited	82.15	-	-	-	70.88	-	-	-
Tristar Intermediates Private Limited	-	-	4.74	-	-	-	0.01	-
Buzil Rossari Private Limited	-	-	0.03	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	2.16	-	-	-	-
	82.15	-	4.77	2.16	70.88	-	0.01	-
Commission Expenses:								
Rossari Biotech Limited	25.49	-	-	-	29.66	-	-	-
	25.49	-	-	-	29.66	-	-	-
Expenses Reimbursement								
<i>Rossari Biotech Limited</i>	28.63	-	-	-	12.57	-	-	-
Buzil Rossari Private Limited	-	-	1.27	-	-	-	0.29	-
	28.63	-	1.27	-	12.57	-	0.29	-
Sale Of Property, Plant & Equipment								
<i>Rossari Biotech Limited</i>	2.13	-	-	-	-	-	-	-
	2.13	-	-	-	-	-	-	-
Outstanding's:								
Receivables:								
Rossari Biotech Limited	512.78	-	-	-	26.70	-	-	-
Hextar Unitop Sdn. Bhd.	-	2.44	-	-	-	4.80	-	-
Romakk Chemicals Private Limited	-	-	-	0.40	-	-	-	2.38
Tristar Intermediates Private Limited	-	-	37.48	-	-	-	8.51	-
	512.78	2.44	37.48	0.40	26.70	4.80	8.51	2.38
Payable								
Rossari Biotech Limited	12.04	-	-	-	67.07	-	-	-
Buzil Rossari Private Limited	-	-	0.35	-	-	-	0.32	-
Romakk Chemicals Private Limited	-	-	-	2.55	-	-	-	-
Tristar Intermediates Private Limited	-	-	5.44	-	-	-	0.01	-
	12.04	-	5.79	2.55	67.07	-	0.33	-

Note 41: 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. 6.26 million (31st March, 2022 - Rs. 6.76 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.

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

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.

Gratuity as per actuarial valuation		Funded Plan Gratuity	
		<i>Rs. In million</i>	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
I Expense recognized in the Statement of Profit and Loss for the year ended			
1. Current Service Cost	1.97	1.65	
2. Interest cost on benefit obligation(Net)	0.23	0.22	
Total expenses included in employee benefits expense	2.20	1.87	
II			
Recognized in other comprehensive income for the year		As at 31st March, 2023	As at 31st March, 2022
1. Actuarial (gains)/ losses arising from changes in financial assumptions	(1.58)	(0.71)	
2. Actuarial (gains)/ losses arising from changes in experience adjustment	2.18	2.32	
3. Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	
4. Return on plan asset	0.06	(0.29)	
Recognized in other comprehensive income	0.67	1.32	
III			
Change in the present value of defined benefit obligation		As at 31st March, 2023	As at 31st March, 2022
1. Present value of defined benefit obligation at the beginning of the year	29.33	26.54	
2. Current service cost	1.97	1.65	
3. Interest cost	1.56	1.21	
4. Remeasurements (gains)/ losses			
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(1.58)	(0.71)	
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	2.18	2.32	
5. Past service cost	-	-	
6. Benefits paid	-	-	
7. Liabilities assumed/(settled)	(6.03)	(1.68)	
Present value of defined benefit obligation at the end of the year	27.43	29.33	
IV			
Change in fair value of plan assets during the year		As at 31st March, 2023	As at 31st March, 2022
1. Fair value of plan assets at the beginning of the year	24.67	21.89	
2. Interest income	1.33	0.99	
3. Contribution by employer	0.33	3.17	
4. Benefits paid	(6.03)	(1.68)	
5. Remeasurements (gains)/ losses			
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	
(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-	
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-	
6. Return on plan assets excluding interest income	(0.06)	0.29	
Fair value of plan assets at the end of the year	20.25	24.67	

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

		<i>Rs. In million</i>	
Net (Liability) recognized in the Balance Sheet as at		As at	As at
V		31st March, 2023	31st March, 2022
	1. Present value of defined benefit obligation	27.44	29.33
	2. Fair value of plan assets	20.24	24.67
	3. Surplus/(Deficit)	(7.21)	(4.66)
	4. Current portion of the above	(2.08)	(1.90)
	5. Noncurrent portion of the above	(5.13)	(2.76)
Actuarial assumptions		As at	As at
VI		31st March, 2023	31st March, 2022
	1. Discount rate	7.30%	6.10%
	2. Attrition rate	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages
	3. Average salary escalation rate	10.00%	10.00%
	4. Mortality table used	Indian Assured Lives Mortality (2012-14) Table	

Major Category of Plan Assets as a % of the Total Plan Assets		As at	As at
VII		31st March, 2023	31st March, 2022
	1. Insurer managed funds*	100.00%	100.00%
	* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		

		<i>Rs. In million</i>	
VIII The expected contributions to the plan for the next annual reporting period		-	-

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:

		<i>Rs. In million</i>	
IX Impact on employee benefits obligations increase / (decrease)		As at	As at
		31st March, 2023	31st March, 2022
	1. Discount rate varied by +0.5%	26.84	28.66
	2. Discount rate varied by -0.5%	(28.08)	(30.04)
	3. Salary growth rate varied by +0.5%	27.93	29.88
	4. Salary growth rate varied by -0.5%	(26.92)	(28.75)
	5. Withdrawal rate (W.R.) varied + 10%	27.33	29.12
	6. Withdrawal rate (W.R.) varied - 10%	(27.56)	(29.56)

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.

		<i>Rs. In million</i>
X Maturity profile of defined benefit obligation		As at
		31st March, 2023
	Year 1	7.24
	Year 2	4.54
	Year 3	2.55
	Year 4	2.94
	Year 5	1.73
	More than 5 years	12.88

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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 42: 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.

Particulars	Rs. In millions	
	As at 31st March, 2023	As at 31st March, 2022
Short term debt	-	-
Total	-	-
Equity	2,766.44	2,197.58
Total debt to equity	-	-

Note 43: 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, Interest risks. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

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.

Particulars	Rs in million			
	As at 31st March. 2023		As at 31st March. 2022	
	Assets	Liabilities	Assets	Liabilities
USD	146.18	14.30	186.58	20.27

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.

UNITOP CHEMICALS PRIVATE LIMITED**Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)****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.

Particulars	<i>Rs. In million</i>				
	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March, 2023					
Trade payables	603.75	603.75	-	-	-
Other Financial	14.12	14.12	-	-	-
Liabilities (current and non current)					
Total	617.87	617.87	-	-	-
As at 31st March, 2022					
Short term borrowings			-	-	-
Long term borrowings			-	-	-
Trade payables	515.93	515.93	-	-	-
Other Financial	18.31	18.31	-	-	-
Liabilities (current and non current)					
Total	534.24	534.24	-	-	-

Note 44: 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 45: 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:

Particulars	<i>Rs. In million</i>	
	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	12.96	12.92
Additions during the year	0.02	0.04
Balance as at end of the year	12.98	12.96

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 46: 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 2023	USD	10%	13.11
Year ended 31st March 2022	USD	10%	32.62

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

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 47: Offsetting Of balances:

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

UNITOP CHEMICALS PRIVATE LIMITED**Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)****Note 48: 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 49: Acquisition of Business

On 20th August, 2021, the Company has completed the acquisition of the Agro chemical Business of ISRO Products (Jammu) at a total consideration of Rs. 128.83 million. ISRO Products (Jammu) is into the business of manufacturer of Agro Chemicals and qualifies as a business as defined in Ind AS 103. ISRO Products (Jammu) was acquired to gain the synergies from the combined business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Amount in Rs.
	Millions
Property, plant and equipment	6.96
Right of Use	0.60
Identifiable intangible assets - IPR & Trademark	26.71
Trade Receivables	34.92
Cash & Bank Balances	16.79
Inventories	33.72
Other Current Assets	6.26
Other Financial Assets	0.07
Short Term Loans & Advances	39.00
Trade Payables	(28.86)
Other Financial Liabilities	(0.60)
Other Current Liabilities	(0.07)
Short Term Provisions (Tax)	(20.90)
Total identifiable assets acquired and liabilities assumed	114.60
Goodwill	14.23
Total consideration	<u>128.83</u>
Satisfied by:	
Cash	128.83
Total consideration transferred	
Net cash outflow arising on acquisition:	
Cash consideration	128.83
Less: cash and cash equivalent balances acquired	<u>16.79</u>
	<u>112.04</u>

The goodwill of Rs. 14.23 million arising from the acquisition consist of synergies on acquisition of the business. The goodwill arising on the acquisition are not expected to be tax deductible.

