Clean Science and Technology Limited

Financial Statements of Subsidiaries

FY 2023-24

Index

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLEAN AROMATICS PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **CLEAN AROMATICS PRIVATE LIMITED**, which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2024, the Profit and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

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

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

In connection with our audit of the financial statements, our responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the 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 in this Other Information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Financial Statements.

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

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

- Obtain an understanding of internal 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.

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2.
   (A) 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 standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

   d. In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountants

e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(B) 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 does not have any pending litigations which would impact its financial position.

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 as disclosed in notes to accounts, no fund have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities including foreign entities (Intermediaries) with the understandings , whether recorded in writings or otherwise ,that the intermediary shall ,directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee security or the like to or on behalf of the ultimate beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, as disclosed in financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

e. No Dividend Is declared and paid during the year by the company.

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Sanjay S Rathi
Partner
M. No – 042436
UDIN: 24042436BKDQIH1641

Place of Signature: Sangamner
Date: 14/05/2024

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure Referred to in our Independent auditors' Report paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CLEAN AROMATICS PRIVATE LIMITED of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) The company does not have Property, Plant and Equipment and Intangible Assets. Accordingly, the provisions of clause 3(i) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

(ii)

(a) The Company has entered into Bill to Ship to transaction during the year. Due to such kind of business operations the company does not have any physical inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the company has not been sanctioned working capital limits in excess of 5 crore rupees, in aggregate, from any bank or financial institution hence the reporting under Clause No 3 (ii) (b) of the order is not applicable to the company

(iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, Paragraph 3(iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with. Therefore Paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)

(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 is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable and as amounts deducted / accrued in the books of account, with the appropriate authorities. Further, no undisputed

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any short term loans and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix) (e) of the Order is not applicable

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(xi)

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) No whistle-blower complaints, received during the year by the company;

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

(xii) Company is not a Nidhi Company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company:

(xiii) According to the information and explanations given to us, the company has not undertaken any transactions with related parties as mentioned in Section 177 and 188 of Companies Act, 2013, accordingly the provisions of clause 3(xiii) of the Order are not applicable to the company;

(xiv) In our opinion, the company has no internal audit system commensurate with the size and the nature of its business.

(xv) In our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred not incurred any cash losses during the financial year covered by our audit. However it has incurred cash loss in the immediately preceding financial year. The quantum of cash losses are given as under :

Particulars	FY 2023-24	FY 2022-23
Cash Losses	NIL	Loss of Rs. 2,547/-

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that company is incapable 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.

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

(xx) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Sanjay S Rathi
Partner
M. No – 042436

Place of Signature: Sangamner
Date: 14/05/2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of CLEAN AROMATICS PRIVATE LIMITED for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of **CLEAN AROMATICS PRIVATE LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountants

auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

CA Sanjay S Rathi
Partner
M. No – 042436

Place of Signature: Sangamner
Date: 14/05/2024

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)

Standalone Balance Sheet

(All amounts are in rupees thousand,unless otherwise stated)

	Note	As at Mar 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Financial assets			
(i) Cash and cash equivalents	3	22.76	905.65
(ii) Bank balances other than (i) above	4	890.03	-
(c) Current tax assets (net)			
Other current assets	5	6.97	-
Total current assets		**919.76**	**905.65**
Total Assets		**919.76**	**905.65**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	1,000.00	1,000.00
Other equity	7	(109.74)	(116.35)
Total equity		**890.26**	**883.65**
Liabilities			
Current liabilities			
Financial liabilities			
(i) Trade payables	8		
a) total outstanding dues of micro enterprises and small enterprises		29.50	22.00
b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Current tax liabilities		-	-
Total current liabilities		**29.50**	**22.00**
Total liabilities		**29.50**	**22.00**
Total Equity and Liabilities		**919.76**	**905.65**

Significant accounting policies 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May 2024

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For **and on behalf of the Board of Directors of Clean Aromatics Private Limited**

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May 2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May 2024

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)

Statement of Profit and Loss for the year ended
(All amounts are in rupees thousand,unless otherwise stated)

	Note	Year Ended 31-03-2024	Year Ended 31-03-2023
Income			
Revenue from operations	9	93.27	-
Other income	10	44.47	35.80
Total income		**137.74**	**35.80**
Expenses			
Purchases of Stock-in-trade		91.43	
Other expenses	11	39.70	38.35
Total expenses		**131.13**	**38.35**
Profit / (Loss) before tax		**6.61**	**(2.55)**
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the period/year (A)		**6.61**	**(2.55)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability/(asset)		-	-
(ii) Income tax relating to remeasurements of defined benefit liability/ (asset)		-	
(iii) Equity instruments designated through other comprehensive income		-	-
(iv) Income tax related to equity instruments designated through other comprehensive income		-	
Other comprehensive income/(loss) for the period/year (B)		-	-
Total comprehensive income/(loss) for the period/year (A+B)		**6.61**	**(2.55)**
Earnings per equity share	12		
[nominal value of Rs. 10]			
Basic		0.07	(0.03)
Diluted		0.07	(0.03)

Significant accounting policies 2
The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May 2024

For and on behalf of the Board of Directors of Clean Aromatics Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May 2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May 2024

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)

Standalone Statement of Cash Flows

(All amounts are in rupees thousand,unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
A. Cash flow from operating activities		
Net profit / (loss) before taxation	**6.61**	**(2.55)**
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Interest income	(44.47)	(35.80)
Operating profit before working capital changes	**(37.86)**	**(38.35)**
Movement in working capital:		
(Increase)/Decrease in other non-current assets	(6.97)	-
(Decrease) / Increase in trade payables	7.50	(5.90)
(Decrease) / Increase in trade payables		
Cash generated from operations	**(37.33)**	**(44.25)**
Net income tax (paid)	-	-
Net cash flow generated from operating activities (A)	**(37.33)**	**(44.25)**
B. Cash flow from investing activities		
Bank deposits placed during the year	(890.03)	-
Deposit Matured	-	800.00
Interest received	44.47	35.90
Net cash flow (used in) investing activities (B)	**(845.56)**	**835.90**
C. Cash flow from financing activities		
Net cash flow (used in)/from financing activities (C)	-	-
Net (decrease) in Cash and cash equivalents (A+B+C)	**(882.89)**	**791.65**
Cash and cash equivalents at the beginning of the year	905.65	114.00
Cash and cash equivalents at the end of the year	**22.76**	**905.65**
Notes:-		
Cash on hand		
Balances with bank		
- Current accounts	22.76	905.65
	22.76	**905.65**

Significant accounting policies — *Note 2*

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May 2024

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For **and on behalf of the Board of Directors of Clean Aromatics Private Limited**

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May 2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May 2024

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Standalone Statement of Changes in Equity
(All amounts are in rupees thousand,unless otherwise stated)

(a) Equity share capital

Equity share of Rs 10 each issues, subscribed and fully paid	As at Mar 31, 2024 Number of shares	Amount	As at March 31, 2023 Number of shares	Amount
Balance at the beginning of the reporting year	1,00,000	1,000	1,00,000	1,000
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	1,00,000	1,000	1,00,000	1,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	1,00,000	1,000	1,00,000	1,000

(b) Other equity

Particulars	Reserves and surplus Surplus/(Deficit) of profit and loss account
Balance at 1 April 2022	**(113.80)**
Profit/(Loss) for the year	(2.55)
Balance at 31 March 2023	**(116.35)**
Balance at 1 April 2023	**(116.35)**
Profit/(Loss) for the year	6.61
Balance at 31 Mar 2024	**(109.74)**

Significant accounting policies *Note 2*
The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May 2024

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For **and on behalf of the Board of Directors of**
Clean Aromatics Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date :14th May 2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May 2024

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

3 Cash and cash equivalents

	As at Mar 31, 2024	As at March 31, 2023
Balance with banks		
In current accounts	22.76	905.65
	22.76	**905.65**

4 Bank balances other than cash and cash equivalents

Fixed Deposit with bank	850.00	-
Accrued Interest on Fixed Deposit	40.03	-
	890.03	-

8 Other Current Assets

	As at Mar 31. 2024	As at March 31. 2023
Balance with Government authorities	6.97	-
	6.97	-

M/s. Sanjay S. Rathi & Co. • Chartered Accountant • FRN. 109182W

(All amounts are in rupees thousand,unless otherwise stated)

6 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised :		
1,00,000 (31 March 2021 : 1,00,000) equity shares of Rs.10 each.	1,000	1,000
TOTAL	**1,000**	**1,000**
Issued and subscribed and paid up :		
1,00,000 (31 March 2021 : 1,00,000) equity shares of Rs.10 each fully paid-up	1,000	1,000
TOTAL	**1,000**	**1,000**

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	As at March 31, 2024	As at March 31, 2023
Outstanding at the beginning of the period/year	1,00,000	1,00,000
Equity shares issued during the period/year in consideration for cash	-	-
Outstanding at the end of the period/year	**1,00,000**	**1,00,000**

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at March 31, 2024		As at March 31, 2023	
	Number of shares	%	Number of shares	%
Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')	100	0%	100	100%