Impairment of Goodwill

The company deals in Agro 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. Accordingly, Goodwill is allocated to the said operating segment.

Value in use is calculated using cash flow projections over a period of 10 years, with amounts based on medium term strategic plans approved by the Board. Any major variations to strategic plan, based on experience are incorporated in the calculations.

Management reviews the carrying value of goodwill annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount.

Key assumptions in the budgets and plans include future revenue volume/price growth rates, associated future levels of marketing support, cost-base of manufacture and supply and directly associated overheads. These assumptions are based on historical trends and future market expectations (also considering the possible effect of COVID-19, if any) and the markets and geographies in which they operate. Other key assumptions applied in determining value in use is discount rate which is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies. The pre-tax discount rate assumed for the current financial year was 16.68%

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 50: Analytical Ratios

Particulars	Numerator	Denominator	As at	As at	%	Reason for Variance
			March 31, 2023	March 31, 2022		
Current Ratio	Current Assets	Current Liabilities	3.90	3.25	19.93%	Not Applicable
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Refer note (a) below
Debt Service Coverage Ratio	PAT + Depreciation & Amortization + Interest	Principal repayment on long term debt + interest payments	-	-	-	Refer note (a) below
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	21.97%	25.62%	-14.25%	Not Applicable
Inventory turnover Ratio	Sale of Products	Average Inventory	10.70	10.60	0.90%	Not Applicable
Trade Receivables turnover Ratio	Sale of Products and commission income	Average Trade Receivables	4.31	4.85	-11.06%	Not Applicable
Trade Payable turnover Ratio	Net Credit Purchases of RM, PM and Stock in trade	Average Trade Payables	7.15	6.71	6.51%	Not Applicable
Net Capital turnover Ratio	Net Sales	Average Working Capital	3.48	2.77	25.52%	Due to increase in sales & reduction in working capital
Net Profit Ratio	Net Profit	Net Sales	0.10	0.14	-30.20%	In LY, There was profit on sale of Investments in MF-Rs.155mn which increased other income
Return on Capital Employed	EBIT	Tangible Net Worth + Total Debt + Deferred Tax Liability	26.57%	38.13%	-30.32%	Same was decreased due to Investments in MF-Rs.155mn in LY as well as there has been increase in Other assets which reduced return on capital
Return on Investment	Income Earned from Investments made	Investments made	3.47%	28.50%	-87.81%	In LY, There was profit on sale of Investments in MF-Rs.155mn

Notes:

(a) There is no outstanding obligation on account of debt as on 31st March 2023 and 31st March 2022.

Note 51: 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

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023. (Contd.)

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.

Note 52: Figures for previous periods have been regrouped wherever considered necessary.

For and on behalf of the Board of Directors of

Sd/-

EDWARD MENEZES

Director

DIN: 00149205

Sd/-

SUNIL CHARI

Director

DIN: 00149083

Place: Mumbai

Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023

1. Corporate information

Unitop Chemicals Private Limited ('the Company') was incorporated in the year 1980, having Corporate Identity number U24110MH1980PTC022967. The registered office of the Company is at Unitop House, C-wing, East West Center, Safed Pool, Andheri Kurla Road, Safed Pool, Mumbai, Maharashtra 400072. The Company is mainly engaged in the business of manufacturing of surfactants, emulsifiers and specialty chemicals.

2. Significant Accounting Policies

i. Statement of Compliances and Basis of Preparation and Presentation

- (a) The standalone 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 standalone 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 25th April, 2023.
- (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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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.

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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.

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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.

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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.

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(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

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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,

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Notes accompanying the Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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.

xv. 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.

xvi. 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.

xvii. 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITOP CHEMICALS PRIVATE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of UNITOP CHEMICALS PRIVATE LIMITED ("the Company") and its joint venture (the company and its joint venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone IND AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter – In brief	
Key audit matter description	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.
How the scope of our audit	Principal audit procedure performed: <ul style="list-style-type: none">• Focusing on the Company's revenue recognition for

responded to the key audit matter	<p>compliance with Ind AS;</p> <ul style="list-style-type: none"> • Testing the design, implementation and operating effectiveness of the Company's controls on recording revenue; • Performing Substantive testing for cut-off with verification of contractual terms of invoices, dispatch/deliveries receipts, inventory reconciliations and circularization of receivable balances and analytical review procedures. • Our test of details focused on cut-off samples to verify that only revenue pertaining to current year is recognized based on terms and conditions set out in sales contracts and delivery documents.
Key observations, if any	None

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are

free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our

report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we state that there is no adverse remarks in consolidated audit report in respect of Clause (xxi) to a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant consolidated audited accounts of the Company after elimination of consolidation adjustment entries.
 - c) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - d) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the consolidated Company's internal financial controls over financial reporting.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any

manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

e) The Company has not declared or paid any dividend for the previous year and the same is not in contravention with section 123 of the Companies Act 2013 to the extent it applies for payment of dividend.

4. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

UDIN : 23122651BGWHVK5945

For **JMT & ASSOCIATES**
Chartered Accountants
Firm’s Registration No. 104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No.122651

Mumbai, April 25, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’
section of our report to the Members of UNITOP CHEMICALS PRIVATE LIMITED of even
date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause
(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023 we have audited the internal financial controls over financial reporting of **UNITOP CHEMICALS PRIVATE LIMITED** (hereinafter referred to as “the Holding Company”).

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

UDIN : 23122651BGWHVK5945
For **JMT & ASSOCIATES**
Chartered Accountants
Firm Registration No.104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No.122651

Mumbai, April 25, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Consolidated Balance Sheet as at 31st March, 2023

		<i>Rs. In million</i>	
Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3a	637.16	710.06
(b) Right of Use - Assets	3b	105.00	106.20
(c) Capital Work-in-Progress	3c	20.70	5.00
(d) Goodwill	4	20.96	20.96
(e) Other Intangible Assets	5	22.51	25.23
(f) Investments accounted for using the equity method	6	30.35	25.78
(g) Financial Assets			
(i) Investments	7(a)	2.09	2.06
(ii) Other Financial Assets	8	15.48	16.91
(h) Income Tax Assets (Net)	9	30.41	33.02
(i) Deferred Tax Assets (Net)	10	1.80	-
(j) Other Non-current Assets	11	24.08	2.91
TOTAL NON-CURRENT ASSETS		910.54	948.13
CURRENT ASSETS			
(a) Inventories	12	524.48	507.45
(b) Financial Assets			
(i) Investments	7b	56.82	25.42
(ii) Trade Receivables	13	1,486.83	1,073.12
(iii) Cash and Cash Equivalents	14a	276.73	80.23
(iv) Bank Balances other than (iii) above	14b	118.70	35.54
(v) Loans	15	0.56	0.29
(vi) Other Financial Assets	16	2.00	0.56
(c) Other Current Assets	17	72.18	127.74
TOTAL CURRENT ASSETS		2,538.30	1,850.35
TOTAL ASSETS		3,448.84	2,798.48
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	18	4.29	4.29
(b) Other Equity	19	2,782.15	2,208.72
TOTAL EQUITY		2,786.44	2,213.01
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Provisions	20	12.11	7.12
(b) Deferred Tax Liability (Net)	21	-	9.83
TOTAL NON-CURRENT LIABILITIES		12.11	16.95
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
a) total outstanding dues of Micro Enterprises and Small Enterprises	22	90.53	55.48
b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	22	513.22	460.45
(ii) Other Financial Liabilities	23	14.12	18.31
(b) Other Current Liabilities	24	6.67	12.56
(c) Provisions	25	4.46	3.65
(d) Current Tax Liabilities (Net)	26	21.29	18.07
TOTAL CURRENT LIABILITIES		650.29	568.52
TOTAL EQUITY AND LIABILITIES		3,448.84	2,798.48

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

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

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25th April, 2023

Place: Mumbai
Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Consolidated Statement of Profit and Loss for the year ended 31st March,2023

		<i>Rs. In million</i>	
Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I	Revenue from operations	5,541.30	4,543.79
II	Other Income	17.80	176.55
III	Total Income (I+II)	5,559.10	4,720.34
IV	EXPENSES		
(a)	Cost of Goods Sold	4,064.34	3,373.23
(b)	Changes in Inventories	3.48	(66.85)
(c)	Employee benefits expense	240.86	165.82
(d)	Finance costs	0.90	2.08
(e)	Depreciation and amortization expenses	102.69	86.55
(f)	Other expenses	424.78	381.06
	Total Expenses	4,837.05	3,941.89
V	Profit before tax [III-IV]	722.05	778.45
VI	Share of Profit in Joint Venture	4.55	8.22
VII	Profit before tax [V+VI]	726.60	786.67
	Tax Expenses		
	Current Tax	188.15	213.04
	Deferred Tax	(11.38)	(31.65)
VIII	Total Tax Expense	176.77	181.39
IX	Profit after tax [VII-VIII]	549.83	605.28
X	Other Comprehensive Income		
A	Items that will not be reclassified to profit or loss		
i	Remeasurements of the defined benefit plans	(0.67)	(1.32)
ii	Income tax relating to items that will not be reclassified to profit or loss	0.25	0.33
	Total other comprehensive income/(Loss)	(0.42)	(0.99)
XI	Total comprehensive income (IX + X)	549.41	604.29
XII	Earnings per equity share (in Rs.)		
	Basic	12,806.33	14,097.23
	Diluted	12,806.33	14,097.23

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

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

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25th April, 2023

Place: Mumbai
Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED

Consolidated Statement of Changes in Equity for the period ended 31st March, 2023

(a) Equity Share Capital

Particulars	Rs. In million	
	31st March, 2023	31st March, 2022
Issued, Subscribed and Paid-up:		
Balance as at the beginning of the year	4.29	4.89
Buyback during the year		(0.60)
Balance as at the end of the year	4.29	4.29

(b) Other Equity

Particulars	Rs. In million					
	Reserves and Surplus					
	Capital Reserve	Capital Redemption Reserve	Deemed Capital Contribution	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2021	0.74	0.57	-	150.06	2,697.37	2,848.74
Profit for the year		-	-	-	605.28	605.28
Other Comprehensive income / (loss) for the year (net of tax)					(0.99)	(0.99)
Total Comprehensive income for the year	-	-	-	-	604.29	604.29
Dividend paid on equity shares					(431.00)	(431.00)
Buyback of Shares					(825.32)	(825.32)
Movement during the year	-	0.60	12.00	-	(0.60)	12.00
Balance as at 31st March, 2022	0.74	1.17	12.00	150.06	2,044.75	2,208.72
Profit for the year	-	-	-	-	549.84	549.84
Movement during the year			24.00			24.00
Other Comprehensive income / (loss) for the year (net of tax)					(0.41)	(0.41)
Total Comprehensive income for the year	-	-	24.00	-	549.43	573.43
Dividend paid on equity shares						-
Buyback of Shares						-
Balance as at 31st March, 2023	0.74	1.17	36.00	150.06	2,594.18	2,782.15

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

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

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25th April, 2023

Place: Mumbai
Date: 25th April, 2023

UNITOP CHEMICALS PRIVATE LIMITED
Consolidated Statement of Cash Flow for the period ended 31st March, 2023

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March, 2023	For the year ended 31st March, 2022
A Cash flows from operating activities		
Profit before tax	722.05	778.45
Adjustments for:		
Depreciation and amortisation expenses	102.69	86.55
(Profit)/Loss on disposal of property, plant and equipment	(2.50)	(18.30)
Provision for expected credit loss	0.02	9.44
Finance Costs	0.90	2.08
Dividend Income	-	(0.37)
Interest Income	(10.61)	(2.21)
Profit on sale of mutual funds	(1.86)	(155.43)
Operating profit before working capital changes	810.69	700.21
Changes in :		
Trade Receivables and other assets	(379.61)	(368.19)
Inventories	(17.03)	(160.86)
Trade Payables and other liabilities	82.88	38.57
Cash generated from Operations	496.93	209.73
Income taxes paid (net of refunds)	(182.33)	(207.27)
Net cash flows generated from operating activities	314.60	2.46
B Cash flows from investing activities		
Net (Investment) / redemption of Mutual Funds	(31.43)	1,366.84
Profit on sale of mutual funds	1.86	155.43
Dividend Received	-	0.38
Interest Received	10.61	2.86
Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets	(46.19)	(231.94)
Proceeds from sale of property, plant and equipment and intangible assets	7.11	64.27
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	(83.16)	3.17
Net cash flows generated from / (used in) investing activities	(141.20)	1,361.01
C Cash flows from financing activities		
Proceeds / (Repayment) from short term borrowing (net)	-	(128.22)
Deemed Contribution	24.00	12.00
Interest paid	(0.90)	(2.09)
Dividend paid on equity shares (including Dividend distribution tax)	-	(431.00)
Buyback of Shares	-	(825.31)
Net cash flow used in financing activities	23.10	(1,374.62)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	196.50	(11.15)
Opening Cash and cash equivalents	80.23	91.38
Effects of exchange rate changes on the balance of cash and cash equivalents	-	-
Closing Cash and cash equivalents	276.73	80.23

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 53 are an integral part of the Standalone Financial Statements

In terms of our report attached.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Sd/-
SANJAY PICHHOLIA
Partner
Membership No. 122651

Place: Mumbai
Date: 25th April, 2023

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Place: Mumbai
Date: 25th April, 2023

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

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Note 3a: Property, Plant and Equipments

Rs. In million

Particulars	Buildings	Plant and Equipments	Furniture & Fittings	Vehicles	Office Equipment	Computer Equipment	Total
(I) Gross Carrying Amount (Deemed Cost)							
Balance as at 31st March, 2021	407.22	226.07	19.85	7.79	4.66	2.60	668.19
Acquisitions through business combinations [Refer note 49]	4.01	2.04	0.15	0.70	0.04	0.02	6.96
Additions during the year	124.15	110.25	2.34	14.09	2.23	1.17	254.23
Less: Disposals during the year	(60.76)	(2.27)	-	(5.16)	-	-	(68.19)
Balance as at 31st March, 2022	474.62	336.09	22.34	17.42	6.93	3.79	861.19
Additions during the year	13.01	16.47	2.74	0.20	0.59	2.40	35.41
Less: Disposals during the year	-	(12.21)	(0.07)	(11.47)	-	-	(23.75)
Balance as at 31st March 2023	487.63	340.35	25.01	6.15	7.52	6.19	872.85
(II) Accumulated depreciation							
Balance as at 31st March, 2021	38.43	41.05	4.75	1.92	1.89	1.08	89.12
Depreciation expense for the year	35.71	37.76	3.86	4.05	1.46	0.72	83.56
Less: Disposals during the year	(16.22)	(1.54)	-	(3.79)	-	-	(21.55)
Balance as at 31st March, 2022	57.92	77.27	8.61	2.18	3.35	1.80	151.13
Depreciation expense for the year	40.03	47.18	3.92	4.25	1.66	1.73	98.77
Less: Disposals during the year	-	(7.91)	(0.03)	(6.27)	-	-	(14.21)
Balance as at 31st March 2023	97.95	116.54	12.50	0.16	5.01	3.53	235.69
(III) Net carrying amount (I-II)							
Balance as at 31st March, 2021	368.79	185.02	15.10	5.87	2.77	1.52	579.07
Balance as at 31st March, 2022	416.70	258.82	13.73	15.24	3.58	1.99	710.06
Balance as at 31st March 2023	389.68	223.81	12.51	5.99	2.51	2.66	637.16