7 Other equity

	As at March 31, 2024	As at March 31, 2023
Surplus of profit and loss account		
Balance as at the beginning of the period/year	(116.35)	(113.80)
Add : Profit / (Loss) for the period/year	6.61	(2.55)
Balance as at the end of the period/year	**(109.74)**	**(116.35)**
	(109.74)	**(116.35)**

Ms. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

8 Trade payables

	As at Mar 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 12)	29.50	22.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	29.50	**22.00**

Trade Payable Ageing Schedule

As at 31 March 2024

Particulars	Current but not due	Outstanding for following periods from due				(Amount in Rs.)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	29.50	-	-	-	-	29.50
Total outstanding for other than MSME due	-	-	-	-	-	-

As at 31 March 2023

Particulars	Current but not due	Outstanding for following periods from the				(Amount in Rs.)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	22.00	-	-	-	-	22.00
Total outstanding for other than MSME due	-	-	-	-	-	-

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Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

9 Revenue from operations

	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	93.27	-
	93.27	**-**

10 Other Income

	31-03-2024	31-03-2023
Interest Received	44.47	35.80
	44.47	**35.80**

11 Other expenses

	31-03-2024	31-03-2023
Audit fees	17.70	17.70
Bank charges	-	-
Consultancy fees	22.00	20.65
Other Expenses	-	-
	39.70	**38.35**

Payment to auditors

As auditor		
Statutory audit fees	17.70	17.70
	17.70	**17.70**

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Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

12 Earnings per share

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Profit for the year	6,610	(2,550)
Basic earnings per share		
Weighted average number of equity shares outstanding during the year	1,00,000	1,00,000
Basic EPS (Rs.)	0.07	(0.03)
Diluted earnings per share		
Profit for the year	6,610	(2,550)
Weighted average number of equity shares outstanding during the year for diluted EPS	1,00,000	1,00,000
Diluted EPS (Rs.)	0.07	(0.03)

13 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting ye	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

14 Related party disclosures

(a) List of related parties and description of relationship:

Holding company

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')

Fellow subsidiaries

1. Clean Science Private Limited
2. Clean Organics Private Limited
3. Clean Fino-Chem Limited

Key Management Personnel (KMP)

1. Mr. Ashok Boob
2. Mr. Siddhartha Sikchi
3. Mr. Krishnakumar Boob

(b) Transactions during the year: Nil

(c) Balances outstanding at the end of the year: Nil

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

15 Ratio Analysis and its element

Ratio	Numerator	Demoninator	As at March 31, 2024	As at March 31, 2023	% Change	Remarks
Current Ratio	Current Assets	Current Liabulities	31.18	41.17	-24%	Due to Increase in current liabilities
Debt-Equity Ratio	Total Debt	Shareholders Equity	-	-	-	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	
Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.75%	-0.29%	-359%	Due to Increase in current years Profit
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	-	-	-	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	-	-	-	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	-	-	-	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.10	-	-	Increase in Sales
Net Profit Ratio (%)	Net Profit After Tax	Net sales = Total sales - sales return	7.09	-	-	Due to Increase in Sales and Profit
Return on Capital Employed (%)	Earnings before interest, taxes and dividend income	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.74%	-0.29%	-357%	Due to Increase in current years Profit.
Return on Investment (%)	Interest (Finance Income)	Investment	10.48	-	-	Due to Investment in Fixed Deposit

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FRN. 109182W
Chartered Accountant

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

16 Financial instruments

16.1 Financial instruments by category

The carrying value of financial instruments by categories are as follows :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amortised cost	Total carrying value	Amortised cost	Total carrying value
Category	Level 2		Level 2	
Assets				
Cash and cash equivalents	22.76	22.76	905.65	905.65
Bank balances other than (i) above	890.03	890.03	-	-
Total assets	**912.79**	**912.79**	**905.65**	**905.65**
Liabilities				
Trade payables	29.50	29.50	22.00	22.00
Total liabilities	**29.50**	**29.50**	**22.00**	**22.00**

16.2 Fair value hierarchy

Fair value of financial assets and financial liabilities measured at amortised cost :
The management believes that the fair values of current financial assets (e.g. cash and cash equivalents) and current financial liabilities (e.g. trade payables) approximate their carrying amounts largely due to the short term nature.

16.3 Financial risk management

The Company's activities exposes it to credit risks and liquidity risks. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risks are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company has exposure to the following risks arising from financial instruments :

a. **Credit risk**
Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

i. The company has not made any provision on expected credit loss on trade receivables, based on the management estimates.
ii. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

b. **Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Total current assets (A)	919.76	905.65
Total current liabilities (B)	29.50	22.00
Working capital (A-B)	**890.26**	**883.65**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2024.

Particulars	Less than one year	More than one year	Total
Trade payables	29.50	-	29.50

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023.

Particulars	Less than one year	More than one year	Total
Trade payables	22.00	-	22.00

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountant

Clean Aromatics Private limited (CIN : U24304PN2019PTC187496)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

17 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2024 and 31 March 2023.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at March 31, 2024	As at March 31, 2023
Total liabilities	29.50	22.00
Less: cash and cash equivalents and bank balances	(912.79)	(905.65)
Net debt	**(883.29)**	**(883.65)**
Total equity	890.26	883.65
Debt-equity ratio	-	-

18 Other Statutory Information

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
b) The Company do not have any transactions with companies struck off.
c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
e) The Company have 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:
i) 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
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
g) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

As per our report of even date attached

For M/s Sanjay S Rathi & Co.
Chartered Accountants
Firm registration no. 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May 2024

For **and on behalf of the Board of Directors of Clean Aromatics Private Limited**

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May 2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May 2024

Clean Aromatics Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in rupees thousand, unless otherwise stated)

1. Corporate Information

Clean Aromatics Private Limited is a private company domiciled and headquartered in India. The company is a subsidiary of Clean Science and Technology Limited,which is a Chemical organisation. The Company is engaged in manufacturing and sale of various types of speciality chemicals at its manufacturing plants situated at Kurkumbh MIDC, Daund, Dist: Pune. The Company caters to both domestic and international markets.

2. Material Accounting Policies

2.1 Basis of preparation and presentation

a) Statement of Compliance

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The Standalone financial statements for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on May 14, 2024.

b) Basis of measurement

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;
iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of Standalone financial statements have been consistent with the previous year.

The Standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months.

2.2 Use of judgements estimates and assumptions

The preparation of the Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue,

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountants

expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone financial statements is included in the following notes:

- Note 40 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 9 – Valuation of inventories: Allocation of overheads.
- Note 33 – Recognition of tax expense including deferred tax.
- Note 35 – Recognition of contingencies: key assumptions about the likelihood and magnitude of outflow of resources. However, there are no major contingent liabilities as at current financial year end.
- Note 41 – Impairment of trade receivables: Computation of weighted average loss rate.
- Note 41 – Defined benefit obligation: key actuarial assumptions.

2.3 Revenue recognition:

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is measured based on the transaction price excluding taxes, which is the consideration, net of returns, trade discounts, and volume rebates, if any.

The sales made by the Company may include transport arrangements from third parties. In such cases, revenue for the supply of such third-party transport arrangements are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue for the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due as per agreed terms and conditions with the buyers.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

M/s. Sanjay S. Rathi & Co. • Chartered Accountant • FRN. 109182W

2.4 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a First-in-first-out formula.

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process (WIP) and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realizable value. The net realizable value of the finished goods is determined with reference to the selling prices of related finished goods. WIP includes certain inventories used in the production process which has life of more than one year. These inventories are amortised over its useful life and included as part of cost of production.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.5 Property, plant and equipment

• **Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipments are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

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• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

• Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the Statement of Profit and Loss.

• Depreciation method and estimated useful lives

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful iives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Other intangible assets:

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

• Amortisation

The useful lives of intangible assets are assessed based on management estimates.

Intangible assets i.e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

• Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between

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the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

2.7 Employee benefits:

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

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

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.8 Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

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When the options are exercised, the Company issues new equity shares of the Company of Rs. 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 48 – Employee Share-based Payments for further details.

2.9 Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

• **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or

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substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.10 Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.11 Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the Standalone financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

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2.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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2.13 Fair value measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

2.14 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

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2.15 Financial instruments

2.15.1 Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus except for trade receivables which are initially measured at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:
a) At amortised cost
b) At fair value through Other Comprehensive Income ('FVTOCI')
c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

(b) Financial assets classified as measured at FVOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, the Company makes such election on an instrument-by-instrument basis, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other

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comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a mutual fund investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

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

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognized in the Statement of Profit and Loss.

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2.15.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial récognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

(a) Financial liabilities at amortised cost

The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when, and

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only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss.

Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Company has been identified as being the Chief operating decision maker by the management of the Company.

2.17 Government Grants:

Government grants related to revenue are recognized on a systematic basis in the net profit in the

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Statement of Profit and Loss over the periods necessary to match them with the related costs which they intend to compensate.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.18 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.19 Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

2.20 Adoption of new accounting principle:

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 -Income Taxes). The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company has adopted this amendment effective 1 April 2023. The company previously accounted for deferred tax on leases on a net basis. Following the amendments, the company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets.