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	Total
	Land	
(I) Gross Carrying Amount		
Balance as at 31st March, 2021	117.49	117.49
Acquisitions through business combinations [Refer note 49]	0.59	0.59
Additions during the year	0.96	0.96
Less: Disposals during the year	-	-
Balance as at 31st March, 2022	119.04	119.04
Additions during the year	-	-
Less: Disposals during the year	-	-
Balance as at 31st March 2023	119.04	119.04
(II) Accumulated depreciation		
Balance as at 31st March, 2021	11.55	11.55
Depreciation expense for the year	1.29	1.29
Balance as at 31st March, 2022	12.84	12.84
Depreciation expense for the year	1.20	1.20
Balance as at 31st March, 2023	14.04	14.04
(III) Net carrying amount (I-II)		
Balance as at 31st March, 2021	105.94	105.94
Balance as at 31st March, 2022	106.20	106.20
Balance as at 31st March, 2023	105.00	105.00

Note:

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

Note 3c: Capital Work in Progress (CWIP)

CWIP ageing schedules as on 31st March,2023

Rs. In million

CWIP	Amount in CWIP for a period of				
	Less than	1 -2 years	2 - 3 years	More than	Total
	1 years			3 years	
Projects in progress	17.81	2.89	-	-	20.70
Total CWIP	17.81	2.89	-	-	20.70

CWIP ageing schedules as on 31st March,2022

Rs. In million

CWIP	Amount in CWIP for a period of				
	Less than	1 -2 years	2 - 3 years	More than	Total
	1 years			3 years	
Projects in progress	5.00	-	-	-	5.00
Total CWIP	5.00	-	-	-	5.00

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note No. 4 - Goodwill	(Rs. In million)
Particulars	Amount
Balance as at 31st March, 2021	-
Acquisitions through business combination (Refer note 49)	20.96
Deductions/Adjustment during the year	-
Balance as at 31st March, 2022	20.96
Additions during the year	-
Deductions/Adjustment during the year	-
Balance as at 31st March, 2023	20.96

Note 5: Other Intangible Assets

	Particulars	<i>Rs. In million</i>		
		Computer Software	Technology and Trademark	Total
(I) Gross Carrying Amount				
Balance as at 31st March, 2021		0.36	-	0.36
Acquisitions through business combinations [Refer note 49]		-	26.70	26.70
Deductions during the year		-	-	-
Balance as at 31st March, 2022		0.36	26.70	27.06
Additions during the period		-	-	-
Less: Disposals during the period		-	-	-
Balance as at 31st March, 2023		0.36	26.70	27.06
(II) B. Accumulated amortisation				
Balance as at 1st April 2020		-	-	-
Amortisation expense for the year		0.13	-	0.13
Deductions for the year		-	-	-
Balance as at 31st March, 2021		0.13	-	0.13
Amortisation expense for the year		0.15	1.55	1.70
Deductions for the year		-	-	-
Balance as at 31st March, 2022		0.28	1.55	1.83
Amortisation expense for the period		0.05	2.67	2.72
Deductions for the period		-	-	-
Balance as at 31st March, 2023		0.33	4.22	4.55
(III) Net carrying amount (I-II)				
Balance as at 1st April, 2020		-	-	-
Balance as at 31st March, 2021		0.23	-	0.23
Balance as at 31st March, 2022		0.08	25.15	25.23
Balance as at 31st March, 2023		0.03	22.48	22.51

Notes:

The amortization expense of intangible assets has been included under Note 32 'Depreciation and amortization expense' in the Statement of Profit and Loss.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 6: Investments accounted for using the equity method

Particulars	Face value per unit	As at 31st March, 2023		As at 31st March, 2022	
		No. of shares	Amount	No. of shares	Amount
Investment in Equity Instruments					
In Joint Venture Company, Unquoted, fully paid-up					
Measured as per equity accounting method:					
Equity Shares of Hextar Unitop Sdn. Bhd.	1 MYR	750,000	30.35	750,000	25.78
Total			30.35		25.78

Note 7a: Investments (Non-Current)

Particulars	Face value per unit	As at 31st March, 2023		As at 31st March, 2022	
		No. of shares	Amount	No. of shares	Amount
Investment in Equity Instruments (fully paid-up)					
Equity Shares of Bank of Baroda	2.00	522	0.09	602	0.06
Unquoted					
At Cost:					
Equity Shares of Masti Leasing & Fin.Co.P.Ltd.	10.00	200,000	2.00	200,000	2.00
Total Investment (Non-Current)			2.09		2.06

Other Disclosures

Aggregate carrying value of quoted investments		0.04	0.04
Aggregate market value of quoted investments		0.09	0.06
Aggregate carrying value of unquoted investments		2.00	2.00
Aggregate impairment in value of investments		-	-

Note 7b: Investments (Current)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Quoted (Fair value through profit or loss)				
Units of Baroda BNP Paribas Equity Savings Fund - Reg - Growth		-	499,990	6.19
Units of Baroda BNP Paribas Large and Midcap Fund - Regular Growth		-	249,978	4.13
Kotak Money Market Fund - Direct Plan	13,149	50.34		-
Units of Franklin India Short Term Income Plan	1,306	6.48	19,719	8.67
Units of Kotak FMP Series 246-(1153D) - Regular Plan - Growth		-	500,000	6.43
Total Investments (Current)		56.82		25.42

Other Disclosures

Aggregate carrying value of quoted investments		-	19.44
Aggregate market value of quoted investments		56.82	25.42
Aggregate amount of unquoted investments		-	-

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 8: Other Financial Assets (Non Current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Financial Assets at Amortized Cost: (unsecured, considered good unless otherwise stated)		
Security Deposits	15.40	16.63
Fixed Deposit with original maturity of more than 12 months	0.05	0.25
Interest Accrued	0.03	0.03
Total Other Financial Assets	15.48	16.91

Note 9: Income Tax Assets (Net) (Non Current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Advance Income Tax (net off Provision for Tax of Rs. 162.46 million (31st March 2022 – Rs. 371.10 million))	30.41	33.02
Total Income Tax Assets (Net) (Non-current)	30.41	33.02

Note 10: Deferred Tax Asset (Net) (Non-current)

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Deferred Tax Asset (Refer note 21)	1.80	-
Total Deferred Tax Assets (Net) (Non-current)	1.80	-

Note 11: Other Non-Current Assets

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Capital advances	23.52	2.23
Prepaid Expenses	0.56	0.68
Total Other Non-Current Assets	24.08	2.91

Note 12: Inventories

Particulars	<i>Rs. In million</i>	
	As at	As at
	31st March, 2023	31st March, 2022
Raw Materials (Including in transit of Rs.23.04 million (31st March 2022 - Rs.27.42 million))	319.53	296.85
Packing Materials	11.78	13.48
Work-in-progress	55.83	6.20
Finished goods	137.34	190.45
Consumables, stores and spares	-	0.47
Total Inventories	524.48	507.45

Notes:

11.1. The cost of Inventories recognized as an expense during the year was Rs. 4,360.54 million (31st March, 2022 Rs. 3,555.85 million), including in respect of write down of inventories to net realizable value Rs. 0.83 million (31st March, 2022 - Rs.0.19 million)

12.2. The Company has availed credit facilities from banks which are secured inter alia by hypothecation of inventories.

12.3. The method of valuation of inventories is stated in sub note vii of Note 2.

Note 13: Trade Receivables

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Unsecured:		
Considered good	1,499.81	1,086.08
Less: Allowance for Expected Credit Losses	(12.98)	(12.96)
Total Trade Receivables	1,486.83	1,073.12

Notes:**13.1 Trade Receivables ageing schedule as on 31st March,2023**

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	1,474.15	14.41	4.70	3.65	2.90	1,499.81
Less: Allowance for Expected Credit Losses	-	-	-	-	-	(12.98)

13.2 Trade Receivables ageing schedule as on 31st March,2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	1,074.77	3.27	4.87	1.74	1.43	1,086.08
Less: Allowance for Expected Credit Losses	-	-	-	-	-	(12.96)

Notes:

13.3 Refer Note 41 for receivables outstanding from Related Parties.

13.4 Refer Note 45 for disclosures related to credit risk and Note 46 for impairment of trade receivables under expected credit loss model and related disclosures.