2.21 Recent Indian Accounting Standards (Ind AS) and Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLEAN ORGANICS PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **CLEAN ORGANICS PRIVATE LIMITED**, which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2024, the Loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the 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 in this Other Information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Financial Statements.

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

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

- Obtain an understanding of internal 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.

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2.

(A) 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 standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

d. In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(B) 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 does not have any pending litigations which would impact its financial position.

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 as disclosed in notes to accounts, no fund have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities including foreign entities (Intermediaries) with the understandings , whether recorded in writings or otherwise ,that the intermediary shall ,directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee security or the like to or on behalf of the ultimate beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, as disclosed in financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

e. No Dividend Is declared and paid during the year by the company.

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Sanjay S Rathi
Partner
M. No – 042436
UDIN: 24042436BKDQII4309

Place of Signature: Sangamner
Date: 14/05/2024

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure Referred to in our Independent auditors' Report paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CLEAN ORGANICS PRIVATE LIMITED of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) The company does not have Property, Plant and Equipment and Intangible Assets. Accordingly, the provisions of clause 3(i) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

(ii)

(a) The Company has entered into Bill to Ship to transaction during the year. Due to such kind of business operations the company does not have any physical inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the company has not been sanctioned working capital limits in excess of 5 crore rupees, in aggregate, from any bank or financial institution hence the reporting under Clause No 3 (ii) (b) of the order is not applicable to the company

(iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, Paragraph 3(iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with. Therefore Paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)

(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 is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable and as amounts deducted / accrued in the books of account, with the appropriate authorities. Further, no undisputed

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountants

amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any short term loans and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix) (e) of the Order is not applicable

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(xi)

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) No whistle-blower complaints, received during the year by the company;

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

(xii) Company is not a Nidhi Company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company:

(xiii) According to the information and explanations given to us, the company has not undertaken any transactions with related parties as mentioned in Section 177 and 188 of Companies Act, 2013, accordingly the provisions of clause 3(xiii) of the Order are not applicable to the company;

(xiv) In our opinion, the company has no internal audit system commensurate with the size and the nature of its business.

(xv) In our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year also. The quantum of cash losses are given as under :

Particulars	FY 2023-24	FY 2022-23
Cash Losses	Loss of Rs. 23,659/-	Loss of Rs. 38,357/-

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that company is incapable 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.

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

(xx) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

CA Sanjay S Rathi
Partner
M. No – 042436

M/s. Sanjay S. Rathi & Co. • Chartered Accountant • FRN. 109182W

Place of Signature: Sangamner
Date: 14/05/2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of CLEAN ORGANICS PRIVATE LIMITED for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of **CLEAN ORGANICS PRIVATE LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

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 standalone 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

CA Sanjay S Rathi
Partner
M. No – 042436

M/s. Sanjay S. Rathi & Co. • Chartered Accountant • FRN. 109182W

Place of Signature: Sangamner
Date: 14/05/2024

Clean Organics Private limited (CIN : U24304PN2017PTC169475)

Standalone Balance Sheet

(All amounts are in rupees thousand,unless otherwise stated)

	Note	As at Mar 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Financial assets			
(i) Cash and cash equivalents	3	16.97	32.08
(ii) Bank balances other than (i) above		712.37	-
(iii) Other current assets	4	4.28	-
Total current assets		**733.62**	**32.08**
Total assets		**733.62**	**32.08**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	900.00	200.00
Other equity	6	(213.58)	(189.92)
Total equity		**686.42**	**10.08**
Liabilities			
Current liabilities			
Financial liabilities			
(i) Trade payables	7		
a) total outstanding dues of micro enterprises and small enterprises		47.20	22.00
b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Total current liabilities		**47.20**	**21.99**
Total liabilities		**47.20**	**22.00**
Total equity and liabilities		**733.62**	**32.08**

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For and on behalf of the Board of Directors of
Clean Organics Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Organics Private limited (CIN : U24304PN2017PTC169475)

Standalone Statement of Profit and Loss

(All amounts are in rupees thousand,unless otherwise stated)

	Note	Year Ended Mar 31, 2024	Year Ended Mar 31, 2023
Income			
Revenue from operations	8	102.00	-
Other income	9	16.65	-
Total income		118.65	-
Expenses			
Purchases of Stock-in-trade		100.00	
Other expenses	10	42.31	38.35
Total expenses		142.31	38.35
Profit / (Loss) before tax		**(23.66)**	**(38.35)**
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the year (A)		(23.66)	(38.35)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		-	-
(ii) Income tax relating to remeasurements of defined benefit liability / (asset)		-	-
(iii) Equity instruments designated through other comprehensive income		-	-
(iv) Income tax related to equity instruments designated through other comprehensive income		-	-
Other comprehensive income / (loss) for the year (B)		-	-
Total comprehensive income / (loss) for the year (A+B)		(23.66)	(38.35)
Earnings per equity share			
[nominal value of Rs. 10]			
Basic	12	(0.53)	(1.92)
Diluted		(0.53)	(1.92)

Significant accounting policies — 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For and on behalf of the Board of Directors of
Clean Organics Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Organics Private limited (CIN : U24304PN2017PTC169475)

Standalone Statement of Cash Flows

(All amounts are in rupees thousand,unless otherwise stated)

Particulars	As at Mar 31, 2024	As at March 31, 2023
A. Cash flow from operating activities		
Net profit / (loss) before taxation	(23.66)	(38.35)
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Interest income	(16.65)	
Operating profit before working capital changes	(40.31)	(38.35)
Movement in working capital:	-	-
Decrease in other current assets	(4.28)	
Increase in trade payables	25.20	(5.90)
Cash generated from operations	(19.39)	(44.25)
Net income tax (paid)	-	-
Net cash flow generated from operating activities (A)	(19.39)	(44.25)
B. Cash flow from investing activities	-	
Bank deposits placed during the year	(712.37)	
Interest received	16.65	
Net cash flow (used in) investing activities (B)	(695.72)	-
C. Cash flow from financing activities		
Equity shares issued	700.00	-
Net cash flow (used in)/from financing activities (C)	700.00	-
Net (decrease) in Cash and cash equivalents (A+B+C)	(15.11)	(44.25)
Cash and cash equivalents at the beginning of the period	32.08	76.34
Cash and cash equivalents at the end of the period	16.97	32.08
Notes:-		
Cash on hand	-	-
Balances with bank		
- Current accounts	16.97	32.08
	16.97	32.08

Significant accounting policies Note 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For M/s Sanjay S Rathi & Co.
Chartered Accountants
Firm registration no. 109182W

Partner
Membership No. 42436

Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For **and on behalf of the Board of Directors of Clean Organics Private Limited**

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date :14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Organics Private limited (CIN : U24304PN2017PTC169475)
Standalone Statement of Changes in Equity
(All amounts are in rupees thousand,unless otherwise stated)

(a) Equity share capital

Equity share of Rs 10 each issues, subscribed and fully paid	As at Mar 31, 2024 Number of shares	Number of shares	As at March 31, 2023 Number of shares	Number of shares
Balance at the beginning of the reporting year	20,000	20,000	20,000	20,000
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	20,000	20,000	20,000	20,000
Changes in equity share capital during the year	70,000	70,000	-	-
Balance at the end of the reporting period/year	**90,000**	**90,000**	**20,000**	**20,000**

(b) Other equity

Particulars	Reserves and surplus Deficit of profit and loss account
Balance at 1 April 2022	**(151.56)**
Profit/(Loss) for the year	(38.35)
Balance at 31 March 2023	**(189.91)**
Balance at 1 April 2023	**(189.91)**
Profit/(Loss) for the year	(23.66)
Balance at 31 Mar 2024	**(213.57)**

Significant accounting policies *Note 2*
The accompanying notes form an integral part of the Standalone Financial Statements
As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant

For **and on behalf of the Board of Directors of**
Clean Organics Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Organics Private limited (CIN : U24304PN2017PTC169475)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

3 Cash and cash equivalents

	As at Mar 31, 2024	As at March 31, 2023
Balance with banks		
In current accounts	16.97	32.08
On deposit accounts (with original maturity of 3 months or less)		
	16.97	**32.08**

Bank balances other than cash and cash equivalents

Fixed Deposit with bank	712.37	
	712.37	**-**

4 Other current assets

	As at Mar 31, 2024	As at March 31, 2023
Interest Accrued on Fixed Deposit	4.28	-
	4.28	**-**

M/s. Sanjay S. Rathi & Co. • Chartered Accountant • FRN. 109182W

(All amounts are in rupees thousand,unless otherwise stated)

5 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised :		
1,00,000 (31 March 2021 : 1,00,000) equity shares of Rs.10 each.	1,000	1,000
		-
TOTAL	**1,000**	**1,000**
Issued and subscribed and paid up :		
90,000 (31 March 2021 : 20,000) equity shares of Rs.10 each.	900	200
	-	-
TOTAL	**900**	**200**

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	As at March 31, 2024	As at March 31, 2023
Outstanding at the beginning of the year	20,000	20,000
Equity shares issued during the year in consideration for cash	70,000	-
Outstanding at the end of the year	**90,000**	**20,000**