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

Note 14a: Cash and Cash Equivalents

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
- in Current Account	68.40	78.35
- Fixed deposits with original maturity of less than 3 months	207.96	1.52
Cash on hand	0.37	0.36
Total Cash and cash Equivalents	276.73	80.23

Note 14b: Bank Balances other than cash and cash equivalents

Particulars	<i>Rs. In million</i>	
	As at 31st March, 2023	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	118.70	35.54
Total Bank Balances other than cash and	118.70	35.54

Notes:

UNITOP CHEMICALS PRIVATE LIMITED**Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)**

Deposits includes deposits earmarked with Gujarat Pollution Control Board Rs. 0.13 million (31st March 2022 - Rs. 0,13 million), Superintendent of Excise and Prohibition- Bharuch Rs. 0.15 million (31st March 2022 Rs. 0.06 million). The balance deposits are marked as lien against letter of credit and bank guarantees.

Note 15: Loans (Current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Financial Assets at Amortized Cost: (unsecured, considered good unless otherwise stated)		
'Other Loans (refer note 15.2)	0.56	0.29
Total Loans (Current)	0.56	0.29

Notes:

15.1 Other Loans mainly includes loans to employees

15.2 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 16: Other Financial Assets (Current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
At Amortized Cost:		
Others	2.00	0.56
Total Other Financial Assets (Current)	2.00	0.56

Notes:

16.1. Refer Note 45 for disclosures related to credit risk and Note 46 for impairment under expected credit loss model and related financial instrument disclosures.

Note 17: Other Current Assets

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Balances with Government Authorities	41.97	107.80
Prepaid expenses	6.31	6.69
Advance paid to suppliers	23.90	13.25
Total Other Current Assets	72.18	127.74

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 18: Equity Share Capital

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Authorized:		
110,000 (31st March, 2022 - 110,000) Equity shares of Rs.100 each	11.00	11.00
Total	11.00	11.00
Issued, Subscribed and Paid-up:		
42,936 (31st March, 2022 - 42,936) Equity shares of Rs.100 each, fully paid up	4.29	4.29
Total Equity Share Capital	4.29	4.29

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

Particulars	No of Shares	As at	
		31st March, 2023	31st March, 2022
Issued, Subscribed and Paid-up:			
Balance as at the beginning of the year.	42,936	4.29	4.89
Less : Buyback of Shares (refer Note b below)			(0.60)
Total	42,936	4.29	4.29

b) During the year ended 31st March, 2022 the Board of directors of the Company approved buyback of 5956 Equity Shares by the owners which has been given effect to. The Buy Back Offer has been duly authorised by way of a resolution passed at a meeting of the Board on 5th July, 2021 and special resolution passed at the general meeting on 28th July, 2021 pursuant to which the Buy back is being made through private offers as prescribed under the Buyback Rules.

c) 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.100/- 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.

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

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% shareholding	No. of shares	% shareholding
Equity shares:				
Rossari Biotech Limited	34,309	79.907%	27,888	64.952%
Rajeshwari Dharmaraj Shetty	3,222	7.504%	5,371	12.509%
Jeevanath Dharmaraj Shetty	4,291	9.994%	4,941	11.508%
Saibala Dharmaraj Shetty	-	0.000%	2,569	5.983%
Balakrishna Rajiv Shetty	1,074	2.501%	2,147	5.000%

e) Shareholding of Promoters
Shares held by promoters at the end of 31st March, 2023

Promoter Name	No. of Shares	% Change during the year
Rossari Biotech Limited	34,309	23.02%
Edward Menezes	10	0.00%
Sunil Chari	10	0.00%
TOTAL	34,329	

Shares held by promoters at the end of 31st March, 2022

Promoter Name	No. of Shares	% Change during the year
Rossari Biotech Limited	27,888	64.95%
Edward Menezes	10	0.02%
Sunil Chari	10	0.02%
Rajeshwari Dharmaraj Shetty	5371	-1.61%
Jeevanath Dharmaraj Shetty	4941	-1.61%
Saibala Dharmaraj Shetty	2569	-6.98%
Balakrishna Rajiv Shetty	2147	0.00%
TOTAL	42,936	

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 19: Other Equity

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve	0.74	0.74
Capital Redemption Reserve	1.17	1.17
Deemed Capital Contribution	36.00	12.00
General Reserve	150.06	150.06
Retained earnings	2,594.18	2,044.75
Total Other Equity	2,782.15	2,208.72

Movement in Reserves

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve		
Balance as at the beginning of the year	0.74	0.74
Movement during the year	-	-
Balance as at the end of the year	0.74	0.74

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Capital Redemption Reserve		
Balance as at the beginning of the year	1.17	0.57
Movement during the year (refer Note 16b)	-	0.60
Balance as at the end of the year	1.17	1.17

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Deemed Capital Contribution		
Balance as at the beginning of the year	12.00	-
Add: Additions during the year	24.00	12.00
Balance as at the end of the year	36.00	12.00

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
General Reserve		
Balance as at the beginning of the year	150.06	150.06
Movement during the year	-	-
Balance as at the end of the year	150.06	150.06

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings		
Balance as at the beginning of the year	2,044.75	2,697.37
Add: Profit during the year	549.84	605.28
Less: Dividend including tax thereon	-	(431.00)
Less: Buyback of Shares Including Tax thereon	-	(825.32)
Less: Transferred to Capital Redemption Reserve on Account of buyback of shares	-	(0.60)
Less: Remeasurement gain/(loss) on defined benefit plan	(0.41)	(0.99)
Balance as at the end of the year	2,594.18	2,044.75
Total	2,782.15	2,208.72

Description of Nature and purpose of other equity:
Retained earnings:

Retained earnings represent the amount of accumulated earnings.

Capital Reserve:

Capital Reserve represents subsidy received from Government towards investment in Plant & Machinery & establishing factory at

Capital Redemption Reserve:

Capital Redemption Reserve is created on redemption of Preference shares and Equity shares

Deemed Capital Contribution:

Deemed capital Contribution represents amount received from Rossari Biotech Limited (Holding Company) paid to key employees as

General Reserve:

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 20: Provisions (Non-current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Gratuity	5.13	2.76
Compensated absences (unfunded)	6.98	4.36
Total Provisions (Non-current)	12.11	7.12

Notes:

For disclosures related to employee benefits, refer note 42

Note 21: Deferred Tax Liability (Net) (Non-current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability	-	9.83
Total Deferred Tax Liability (Net) (Non-current)	-	9.83

Note 21.1 Movement in Deferred Tax Assets:

Particulars	Rs. In million				
	As at 31st March, 2022	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Recognised in Business combination	As at 31st March, 2023
Tax effect of items constituting deferred					
Allowances on property, plant & equipment and other assets	16.39	(9.72)			6.67
Fair Value of Investment		0.34			0.34
Tax effect of items constituting deferred					
Allowances for credit losses	(3.26)	(0.02)		-	(3.28)
Provision for Gratuity	(1.18)	(0.39)	-0.24	-	(1.81)
Other employee benefits	(2.12)	(1.60)		-	(3.72)
Net Deferred Tax Asset/(Liability)	9.83	(11.39)	(0.24)	-	(1.80)