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at March 31, 2024		As at March 31, 2023	
	Number of shares	%	Number of shares	%
Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')	90,000	100%	20,000	100%

6 Other equity

	As at March 31, 2024	As at March 31, 2023
Surplus of profit and loss account		
Balance as at the beginning of the year	**(189.92)**	**(151.56)**
Add : Profit / (Loss) for the year	(23.66)	(38.35)
Balance as at the end of the year	**(213.58)**	**(189.92)**
	(213.58)	**(189.92)**

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7 Trade payables

	As at Mar 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 12)	47.20	22.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	47.20	**22.00**

Trade Payable Ageing Schedule

As at 31 March 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment				(Amount in Rs.)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	29.50	17.70	-	-	-	47.20
Total outstanding for other than MSME due	-	-	-	-	-	-

As at 31 March 2023

Particulars	Current but not due	Outstanding for following periods from the due date of				(Amount in Rs.)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	22.00	-	-	-	-	22.00
Total outstanding for other than MSME due	-	-	-	-	-	-

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		Year Ended	Year Ended
8	**Revenue from operations**	**Mar 31, 2024**	**Mar 31, 2023**
	Sale of products	102.00	-
		102.00	-

9	**Other Income**	**Mar 31, 2024**	**Mar 31, 2023**
	Interest income	16.65	-
		16.65	-

10	**Other expenses**	**Mar 31, 2024**	**Mar 31, 2023**
	Audit fees	17.70	17.70
	Bank charges	-	0.00
	Consultancy fees	24.61	20.65
		42.31	**38.35**

Payment to auditors		
As auditor		
Statutory audit fees	17.70	17.70
	17.70	**17.70**

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11 Ratio Analysis and its element

Ratio	Numerator	Demoninator	As at March 31, 2024	As at March 31, 2023	% Change	Remarks
Current Ratio	Current Assets	Current Liabulities	15.54	1.46	965%	Due to increase in Fixed Deposit
Debt-Equity Ratio	Total Debt	Shareholders Equity	-	-	-	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	
Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-6.79%	-131.09%	-95%	Due to increase in paid up capital
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	-	-	-	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	-	-	-	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	-	-	-	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.15	-	-	Due to Increase in sales
Net Profit Ratio (%)	Net Profit After Tax	Net sales = Total sales - sales return	(23.20)	-	0%	Due to increase in losses in current year
Return on Capital Employed (%)	Earnings before interest, taxes and dividend income	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-3%	-380%	-99%	Due to increase in paid up capital
Return on Investment (%)	Interest (Finance Income)	Investment	-	-	-	

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(All amounts are in rupees thousand,unless otherwise stated)

12 Earnings per share

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Profits attributable to equity shareholders		
Profit for the year	**(23.66)**	**(38.35)**
Basic earnings per share		
Weighted average number of equity shares outstanding during the year	56,148.00	20,000.00
Basic EPS (Rs.)	**(0.42)**	**(1.92)**
Diluted earnings per share		
Profit for the year	(23.66)	(38.35)
Weighted average number of equity shares outstanding during the year for diluted EPS	56,148.00	20,000.00
Diluted EPS (Rs.)	**(0.42)**	**(1.92)**

13 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

14 Related party disclosures

(a) List of related parties and description of relationship:

Holding company
Clean Science and Technology Limited

Fellow subsidiaries
1. Clean Science Private Limited
2. Clean Organics Private Limited
3. Clean Fino-Chem Limited

Key Management Personnel (KMP)
1. Mr. Ashok Boob
2. Mr. Siddhartha Sikchi
3. Mr. Krishnakumar Boob

(b) Transactions during the year: Nil

(c) Balances outstanding at the end of the year: Nil

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15 **Financial instruments**

15.1 **Financial instruments by category**

The carrying value of financial instruments by categories are as follows :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amortised cost	Total carrying value	Amortised cost	Total carrying value
Category	Level 2		Level 2	
Assets				
Cash and cash equivalents	16.97	16.97	32.08	32.08
Total assets	**16.97**	**16.97**	**32.08**	**32.08**
Liabilities				
Trade payables	-	-	-	-
Total liabilities	-	-	-	-

15.2 **Fair value hierarchy**

Fair value of financial assets and financial liabilities measured at amortised cost :
The management believes that the fair values of current financial assets (e.g. cash and cash equivalents) and current financial liabilities (e.g. trade payables) approximate their carrying amounts largely due to the short term nature.

15.3 **Financial risk management**

The Company's activities exposes it to credit risks and liquidity risks. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risks are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company has exposure to the following risks arising from financial instruments :

a. **Credit risk**
Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

i. The company has not made any provision on expected credit loss on trade receivables, based on the management estimates.
ii. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

b. **Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Total current assets (A)	734	32
Total current liabilities (B)	47	22
Working capital (A-B)	**686**	**10**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2024.

Particulars	Less than one year	More than one year	Total
Trade payables	-	-	-

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023.

Particulars	Less than one year	More than one year	Total
Trade payables	-	-	-

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16 **Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2024 and 31 March 2023.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at March 31, 2024	As at March 31, 2023
Total liabilities	47	22
Less: cash and cash equivalents and bank balances	(17)	(32)
Net debt	**30**	**(10)**
Total equity	686	10
Debt-equity ratio	0.04	(1.00)

17 **Other Statutory Information**

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

b) The Company do not have any transactions with companies struck off.

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

d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

e) The Company have 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:

i) 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
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

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

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

g) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For **and on behalf of the Board of Directors of Clean Organics Private Limited**

Krishnakumar Boob	**Siddhartha Sikchi**
Director	Director
DIN : 00410672	DIN : 02351154
Place : Pune	Place : Pune
Date : 14th May,2024	Date : 14th May,2024

1. Corporate Information

Clean Organics Private Limited is a private company domiciled and headquartered in India. The company is a subsidiary of Clean Science and Technology Limited, which is a Chemical organisation. The Company is engaged in the business of buying and selling of organic and inorganic chemicals.

2. Material Accounting Policies

2.1 Basis of preparation and presentation

a) Statement of Compliance

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The Standalone financial statements for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on May 14, 2024.

b) Basis of measurement

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;
iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of Standalone financial statements have been consistent with the previous year.

The Standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months.

2.2 Use of judgements estimates and assumptions

The preparation of the Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and

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prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone financial statements is included in the following notes:

- Note 40 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 9 – Valuation of inventories: Allocation of overheads.
- Note 33 – Recognition of tax expense including deferred tax.
- Note 35 -- Recognition of contingencies: key assumptions about the likelihood and magnitude of outflow of resources. However, there are no major contingent liabilities as at current financial year end.
- Note 41 -- Impairment of trade receivables: Computation of weighted average loss rate.
- Note 41 -- Defined benefit obligation: key actuarial assumptions.

2.3 Revenue recognition:

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is measured based on the transaction price excluding taxes, which is the consideration, net of returns, trade discounts, and volume rebates, if any.

The sales made by the Company may include transport arrangements from third parties. In such cases, revenue for the supply of such third-party transport arrangements are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue for the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due as per agreed terms and conditions with the buyers.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

2.4 Inventories

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Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a First-in-first-out formula.

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process (WIP) and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realizable value. The net realizable value of the finished goods is determined with reference to the selling prices of related finished goods.
WIP includes certain inventories used in the production process which has life of more than one year. These inventories are amortised over its useful life and included as part of cost of production.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.5 Property, plant and equipment

• Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipments are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

• Subsequent costs

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The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

• Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the Statement of Profit and Loss.

• Depreciation method and estimated useful lives

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no

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impairment loss had been recognised.

2.6 Other intangible assets:

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

• Amortisation

The useful lives of intangible assets are assessed based on management estimates.

Intangible assets i.e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

• Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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2.7 Employee benefits:

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

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

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market

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yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.8 Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of Rs. 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock

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Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 48 – Employee Share-based Payments for further details.

2.9 Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

• Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.10 Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.11 Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the Standalone financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.12 Leases

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At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.13 Fair value measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

2.14 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.15 Financial instruments

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2.15.1 Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus except for trade receivables which are initially measured at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:
a) At amortised cost
b) At fair value through Other Comprehensive Income ('FVTOCI')
c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

(b) Financial assets classified as measured at FVOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, the Company makes such election on an instrument-by-instrument basis, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other

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comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(c) **Financial assets classified as measured at FVTPL**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a mutual fund investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

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

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognized in the Statement of Profit and Loss.

2.15.2 **Financial liabilities**

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Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

(a) Financial liabilities at amortised cost

The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

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When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss.

Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Company has been identified as being the Chief operating decision maker by the management of the Company.

2.17 Government Grants:

Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they intend to compensate.

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Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.18 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.19 Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

2.20 Adoption of new accounting principle:

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 -Income Taxes). The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company has adopted this amendment effective 1 April 2023. The company previously accounted for deferred tax on leases on a net basis. Following the amendments, the company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets.

2.21 Recent Indian Accounting Standards (Ind AS) and Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLEAN FINO-CHEM LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **CLEAN FINO-CHEM LIMITED**, which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the 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 in this Other Information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Financial Statements.

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

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

- Obtain an understanding of internal 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2.