Particulars	Rs. In million				
	As at 31st March, 2021	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Recognised in Business combination	As at 31st March, 2022
Tax effect of items constituting deferred tax liabilities:					
Allowances on property, plant & equipment and other assets	43.09	(33.42)		6.72	16.39
Tax effect of items constituting deferred					
Allowances for credit losses	(3.25)	(0.01)			(3.26)
Provision for Gratuity	(1.17)	0.32	-0.33		(1.18)
Other employee benefits	(3.58)	1.46			(2.12)
Net Deferred Tax Asset/(Liability)	35.09	(31.65)	(0.33)	6.72	9.83

Note 22: Trade Payables (Current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	90.53	55.48
Total outstanding dues other than micro enterprises and small enterprises	513.22	460.45
Total Trade Payables (Current)	603.75	515.93

Notes:

22.1 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:

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Dues remaining unpaid:		
Principal	90.53	55.48
Interest	0.52	0.15

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

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	-	-
- Principal paid beyond the appointed date	71.91	40.22
- 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	0.52	0.15
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	0.52	0.15

22.2 Trade Payables ageing schedule as on 31st March, 2023

Particulars	Outstanding for following periods from due date of Payment				Rs. In million
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	90.53	0		-	90.53
(ii) Others	510.38	1.04	0.06	1.74	513.22

22.3 Trade Payables ageing schedule as on 31st March, 2022

Particulars	Outstanding for following periods from due date of Payment				Rs. In million
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	55.48	0		-	55.48
(ii) Others	456.07	2.48	0.27	1.63	460.45

Note 23: Other Financial Liabilities (Current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Measured at Amortized Cost:		
Security Deposits	0.20	-
Creditors for capital goods & services	6.33	10.72
Others	7.59	7.59
Total Other Financial Liabilities (Current)	14.12	18.31

Note 24: Other Current Liabilities

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
i. Advances received from customers	2.98	5.84
ii. Statutory dues		
- Taxes Payable	2.41	3.98
- GST Payable	0.79	2.15
- Employee Liabilities	0.49	0.59
Total Other Current Liabilities	6.67	12.56

Note 25: Provisions (Current)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Gratuity	2.07	1.91
Compensated absences (unfunded)	2.39	1.74
Total Provisions (Current)	4.46	3.65

Notes:

For disclosures related to employee benefits, refer note 42

Note 26: Current Tax Liabilities (Net)

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Provision for tax	21.29	18.07
(net of Advance Income Tax of Rs. 506.90 million (31 st March 2022 – Rs. 108.93 million))		
Total Current Tax Liabilities (Net)	21.29	18.07

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 27: Revenue from operations

	-	<i>Rs. In million</i>
Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue from contracts with customers:		
Sale of products	5,518.40	4,526.38
Other operating revenues:		
i. Others*	22.90	17.41
Total Revenue from operations	5,541.30	4,543.79

*Includes Export Incentives

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

	<i>Rs. In million</i>	
Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Contract Price	5,518.40	4,527.91
Less : Discount	-	1.53
	5,518.40	4,526.38

Note 28: Other Income

	<i>Rs. In million</i>	
Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest Income (on financial assets measured at Amortised cost):		
- On bank deposits	10.57	2.06
- On others	0.04	0.15
Dividend Income	-	0.37
Rental Income	-	0.15
Profit / (Loss) on disposal of property, plant and equipment	2.50	18.30
Profit on Sale of Mutual Funds/Shares	1.86	155.43
Others	2.83	0.09
Total Other Income	17.80	176.55

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 29: Cost of materials consumed

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Opening Stock of raw materials and packing materials	310.80	216.79
Add: Purchases (Net)	4,084.85	3,433.52
Add : on Acquisition of Business (refer Note 50)	-	33.72
Less: Closing Stock of raw materials and packing materials	331.31	310.80
Total Cost of materials consumed	4,064.34	3,373.23

Note 30: Changes in inventories of finished goods and work-in-progress

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Opening inventories		
Finished Goods	190.45	129.80
Work-in-progress	6.20	-
TOTAL	196.65	129.80
Less: Closing inventories		
Finished Goods	137.34	190.45
Work-in-progress	55.83	6.20
TOTAL	193.17	196.65
Total (increase) / decrease in inventories	3.48	(66.85)

Note 31: Employee Benefits Expense

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Salaries and wages, including bonus	215.62	143.03
Contribution to provident and other funds	10.61	10.12
Share-based payments to employees	0.84	0.58
Workmen & Staff welfare expenses	13.78	12.09
Total Employee Benefits Expense	240.86	165.82

Notes:

Employee cost includes employee compensation cost of Rs. 0.81 million (previous year: Rs. 0.58 million) in relation to Employee stock options granted by holding company to employees of the Company.

Note 32: Finance Costs

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest Expense:		
(i) On working capital facilities	0.02	1.93
(ii) Other Borrowing Cost	0.88	0.15
Total Finance Costs	0.90	2.08

Note:

32.1 Other Borrowing cost includes interest payable to MSMED creditors

Analysis of Interest Expense by category:

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest Expenses:		
On financial liability at amortized cost	0.02	1.93

UNITOP CHEMICALS PRIVATE LIMITED
Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)
Note 33: Depreciation and amortization expenses

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation on property, plant and equipment (refer note 3a)	98.77	83.56
Amortisation on right of use asset (refer note 3b)	1.20	1.29
Amortisation of intangible assets (refer note 5)	2.72	1.70
Total Depreciation and amortization expenses	102.69	86.55

Note 34: Other Expenses

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Consumption of stores, spares and consumables	4.81	3.83
Labour Contract Charges	24.18	11.47
Freight & Forwarding Charges	158.35	143.94
Selling & Distribution Expense	15.88	5.02
Commission on Sales	69.80	101.93
Legal and Professional Fees	20.39	2.09
Repairs & Maintenance	11.17	11.56
Travelling & Conveyance	19.87	9.68
Rent	0.66	0.88
Loss on sale of Assets	-	0.49
Corporate Social Responsibility Expenditure (refer Note 39)	10.99	7.74
Power and Fuel	81.30	66.53
Insurance Charges	9.64	4.92
Donation	0.03	0.01
Bad Debts	-	9.40
Less: Utilisation of Provision for Expected Credit Loss on Trade Receivable	-	(9.40)
Provision for Expected credit loss	0.02	9.44
Payments to the Auditors as		
Statutory Audit Fees	1.20	1.18
Net (Gain) / Loss on foreign currency transactions & translation	(37.76)	(25.61)
Miscellaneous expenses	34.25	25.96
Total	424.78	381.06

Note 35: Income Tax recognized in profit or loss
(a) Income Tax recognized in Profit & Loss

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I. Current Tax Charge:		
In respect of Current year	188.15	213.04
Total	188.15	213.04

Particulars	<i>Rs. In million</i>	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
II. Deferred Tax Credit:		
In respect of current year origination and reversal of temporary	(11.38)	(31.65)
Total	(11.38)	(31.65)
Total (I+II)	176.77	181.39

(b) Income tax recognized in other comprehensive income

Income taxes related to items that will not be reclassified to profit or loss	0.25	0.33
Total	0.25	0.33

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(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:

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Profit before tax	722.05	786.67
Applicable Income tax rate	25.17%	25.17%
Expected income tax expense	181.74	198.00
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible	2.88	(16.27)
Others	3.53	(0.34)
Reported income tax expense	188.15	181.38

Note 36: Earning Per Share (EPS)

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Profit for the year	549.83	605.28
Weighted average no. of ordinary equity shares used in computing basic	42,936	42,936
Basic EPS (face value of Rs. 100 per share) (Rs)	12,806.33	14,097.23
Weighted average no. of ordinary equity shares used in computing diluted	42,936	42,936
Diluted EPS (face value of Rs. 100 per share) (Rs)	12,806.33	14,097.23

Note 37: 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:

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Segment Revenue (Gross sales)		
India	3,983.90	3,221.61
Outside India	1,557.41	1,322.18
Total	5,541.31	4,543.79

The Company is not reliant on revenues from transactions with any single external customer and has only one customer who contributes to more than 10% of its revenues.