(A) 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, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during 09 September 2023 till 20 October 2023 and for the matters stated in the paragraph 2B(f) below on reporting under rule 11(g) of the companies (Audit and Auditors) rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

d. In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. the modifications relating to the maintenance of accounts and other matters connected herewith are as stated in the paragraph 2(A)(b) above on reporting under section 143(3)(b) and paragraph 2B(f) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(B) 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 does not have any pending litigations which would impact its financial position.

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 as disclosed in notes to accounts, no fund have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities including foreign entities (Intermediaries) with the understandings , whether recorded in writings or otherwise ,that the intermediary shall ,directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee security or the like to or on behalf of the ultimate beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, as disclosed in financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

e. No Dividend Is declared and paid during the year by the company.

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountants

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Aditya S Rathi
Partner
M. No – 150097
UDIN: 24150097BKCNZH5612

Place of Signature: Sangamner
Date: 09/05/2024

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure Referred to in our Independent auditors' Report paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CLEAN FINO-CHEM LIMITED of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i)

(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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) The company has not re-valued its Property, Plant and Equipment (including Right of Use assets) and intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) As explained to us, inventories have been physically verified during the year at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate.

(iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, Paragraph 3(iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with. Therefore Paragraph 3(iv) of the Order is not applicable.

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)

(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 is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable and as amounts deducted / accrued in the books of account, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any short term loans and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix) (e) of the Order is not applicable

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(xi)

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) No whistle-blower complaints, received during the year by the company;

(xii) Company is not a Nidhi Company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company:

(xiii) In our opinion, 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) In our opinion, the company has no internal audit system commensurate with the size and the nature of its business.

(xv) In our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year also. The quantum of cash losses are given as under :

Particulars	FY 2023-24	FY 2022-23
Cash Losses	Rs 0.90 Million	Rs. 118.39 Million

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that company is incapable 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) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

CA Aditya S Rathi
Partner
M. No – 150097

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant

Place of Signature: Sangamner
Date: 09/05/2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of CLEAN FINO-CHEM LIMITED for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of **CLEAN FINO-CHEM LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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

M/s. Sanjay S. Rathi & Co. • FRN. 109182W • Chartered Accountant •

judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Aditya S Rathi
Partner
M. No – 150097

Place of Signature: Sangamner
Date: 09/05/2024

Clean Fino-Chem Limited
Standalone Balance Sheet as at March 31, 2024
(All amounts are in rupees million, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,020.46	1.08
Capital work-in-progress	4	555.81	163.95
Right-of-use asset		328.41	333.70
Other Intangible assets	3	1.92	-
Financial assets			
(i) Other financial assets	5	3.87	3.34
Income tax assets (net)	30 (c)	-	-
(e)Deferred tax assets (net)		23.45	16.68
Other non-current assets	6	23.86	108.43
Total non-current assets		**2,957.78**	**627.18**
Current assets			
Inventories	7	131.65	-
Financial assets			
(i) Investments	8	90.55	452.49
(ii) Trade receivables	9	20.81	-
(iii) Cash and cash equivalents	10	14.08	0.10
(iv) Other financial assets	11	0.04	-
Other current assets	12	421.42	87.19
Asset classified as held for sale		-	-
Current tax assets (net)	30 (a)	2.18	-
Total current assets		**680.73**	**539.78**
Total assets		**3,638.51**	**1,166.96**
EQUITY & LIABILITIES			
Equity			
Equity share capital	13	99.92	59.78
Other equity	14	3,131.82	1,056.55
Total equity		**3,231.74**	**1,116.33**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	15	9.37	9.29
Provisions	16	2.13	-
Total non-current liabilities		**11.50**	**9.29**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	-	0.52
(ii) Lease liabilities	15	0.78	0.74
(iii) Trade payables	18		
a) Total outstanding dues of micro enterprises and small enterprises		0.04	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		149.01	16.49
(iv) Other financial liabilities	19	238.13	21.58
Other current liabilities	20	6.81	1.89
Provisions	21	0.50	-
Current tax liabilities (net)	30 (c)	-	0.12
Total current liabilities		**395.27**	**41.34**
Total liabilities		**406.77**	**50.63**
Total equity and liabilities		**3,638.51**	**1,166.96**

Significant accounting policies 2
The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **Sanjay S Rathi & Co**
Chartered Accountants
Firm Registration No. 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

Aditya S Rathi
Partner
Membership No. 150097

Place: Pune
Date: 09th May,2024

For **and on behalf of the Board of Directors of**
Clean Fino-Chem Limited

Ashok Boob

Ashok Boob
Director
DIN : 00410740

Place: Pune
Date: 09th May,2024

Krishnakumar Boob
Director
DIN : 00410672

Place: Pune
Date: 09th May,2024

Clean Fino-Chem Limited

Standalone Statement of Profit and Loss for the year ended

(All amounts are in rupees million, unless otherwise stated)

	Note	Year Ended March 31, 2024	Year Ended March 31,2023
Income			
Revenue from operations	22	19.24	-
Other Income	23	40.57	28.30
Total income		**59.81**	**28.30**
Expenses			
Cost of materials consumed	24	49.91	-
Changes in inventories of finished goods and work-in-progress	25	(34.88)	-
Employee benefits expense	26	21.76	1.90
Finance costs	27	0.91	0.42
Depreciation and amortisation expense	28	21.42	2.66
Other expenses	29	46.02	121.67
Total expenses		**105.14**	**126.65**
Profit before tax		**(45.33)**	**(98.35)**
Tax expense:	30		
Current tax		(1.78)	1.82
Deferred tax		(6.76)	(16.69)
Total tax expense		**(8.54)**	**(14.87)**
Profit for the year (A)		**(36.79)**	**(83.48)**
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(0.21)	-
(ii) Income tax relating to remeasurements of defined benefit (liability) / asset		0.04	-
			-
Total Other comprehensive (loss) / income (B)		**(0.17)**	**-**
Total comprehensive income for the year (A+B)		**(36.96)**	**(83.48)**
Earnings per equity share (in Rs) [Face value Re. 1/- per share]			
Basic	31	(4.30)	(15.82)
Diluted		(4.30)	(15.82)

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For Sanjay S Rathi & Co
Chartered Accountants
Firm Registration No. 109182W

Ms. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

Aditya S Rathi
Partner
Membership No. 150097

Place: Pune
Date: 09th May,2024

For **and on behalf of the Board of Directors of Clean Fino-Chem Limited**

Ashok Boob

Ashok Boob
Director
DIN : 00410740

Place: Pune
Date: 09th May,2024

Krishnakumar Boob
Director
DIN : 0410672

Place:Pune
Date:09th May,2024

Clean Fino-Chem Limited
Standalone Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in rupees million, unless otherwise stated)

	For the year ended March 31,2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	(45.33)	(98.35)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	21.42	2.66
Finance costs (excluding foreign exchange adjustment)	0.91	0.41
Profit on instruments designated through fair value through profit and loss (FVTPL)	(58.80)	(7.42)
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	19.72	(20.88)
Interest Income	(0.07)	-
Employee Stock option Scheme Expenses	2.37	-
Unrealised foreign exchange differences	0.02	-
Operating profit before working capital changes	**(59.76)**	**(123.58)**
Movement in working capital:		
(Increase) in other non-current financial assets	(0.53)	(3.34)
(Increase) in inventories	(131.67)	-
Decrease / (Increase) in trade receivables	(20.81)	-
Decrease / (Increase) in other current financial assets	(0.04)	-
(Increase) in other current assets	(334.23)	(87.19)
(Decrease) / Increase in non-current provisions	2.13	-
(Decrease) / Increase in trade payables	132.54	16.17
Increase / (Decrease) in other current financial liabilities	4.36	0.46
Increase / (Decrease) in other Non current financial liabilities	0.08	
(Decrease) / Increase in other current liabilities	4.92	0.89
Increase in current provisions	0.33	-
Cash generated from operations	**(402.68)**	**(196.58)**
Net income tax (paid)	(0.48)	(1.70)
Net cash from operating activities (A)	**(403.16)**	**(198.28)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use asset, intangible assets and capital work-in-progress, net of capital creditors and advances	(2,132.50)	(478.69)
Purchase of investments	(2,680.44)	(431.62)
Proceeds from sale of investments	3,081.46	7.42
Interest received	0.07	-
Net cash used in investing activities (B)	**(1,731.41)**	**(902.89)**
C. Cash flows from financing activities		
Interest paid	-	(0.03)
Proceeds from issue of Equity shares	40.14	650.00
Repayment of lease liabilities	(0.93)	(0.13)
Security premium received on Issue of equity shares	2,109.86	-
Net cash used in financing activities (C)	**2,149.07**	**649.84**
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	**14.50**	**(451.33)**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	(0.42)	450.92
Cash and cash equivalents at the end of the period	**14.08**	**(0.42)**

Notes:-

1. Cash and cash equivalents include		
Cash on hand	0.08	0.02
Balances with bank		
- Current accounts	14.00	(0.44)
	14.08	**(0.42)**

Significant accounting policies — Note 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report attached of even date