Note 38: Details of Research & Development expenditures

Particulars	Rs. In million	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue expenditure	18.16	14.18
Capital expenditure	0.12	0.40
Total	18.28	14.58

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Note 39: 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. 10.99 million (31st March, 2022 - Rs.7.74 million)

Amount spent during the year:

Particulars	In cash	Yet to be paid in cash	<i>Rs. In million</i>
			Total 31st March 2023
Construction / Acquisition of any assets	-		-
On purpose other than above	10.99		10.99
	10.99	-	10.99

Particulars	In cash	Yet to be paid in cash	<i>Rs. In million</i>
			Total 31st March 2022
Construction / Acquisition of any assets	-		-
On purpose other than above	7.74		7.74
	7.74	-	7.74

Note 40: Contingent Liability and commitments**Commitments**

Estimated amount of contracts remaining to be executed of Property, Plant & Equipment's (net of advances) and not provided for Nil(31st March, 2022 - Rs. 3.20 million).During the year, company has provided Bank guarantee of Rs.17.50 Million

Note 41: 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) **Joint venture**
Hextar Unitop Sdn. Bhd.
- c) **Subsidiaries of enterprise exercising control over the Company**
Tristar Intermediates Private Limited (w.e.f. 1st September, 2021)
Buzil Rossari Private Limited (w.e.f. 1st September, 2021)
- d) **Associate of enterprise exercising control over the Company**
Romakk Chemicals Private Limited (w.e.f. 1st December, 2021)

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

Nature of Transaction	For the year ended 31st March, 2023				For the year ended 31st March, 2022			
	Enterprises exercising control over the Company	Joint Venture company	Subsidiaries of enterprise exercising control over the Company	Associate of enterprise exercising control over the Company	Enterprises exercising control over the Company	Joint Venture company	Subsidiaries of enterprise exercising control over the Company	Associate of enterprise exercising control over the Company
<i>Rs. In million</i>								
A. Transactions during the year								
Sales:								
Rossari Biotech Limited	650.60	-	-	-	68.80	-	-	-
Hextar Unitop Sdn. Bhd.	-	32.64	-	-	-	31.17	-	-
Romakk Chemicals Private Limited	-	-	-	1.33	-	-	-	5.53
Tristar Intermediates Private Limited	-	-	68.33	-	-	-	9.77	-
	650.60	32.64	68.33	1.33	68.80	31.17	9.77	5.53
Purchase:								
Rossari Biotech Limited	82.15	-	-	-	70.88	-	-	-
Tristar Intermediates Private Limited	-	-	4.74	-	-	-	0.01	-
Buzil Rossari Private Limited	-	-	0.03	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	2.16	-	-	-	-
	82.15	-	4.77	2.16	70.88	-	0.01	-
Commission Expenses:								
Rossari Biotech Limited	25.49	-	-	-	29.66	-	-	-
	25.49	-	-	-	29.66	-	-	-
Expenses Reimbursement								
<i>Rossari Biotech Limited</i>	28.63	-	-	-	12.57	-	-	-
Buzil Rossari Private Limited	-	-	1.27	-	-	-	0.29	-
	28.63	-	1.27	-	12.57	-	0.29	-
Sale Of Property, Plant & Equipment								
<i>Rossari Biotech Limited</i>	2.13	-	-	-	-	-	-	-
	2.13	-	-	-	-	-	-	-
Outstanding's:								
Receivables:								
Rossari Biotech Limited	512.78	-	-	-	26.70	-	-	-
Hextar Unitop Sdn. Bhd.	-	2.44	-	-	-	4.80	-	-
Romakk Chemicals Private Limited	-	-	-	0.40	-	-	-	2.38
Tristar Intermediates Private Limited	-	-	37.48	-	-	-	8.51	-
	512.78	2.44	37.48	0.40	26.70	4.80	8.51	2.38
Payable								
Rossari Biotech Limited	12.04	-	-	-	67.07	-	-	-
Buzil Rossari Private Limited	-	-	0.35	-	-	-	0.32	-
Romakk Chemicals Private Limited	-	-	-	2.55	-	-	-	-
Tristar Intermediates Private Limited	-	-	5.44	-	-	-	0.01	-
	12.04	-	5.79	2.55	67.07	-	0.33	-

Note 42: 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. 6.26 million (31st March, 2022 - Rs. 6.76 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.

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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.

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
Gratuity as per actuarial valuation		
Funded Plan Gratuity		
I Expense recognized in the Statement of Profit and Loss for the year ended		
1. Current Service Cost	1.97	1.65
2. Interest cost on benefit obligation(Net)	0.23	0.22
Total expenses included in employee benefits expense	2.20	1.87

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
II Recognized in other comprehensive income for the year		
1. Actuarial (gains)/ losses arising from changes in financial assumptions	(1.58)	(0.71)
2. Actuarial (gains)/ losses arising from changes in experience adjustment	2.18	2.32
3. Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
4. Return on plan asset	0.06	(0.29)
Recognized in other comprehensive income	0.67	1.32

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
III Change in the present value of defined benefit obligation		
1. Present value of defined benefit obligation at the beginning of the year	29.33	26.54
2. Current service cost	1.97	1.65
3. Interest cost	1.56	1.21
4. Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(1.58)	(0.71)
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	2.18	2.32
5. Past service cost	-	-
6. Benefits paid	-	-
7. Liabilities assumed/(settled)	(6.03)	(1.68)
Present value of defined benefit obligation at the end of the year	27.43	29.33

Particulars	Rs. In million	
	As at 31st March, 2023	As at 31st March, 2022
IV Change in fair value of plan assets during the year		
1. Fair value of plan assets at the beginning of the year	24.67	21.89
2. Interest income	1.33	0.99
3. Contribution by employer	0.33	3.17
4. Benefits paid	(6.03)	(1.68)
5. Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6. Return on plan assets excluding interest income	(0.06)	0.29
Fair value of plan assets at the end of the year	20.25	24.67

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Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

		<i>Rs. In million</i>	
Net (Liability) recognized in the Balance Sheet as at		As at	As at
V		31st March, 2023	31st March, 2022
	1. Present value of defined benefit obligation	27.44	29.33
	2. Fair value of plan assets	20.24	24.67
	3. Surplus/(Deficit)	(7.21)	(4.66)
	4. Current portion of the above	(2.08)	(1.90)
	5. Noncurrent portion of the above	(5.13)	(2.76)

Actuarial assumptions		As at	As at
VI		31st March, 2023	31st March, 2022
	1. Discount rate	7.30%	6.10%
	2. Attrition rate	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages	25.00% p.a at younger ages reducing to 5.00% p.a% at older ages
	3. Average salary escalation rate	10.00%	10.00%
	4. Mortality table used		

Indian Assured Lives Mortality (2012-14) Table

Major Category of Plan Assets as a % of the Total Plan Assets		As at	As at
VII		31st March, 2023	31st March, 2022
	1. Insurer managed funds*	100.00%	100.00%
	* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		

Rs. In million

VIII The expected contributions to the plan for the next annual reporting period

- -

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:

		<i>Rs. In million</i>	
Impact on employee benefits obligations increase / (decrease)		As at	As at
IX		31st March, 2023	31st March, 2022
	1. Discount rate varied by +0.5%	26.84	28.66
	2. Discount rate varied by -0.5%	(28.08)	(30.04)
	3. Salary growth rate varied by +0.5%	27.93	29.88
	4. Salary growth rate varied by -0.5%	(26.92)	(28.75)
	5. Withdrawal rate (W.R.) varied + 10%	27.33	29.12
	6. Withdrawal rate (W.R.) varied - 10%	(27.56)	(29.56)

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.