For Sanjay S Rathi & Co
Chartered Accountants
Firm Registration No. 109182W

Ms. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountants

Aditya S Rathi
Partner
Membership No. 150097

Place: Pune
Date: 09th May,2024

For **and on behalf of the Board of Directors of Clean Fino-Chem Limited**

Ashok Boob

Ashok Boob
Director
DIN : 00410740

Place:Pune
Date:09th May,2024

Krishnakumar Boob
Director
DIN : 0410672

Place:Pune
Date:09th May,2024

Clean Fino-Chem Limited

Statement of Changes in Equity for the year ended March 31, 2024

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity share of Re 10 each issues, subscribed and fully paid				
Balance at the beginning of the reporting year	59,78,472	59.78	45,71,545	45.72
Add: Shares issued	40,13,745	40.14	14,06,927	14.07
Balance at the end of the reporting year	99,92,217	99.92	59,78,472	59.78

(b) Other equity

Particulars	Reserves and surplus				Total other equity
	Securities premium	General reserve	Capital Contribution	Retained earnings	
Balance at April 01, 2022	505.28	-	-	(1.21)	504.07
Issue of Equity Share	635.93				635.93
Total comprehensive income for the year ended March 31, 2022					
Profit for the year	-	-	-	(83.48)	(83.48)
Other comprehensive income (net of tax)			-		
- Remeasurements of defined benefit (Asset)	-	-	-	-	-
- Equity instruments designated through other comprehensive income (Refer note (i) below)	-	-	-	-	-
Total comprehensive income	-	-	-	(83.48)	(83.48)
Employee share based payment reserve	-	-	0.00	-	0.00
Balance at March 31, 2023	1,141.21	-	-	(84.69)	1,056.52
Balance at April 01, 2023	1,141.21	-	-	(84.69)	1,056.52
Issue of Equity Share	2,109.87				2,109.87
Total comprehensive income for the year ended March 31, 2023					
Profit for the year	-	-	-	(36.79)	(36.79)
Other comprehensive income (net of tax)					
- Remeasurements of defined benefit (Asset) / Liability	-	-	-	-	-
Dividends paid	-	-	-	-	-
Total comprehensive income	2,109.87	-	-	(36.79)	2,073.08
Capital Contribution	-	-	2.37	-	2.37
Balance at March 31, 2024	5,360.95	-	2.37	(121.48)	5,241.84

The accompanying notes form an integral part of the Standalone Financial Statements

Nature and Purpose of Reserves

a)Share based payments:-Clean Science and technology Limited, the holding company has extended its stock option program to selected employees of subsidiaries holding the company. The fair vale of equity settled transaction; calculated at the date when the grant is made using an appropriate valuation model and recognised over the period in which the performance and/or service condition are fullfilled

As per our report of even date attached

For Sanjay S Rathi & Co
Chartered Accountants
Firm Registration No. 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

Aditya S Rathi
Partner
Membership No. 150097
Place: Pune
Date: 09th May,2024

For **and on behalf of the Board of Directors of**
Clean Fino-Chem Limited

Ashok Boob

Ashok Boob
Director
DIN : 00410740
Place: Pune
Date :09th May,2024

Krishnakumar Boob
Director
DIN : 00410672
Place: Pune
Date : 09th May,2024

Clean Fino-Chem Limited
Notes to the Standalone Financial Statements (continued)
(All amounts are in rupees million, unless otherwise stated)

3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2023	Additions during the year	Disposals during the year	As at Mar 31, 2024	As at April 01, 2023	Charge for the year	Disposals during the year	As at Mar 31, 2024	As at March 31, 2023	As at Mar 31, 2024
Land	-		-	-	-		-	-	-	-
Buildings	-	766.09	-	766.09	-	2.41	-	2.41	-	763.68
Plant and equipment	-	1,054.33	-	1,054.33	-	10.74	-	10.74	-	1,043.59
Electrical Installation	-	197.40	-	197.40	-	1.59	-	1.59	-	195.81
Furniture and fixtures	0.16	6.88	-	7.04	0.00	0.19	-	0.19	0.16	6.85
Computer	0.37	4.36	-	4.73	0.02	0.56	-	0.59	0.35	4.14
Software	0.42	1.88		2.30	0.10	0.28	-	0.38	0.32	1.92
Vehicles	0.17	3.01	-	3.18	0.00	0.09	-	0.09	0.17	3.09
Office equipment	0.09	3.49	-	3.58	0.00	0.28	-	0.28	0.09	3.30
Total	**1.21**	**2,037.44**	**-**	**2,038.65**	**0.13**	**16.14**	**-**	**16.27**	**1.08**	**2,022.38**

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 01, 2022	Charge for the year	Disposals during the year	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023
Land	-	-	-		-	-	-	-	-	-
Buildings	-		-				-		-	-
Plant and equipment	-		-				-		-	-
Furniture and fixtures	-	0.16	-	0.16		0.00	-	0.00	-	0.16
Computer	-	0.72	-	0.72		0.12	-	0.12	-	0.60
Vehicles	-	0.17	-	0.17		0.00	-	0.00	-	0.17
Office equipment	-	0.16	-	0.16		0.01	-	0.01	-	0.15
Total	**-**	**1.21**	**-**	**1.21**	**-**	**0.13**	**-**	**0.13**	**-**	**1.08**

Right-of-use asset

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2023	Additions during the year	Disposals during the year	As at Mar 31, 2024	As at April 01, 2023	Charge for the year	Deletion	As at Mar 31, 2024	As at March 31, 2023	As at Mar 31, 2024
Leasehold land	336.22	-	-	336.22	2.53	5.28	-	7.81	333.69	328.41
Total Assets	336.22	-	-	336.22	2.53	5.28	-	7.81	333.69	328.41

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2022	Additions during the year	Disposals during the year	As at 31 Mar 2023	As at 1 April 2022	Charge for the year	Deletion	As at 31 Mar 2023	As at 31 March 2022	As at 31 March 2023
Leasehold land	-	336.22	-	336.22	-	2.53	-	2.53	-	333.70
Total Assets	-	336.22	-	336.22	-	2.53	-	2.53	-	333.70

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(All amounts are in rupees million, unless otherwise stated)

4 Capital work-in-progress

Particulars	As at April 01, 2023	Additions during the year	Capitalised during the year	As at Mar 31, 2024
Buildings	126.87	704.90	(786.12)	45.65
Plant and machinery	37.08	1,704.78	(1,231.70)	510.16
Total	**163.95**	**2,409.68**	**(2,617.82)**	**555.81**

Particulars	As at April 01, 2022	Additions during the year	Capitalised during the year	As at March 31, 2023
Buildings		126.87	-	126.87
Plant and machinery		37.08	-	37.08
Total	-	**163.95**	-	**163.95**

4(a) CWIP aging Schedule

As at March 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	550.03	5.78	-	-	555.81
Projects temporarily suspended	-	-	-	-	-
Total CWIP	**550.03**	**5.78**	-	-	**555.81**

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	163.95	-	-	-	163.95
Projects temporarily suspended	-	-	-	-	-
Total CWIP	**163.95**	-	-	-	**163.95**

4(b) As at March 31, 2024 no projects under Capital Work in Progress are overdue or has exceeded its cost compared to its original plan.

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(All amounts are in rupees million, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
5 Others financial assets - Non current		
(Unsecured, considered good)		
Security Deposits	3.87	3.34
	3.87	**3.34**
6 Other non-current assets		
Capital advances	23.86	108.43
	23.86	**108.43**
7 Inventories		
(valued at lower of cost or net realisable value)		
Raw material [including stock in transit of Rs. 29.49 million (March 31, 2023 : Nil)]	88.29	-
Work-in-progress	17.41	-
Finished goods [including stock in transit of Rs. 3.18 million (March 31, 2023 : Nil)]	17.47	-
Stores and spares	8.48	-
	131.65	**-**

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(All amounts are in rupees million, unless otherwise stated)

8 Investments - Current

	As at March 31, 2024	As at March 31, 2023
A. Investments carried at fair value through profit and loss (FVTPL)		
Investment in mutual funds - Quoted		
Nil (March 31, 2023: 10,41,375) units Kotak Equity Arbitrage Fund	-	34.94
Nil (March 31, 2023: 26,819) units Nippon India Money Market Fund Direct Growth	-	95.14
Nil (March 31, 2023: 78,017) units of Axis Money Market Fund Direct Growth	-	94.99
7,601 (March 31, 2023: 44,996) units of Tata Money Market Fund Direct Growth	33.18	182.15
Nil (March 31, 2022: 25,94,489) Edelweiss Arbitrage Fund Direct Growth	-	45.27
13,917 (March 31, 2023: Nil) Kotak Money Market Fund Direct Growth	57.37	-
	90.55	**452.49**
	90.55	452.49
(a) Aggregate book value of quoted investments	90.55	452.49
(b) Aggregate market value of quoted investments	0.00	2,317.03

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(All amounts are in rupees million, unless otherwise stated)

9 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Receivable other than related party		
Unsecured, considered good		
Other parties	20.81	-
	20.81	**-**
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	20.81	-
Total	**20.81**	**-**
Less: Loss allowance	-	-
Total trade receivables	**20.81**	**-**

*The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 35 on financial instruments.