		<i>Rs. In million</i>
Maturity profile of defined benefit obligation		As at
X		31st March, 2023
	Year 1	7.24
	Year 2	4.54
	Year 3	2.55
	Year 4	2.94
	Year 5	1.73
	More than 5 years	12.88

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.

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Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 43: 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.

Particulars	Rs. In millions	
	As at 31st March, 2023	As at 31st March, 2022
Short term debt	-	-
Total	-	-
Equity	2,786.44	2,213.01
Total debt to equity	-	-

Note 44: 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, Interest risks. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

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.

Particulars	Rs in million			
	As at 31st March, 2023		As at 31st March, 2022	
	Assets	Liabilities	Assets	Liabilities
USD	146.18	14.30	186.58	20.27

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.

UNITOP CHEMICALS PRIVATE LIMITED**Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)****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.

Particulars	<i>Rs. In million</i>				
	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March, 2023					
Trade payables	603.75	603.75	-	-	-
Other Financial	14.12	14.12	-	-	-
Liabilities (current and non current)					
Total	617.87	617.87	-	-	-
As at 31st March, 2022					
Short term borrowings			-	-	-
Long term borrowings			-	-	-
Trade payables	515.93	515.93	-	-	-
Other Financial	18.31	18.31	-	-	-
Liabilities (current and non current)					
Total	534.24	534.24	-	-	-

Note 45: 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 46: 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:

Particulars	<i>Rs. In million</i>	
	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	12.96	12.92
Additions during the year	0.02	0.04
Balance as at end of the year	12.98	12.96

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 47: 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 2023	USD	10%	13.11
Year ended 31st March 2022	USD	10%	32.62

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

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 48: Offsetting Of balances:

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

UNITOP CHEMICALS PRIVATE LIMITED**Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)****Note 49: 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 50: Acquisition of Business

On 20th August, 2021, the Company has completed the acquisition of the Agro chemical Business of ISRO Products (Jammu) at a total consideration of Rs. 128.83 million. ISRO Products (Jammu) is into the business of manufacturer of Agro Chemicals and qualifies as a business as defined in Ind AS 103. ISRO Products (Jammu) was acquired to gain the synergies from the combined business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Amount in Rs.
	Millions
Property, plant and equipment	6.96
Right of Use	0.60
Identifiable intangible assets - IPR & Trademark	26.71
Trade Receivables	34.92
Cash & Bank Balances	16.79
Inventories	33.72
Other Current Assets	6.26
Other Financial Assets	0.07
Short Term Loans & Advances	39.00
Trade Payables	(28.86)
Other Financial Liabilities	(0.60)
Other Current Liabilities	(0.07)
Short Term Provisions (Tax)	(20.90)
Total identifiable assets acquired and liabilities assumed	114.60
Goodwill	14.23
Total consideration	128.83
Satisfied by:	
Cash	128.83
Total consideration transferred	
Net cash outflow arising on acquisition:	
Cash consideration	128.83
Less: cash and cash equivalent balances acquired	16.79
	<u>112.04</u>

The goodwill of Rs. 14.23 million arising from the acquisition consist of synergies on acquisition of the business. The goodwill arising on the acquisition are not expected to be tax deductible.

Impairment of Goodwill

The company deals in Agro 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. Accordingly, Goodwill is allocated to the said operating segment.

Value in use is calculated using cash flow projections over a period of 10 years, with amounts based on medium term strategic plans approved by the Board. Any major variations to strategic plan, based on experience are incorporated in the calculations.

Management reviews the carrying value of goodwill annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount.

Key assumptions in the budgets and plans include future revenue volume/price growth rates, associated future levels of marketing support, cost-base of manufacture and supply and directly associated overheads. These assumptions are based on historical trends and future market expectations (also considering the possible effect of COVID-19, if any) and the markets and geographies in which they operate. Other key assumptions applied in determining value in use is discount rate which is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies. The pre-tax discount rate assumed for the current financial year was 16.68%

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

Note 51: Analytical Ratios

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.90	3.25	19.93%	Not Applicable
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Refer note (a) below
Debt Service Coverage Ratio	PAT + Depreciation & Amortization + Interest	Principal repayment on long term debt + interest payments	-	-	-	Refer note (a) below
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	22.03%	23.89%	-7.78%	Not Applicable
Inventory turnover Ratio	Sale of Products	Average Inventory	10.70	10.60	0.90%	Not Applicable
Trade Receivables turnover Ratio	Sale of Products and commission income	Average Trade Receivables	4.31	4.85	-11.06%	Not Applicable
Trade Payable turnover Ratio	Net Credit Purchases of RM, PM and Stock in trade	Average Trade Payables	7.15	6.71	6.51%	Not Applicable
Net Capital turnover Ratio	Net Sales	Average Working Capital	3.48	2.77	25.52%	Due to increase in sales & reduction in working capital
Net Profit Ratio	Net Profit	Net Sales	0.10	0.13	-25.51%	In LY, There was profit on sale of Investments in MF-Rs.155mn which increased other income & profits
Return on Capital Employed	EBIT	Tangible Net Worth + Total Debt + Deferred Tax Liability	20.97%	35.89%	-41.57%	Same was decreased due to Investments in MF-Rs.155mn in LY as well as there has been increase in Other assets which reduced return on capital
Return on Investment	Income Earned from Investments made	Investments made	3.85%	22.61%	-82.99%	In LY, There was profit on sale of Investments in MF-Rs.155mn

Notes:

(a) There is no outstanding obligation on account of debt as on 31st March 2023 and 31st March 2022.

Note 52: 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

(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.

Note 53: Figures for previous periods have been regrouped wherever considered necessary.

For and on behalf of the Board of Directors of

Sd/-
EDWARD MENEZES
Director
DIN: 00149205

Sd/-
SUNIL CHARI
Director
DIN: 00149083

Place: Mumbai
Date: 25 April 2023

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023.

1. Corporate information

The consolidated financial statements comprise financial statements of Unitop Chemicals Private Limited ('the Parent' or 'the Company') and its subsidiary/Joint Venture (collectively 'the Group').

The parent is private limited company domiciled and incorporated in India under the Companies Act, 1956. The parent was incorporated in the year 1980, having Corporate Identity number U24110MH1980PTC022967. The registered office of the Company is at Unitop House, C-wing, East West Center, Safed Pool, Andheri Kurla Road, Safed Pool, Mumbai, Maharashtra 400072. The Group is mainly engaged in the business of manufacturing of surfactants, emulsifiers and specialty chemicals.

2. Significant Accounting Policies

i. Statement of Compliances and Basis of Preparation and Presentation

- (a) The consolidated financial statements of the Group 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 consolidated 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.

ii. Basis of Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the parent and entities (including structured entities) controlled by the parent and its subsidiary. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- and has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the parent obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the parent gains control until the date when the parent ceases to control the subsidiary.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

A joint venture is a joint arrangement whereby the parties have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting. Where the Group's activities are conducted through joint operations (i.e. the parties have rights to the assets and obligation for the liabilities relating to the arrangements), the Group recognizes its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output and any liability and expenses incurred in relation to joint operations.

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions between the group and joint venture are eliminated in consolidated financial statement by adjusting group's share of unrealised profit/loss from the carrying value of investment in joint venture.

- (b) The aforesaid Financial Statements were approved by the parent's Board of Directors and authorized for issue on 25th April, 2023.
- (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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

(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.

The principal accounting policies are set out below.

iii. 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

(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.

iv. 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.

v. 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.

vi. 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

vii. 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.

viii. 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.

ix. 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

c) Long term Compensated Absences

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

x. 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.

xi. 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

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.

xii. 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.

xiii. 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

xiv. 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.

xv. 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.

UNITOP CHEMICALS PRIVATE LIMITED

Notes accompanying the Consolidated Financial Statements for the year ended 31st March, 2023. (Contd.)

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.

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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.

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Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or 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.

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xvi. 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.

xvii. 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.

xviii. 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.