Trade receivables Ageing Schedule

As at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	20.81	-	-	0.00	-	20.81

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-

10 Cash and cash equivalents

Cash on hand	0.08	0.02
Balance with banks :		
In current account	14.00	0.08
	14.08	**0.10**

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11 Other current financial assets	**As at March 31, 2024**	**As at March 31, 2023**
(Unsecured, considered good)		
Advances to employees	0.04	-
	0.04	**-**

12 Other current assets		
(Unsecured, considered good)		
Other loans and advances		
Balance with custom authorities	-	-
Balance with government authorities	404.53	87.08
Prepayments	6.41	0.07
Advance for supply of goods	10.46	0.04
Other advances	0.02	-
	421.42	**87.19**

13 Share capital

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Authorised :		
10,000,000 (March 31, 2023 : 10,000,000) equity shares of Rs.10 each. (March 31, 2023: Rs. 10 each)	100.00	100.00
Total	**100.00**	**100.00**
Issued and subscribed and paid up:		
Equity share capital		
99,92,217 (Mar 31, 2023 : 59,78,472 equity shares of Rs.10 each.) equity shares	99.92	59.78
Total	**99.92**	**59.78**

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :

	As at Number of Shares	**As at Number of**
Outstanding at the beginning of the year	59,78,472	45,71,545
Add: Equity Shares issued during the year pursuant to exercise of employee stock options	40,13,745	14,06,927
Outstanding at the end of the year	**99,92,217**	**59,78,472**

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Re. 10 per share as on March 31, 2024. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Re. 1 each fully paid	**As at March 31, 2024**		**As at March 31, 2023**	
	Number of Shares	**of sharehol**	**Number of Shares**	**shareholding**
1. Clean Science and Technology Limited	99,92,217	100.00%	59,78,472	100.00%

Details of shares held by Promoters

Promoter name	**As at March 31, 2024**			**As at March 31, 2023**		
	No. of Shares	**% of Total Shares**	**% Change**	**No. of Shares**	**% of Total Shares**	**% Change**
Clean Science and Technology Limited	99,92,217	100.00	-	59,78,472	100.00%	-

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(All amounts are in rupees million, unless otherwise stated)

14 Other equity

	As at	As at
Reserves and surplus		
A. Retained earnings	(121.63)	(84.6700)
B. Securities premium	3,251.08	1,141.22
C. Employee Share Option Reserve	2.37	0.00
	3,131.82	**1,056.55**

	As at	As at
A. Retained earnings		
Opening balance	(84.67)	(1.21)
Profit for the year	(36.79)	(83.48)
Appropriations		
Remeasurements of defined benefit (Asset)	(0.17)	
Closing balance	**(121.63)**	**(84.67)**
B. Securities Premium		
Opening balance	1,141.22	505.28
Addition	2,109.87	635.93
Closing balance	**3,251.09**	**1,141.22**
C. Capital Contribution		
Opening balance	-	-
Add: Additions during the year	2.37	-
Less: Transfer to securities premium on exercise of stock options	-	-
Closing balance	**2.37**	-
	3,117.00	1,041.72

Nature and purpose of reserves

(i) Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.

(ii) General Reserve is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution

(iii) Employee Share Option Reserve represents the fair value of services received against employees stock options (ESOP's) outstanding as at balance sheet date. (refer note 40)

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(All amounts are in rupees million, unless otherwise stated)

15 Lease liabilities

Lease liabilities - Non current	9.37	9.29
Lease liabilities - Current	0.78	0.74
	10.15	10.03

16 Provisions - Non current

Provision for employee benefits		
Gratuity	0.98	-
Compensated absences	1.15	-
	2.13	-

17 Borrowings - Current

Unsecured		
Deposits from directors		-
Cash credit and overdraft facilities from banks (secured)	-	0.52
	-	0.52

18 Trade payables

Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 33)**	0.04	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	149.01	16.49
	149.05	16.49

Trade payable ageing schedule

As at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	0.03	0.01	-	-	-	0.04
Total outstanding for other than MSME due	85.26	20.17	0.20	-	-	105.63
	85.29	**20.18**	**0.20**	-	-	**105.67**
Accrued Expense	43.38	-	-	-	-	43.38
Total	**128.67**	**20.18**	**0.20**	-	-	**149.05**

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(All amounts are in rupees million, unless otherwise stated)

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	-	-	-	-	-	-
Total outstanding for other than MSME due	-	16.49	-	-	-	16.49
Total	-	**16.49**	-	-	-	**16.49**

19 Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Employee benefits payable		
Salaries and benefits	4.26	0.46
Bonus payable	0.52	-
Payable for purchase of property, plant & equipment	233.35	21.12
	238.13	**21.58**

20 Other current liabilities

Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	6.25	1.86
Provident fund payable	0.48	0.03
ESIC payable	0.05	-
Professional tax payable	0.03	-
	6.81	**1.89**

21 Provisions - Current

Provision for employee benefits		
Compensated absences	0.38	-
Gratuity (Refer note 38)	0.12	-
	0.50	-

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(All amounts are in rupees million, unless otherwise stated)

	Year Ended March 31, 2024	Year Ended March 31,2023
22 Revenue from operations		
Sale of products	17.84	-
Other operating revenue		
Scrap sale	1.40	-
	1.40	-
	19.24	-

	Year Ended March 31, 2024	Year Ended March 31,2023
23 Other income		
Interest income	0.07	-
Net gain on account of foreign exchange fluctuations	1.42	-
Profit on sale of instruments designated through fair value through profit and loss	58.80	7.42
Other non-operating income	-	-
Fair value gain on instruments designated through fair value through profit and	(19.72)	20.88
Reimbursement of expenses from subsidiary (Refer note no 34)	-	-
Miscellaneous income	-	-
	40.57	28.30

	Year Ended March 31, 2024	Year Ended March 31,2023
24 Cost of materials consumed		
Raw materials (including purchase components & packing material consumed)		
Opening inventories	-	-
Add : Purchases	138.20	-
	138.20	-
Less : Closing inventories	88.29	-
	49.91	-

	Year Ended March 31, 2024	Year Ended March 31,2023
25 Changes in inventories of finished goods and work-in-progress		
Opening Inventories		
Finished Goods	-	-
Work-in-progress	-	-
Total (A)	-	-
Closing Inventories		
Finished Goods	17.47	-
Work-in-progress	17.41	-
Total (B)	34.88	-
Total (A-B)	(34.88)	-

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26 Employee benefits expense

Salaries, wages and bonus	15.79	1.90
Contribution to provident and other funds (Refer note 38)	2.06	-
Staff welfare expenses	1.54	-
Employee Stock Option Scheme expense	2.37	-
	21.76	**1.90**

27 Finance costs

Interest expense on financial liabilities		
-Working capital loan	0.00	0.03
- Interest on lease liability (Refer Note no. 39)	0.85	0.39
-Others	0.06	-
	0.91	**0.42**

28 Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 3)	15.86	0.13
Depreciation of right-of-use asset (refer note 3)	5.28	2.53
Amortisation of intangible assets (refer note 5)	0.28	-
	21.42	**2.66**

29 Other expenses

Consumption of stores and spares	0.51	-
Power and fuel	13.08	-
Water charges	0.55	-
Repairs and maintenance	-	
Machinery	0.20	-
Others	0.28	-
Rent	1.07	-
Rates and taxes	1.24	1.94
Telephone and other communication expenses	0.22	-
Travelling expenses	0.19	-
Freight, clearing and forwarding	0.31	-
Sales commission	0.26	-
Manpower supply	9.29	-
Legal and professional fees	6.54	2.83
Payments to auditors (Refer note (a) below)	0.30	0.07
Software Charges	0.49	-
Factory Expenses	1.32	-
Bank charges	0.16	-
Office Expenses	2.38	-
Effluent treatment plant expenses	0.04	-
Printing and stationary	0.48	-
Research & Development Expenses	6.81	115.09
Miscellaneous expenses	0.31	1.74
	46.02	**121.67**

(a) Payment to auditors*

As auditor		
Statutory audit fee including fees for limited review	0.30	0.07
Reimbursement of expenses	-	-
	0.30	**0.07**

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(All amounts are in rupees million, unless otherwise stated)

30 Taxes

(a) Statement of profit and loss

Particulars	March 31, 2024	March 31,2023
Current tax:		
- Current income year tax	-	
- impact of previous year tax	(1.78)	1.82
Deferred tax	(6.76)	(16.69)
Income tax expense reported in the statement of profit and loss	**(8.54)**	**(14.87)**

(b) Current Tax Asset/ (Liabilities)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax (net of advance tax)	2.18	(0.12)
Total current tax liabilities	**2.18**	**(0.12)**

(c) Deferred tax

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	(6.79)	(0.02)
Mutual funds designated at fair value through profit and loss	(0.29)	(5.25)
Lease liability	(1.74)	
	(8.82)	**(5.28)**
Deferred tax assets (DTA)		
Carry forward of losses	30.33	21.84
Preliminary Expenses	0.08	0.12
Lease asset	1.63	
	32.05	**21.96**
Net deferred tax (liability)/Asset	**23.23**	**16.68**

(d) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	March 31, 2024	March 31,2023
Accounting profit before tax	**(45.33)**	**(98.35)**
Tax rate	**17.16%**	**17.16%**
Tax as per IT Act on above (A)	**(7.78)**	**(16.88)**
Tax expenses (B)		
(i) Current tax	(1.82)	1.82
(ii) Deferred tax	(6.76)	(16.69)
(iii) Taxation in respect of earlier years	-	-
	(8.58)	**(14.87)**
Difference (C)	**0.80**	**(2.01)**
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	-	-
- Gratuity and Leave Encashment	(0.42)	-
- Expenses related to increase in Share capital	(0.08)	-
Unrealised MF	(0.20)	-
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	-	1.82
Others	(0.10)	0.19
	-	-0.00

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(c) Movement in temporary differences:

	April 01, 2023	Recognised in profit or loss during the year	Recognised in OCI during the year	March 31, 2024
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	(0.02)	(6.77)	-	(6.79)
Mutual funds designated at fair value through profit and loss	(5.25)	4.96	-	(0.29)
Lease liability	-	(1.74)	-	(1.74)
	(5.28)	**(3.54)**	**-**	**(8.82)**
Deferred tax assets (DTA)				
Carry forward of losses	21.84	8.50	-	30.33
Lease asset	-	1.63	-	1.63
Preliminary Expenses	0.12	(0.04)	-	0.08
	21.96	**10.09**	**-**	**32.05**
Net deferred tax liability	**16.69**	**6.54**	**-**	**23.23**

	April 01, 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	March 31, 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	-	(0.02)	-	(0.02)
Mutual funds designated at fair value through profit and loss	-	(5.25)	-	(5.25)
Bonds - Effective interest rate	-	-		-
	-	**(5.28)**	**-**	**(5.28)**
Deferred tax assets (DTA)				
Carry forward of losses	-	21.84	-	21.84
Preliminary Expenses	-	0.12	-	0.12
	-	**21.96**	**-**	**21.96**
Net deferred tax liability	**-**	**16.68**	**-**	**16.69**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

31 Earnings Per Share

Particulars		March 31, 2024	March 31,2023
Profits attributable to equity shareholders			
Profit for basic earning per share of Re. 10 each*			
Profit for the year (in millions)		(3,67,88,983.39)	(8,34,80,000.00)
Basic Earnings Per Share			
Weighted average number of equity shares outstanding during the year		85,59,339	52,76,936
Basic EPS (Rs.)		**(4.30)**	**(15.82)**
Diluted Earnings Per Share			
Profit for diluted earning per share of Re. 10 each*			
Profit for the year (in millions)		(3,67,88,983.39)	(8,34,80,000.00)
Weighted average number of equity shares outstanding during the year for diluted EPS		85,59,339	52,76,936
Diluted EPS (Rs.)		**(4.30)**	**(15.82)**

Weighted average number of equity shares for Basic Earnings Per Share		March 31, 2024	March 31,2023
Balance at the beginning and at the end of the year*		52,76,936	45,71,545
Weighted average number of equity shares outstanding during the year		**52,76,936**	**45,71,545**

Weighted average number of equity shares for Diluted Earnings Per Share		March 31, 2024	March 31,2023
Balance at the beginning and at the end of the year*		85,59,339	52,76,936
Weighted average number of equity shares outstanding during the year		**85,59,339**	**52,76,936**

*Note The equity shares and basic/diluted earnings per share for the comparative period has been presented to reflect the adjustments for issue of bonus shares and stock split in accordance with Ind AS 33 - Earnings per Share.

32 Contingent liabilities and commitments:

(a) Commitments:

Particulars		As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for		106.73	-
Total		106.73	-

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33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	0.04	-
Capital creditors	1.98	-
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	0.00	-
Capital creditors	0.06	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	12.39	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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34 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Holding company

Clean Science and Technology Limited

Fellow Subsidiaries:

1 Clean Science Private Limited
2 Clean Organics Private Limited
3 Clean Aromatics Private Limited

Key Management Personnel (KMP)

1	Mr. Ashok Boob	Managing Director
2	Mr. Siddhartha Sikchi	Whole Time Director
3	Mr. Krishnakumar Boob	Whole Time Director

Relative of Key Management Personnel

1 Ms. Nandita Sikchi
2 Ms. Asha Boob
3 Mr. Parth Maheshwari
4 Mr. Ashok Sikchi
5 Mr. Kunal Sikchi
6 Mr. Prasad Boob
7 Ms. Asha Sikchi
8 Ms. Nilima Boob
9 Ms. Nidhi Mohunta
10 Ms. Pooja Navandar
11 Ms. Shradha Boob

(b) Related party transactions:

Key management personnel compensation

Particulars	March 31, 2024	March 31,2023
Director sitting fees	0.05	-
Employee share based payment	2.37	-
Total compensation	**2.42**	-

Sr. no	Nature of Transaction	March 31, 2024				March 31,2023			
		Key Management Personnel (KMP)/Relative of Key Management Personnel	Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence	Holding Company	Total	Key Management Personnel (KMP)/Relative of Key Management Personnel	Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence	Holding Company	Total
1	Issue of Equity Shares	-	-	2,150.00	**2,150.00**			650.00	**650.00**
2	Rent Expense	-	-	1.07	**1.07**			1.02	**1.02**
3	Management service fees	-	-	3.99	**3.99**			2.26	**2.26**
4	Research and development advisory fees	-	-	6.79	**6.79**			27.37	**27.37**
5	One time technical know-how fees	-	-	-	-			87.72	**87.72**
		-	-	**2,161.85**	**2,161.85**	-	-	**768.37**	**768.37**

(c) Related party transactions more than 10% of total transactions for the year ended :

Nature of transaction	March 31, 2024	March 31,2023
a. Issue of Equity Shares		
Clean Science and Technology Limited	2,150.00	650.00
b. Rent expense, Management service fees, R&D Advisory and Technical Advisory		
Clean Science and Technology Limited	11.85	118.37

(d) Balances outstanding at the end of the year:-

Particulars	March 31, 2024	March 31,2023
a. Trade Receivable/(Payables)		
Clean Science and Technology Limited	-1.58	-15.25

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35 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.
The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:
- credit risk - see note (a) below
- liquidity risk - see note (b) below
- interest rate risk - see note (c) below
- market risk - see note (d) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.
The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

Particulars	As at March 31, 2024	As at March 31, 2023
Total current assets (A)	680.73	539.78
Total current liabilities (B)	395.27	41.34
Working capital (A-B)	**285.46**	**498.44**

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at March 31, 2024			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Lease liabilities	10.15	0.78	22.16	22.94
Trade payables	149.05	149.05	-	149.05
Other liabilities	238.13	238.13	-	238.13

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	As at March 31, 2023			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	0.52	0.52	-	0.52
Lease liabilities	10.03	0.74	22.94	23.68
Trade payables	16.49	16.49	-	16.49
Other liabilities	21.58	21.58	-	21.58

(c) **Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	-	-

The Company had the following variable and fixed rate borrowings outstanding

	As at March 31, 2024		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	0.00%	-	0.00%
Net exposure to cash flow interest rate risk	**0.00%**	-	**0.00%**

	As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	0.00%	-	0.00%
Net exposure to cash flow interest rate risk	**0.00%**	-	**0.00%**

(d) **Market risk**

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade receivables				
USD	-	-	-	-
EURO	-	-	-	-
Balance with banks - in EEFC accounts				
USD	-	-	-	-
EURO	-	-	-	-
Cash on hand				
USD	-	-	-	-
EUR	-	-	-	-
CNY	-	-	-	-
SGD	-	-	-	-
AED	-	-	-	-
RUB	-	-	-	-
IDR	-	-	-	-
CHF	-	-	-	-
GBP	-	-	-	-
		-		-

Note: Amounts seen [illegible] below the disclosure threshold of the Company.

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(ii) Financial liabilities

Financial liabilities	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade payables				
EURO	55,600.00	5.00	-	-
USD	87,690.00	7.31	-	-
		12.30		-

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets -liabilities)	As at March 31, 2024		As at March 31, 2023	
Particulars	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
EUR	(55,600.00)	(5.01)	-	-
USD	(87,690.00)	(7.31)	-	-
CNY	-	-	-	-
SGD	-	-	-	-
AED	-	-	-	-
RUB	-	-	-	-
IDR	-	-	-	-
CHF	-	-	-	-
GBP	-	-	-	-
Total		**(12.32)**		-

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

(iv) Currency wise net exposure (Financial assets - Financial liabilities) (Rs.)

Currency	Amount in rupees (in million)		Sensitivity %
	As at March 31, 2024	As at March 31, 2023	
EUR	(5.01)	-	1.00%
USD	(7.31)	-	1.00%
CNY	-	-	1.00%
SGD	-	-	1.00%
AED	-	-	1.00%
RUB	-	-	1.00%
IDR	-	-	1.00%
CHF	-	-	1.00%
GBP	-	-	1.00%
	(12.32)	-	

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

(v) Sensitivity analysis

Currency	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in million)		Amount in rupees (in million)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
EUR	(0.05)	-	0.05	-
USD	(0.07)	-	0.07	-
CNY	-	-	-	-
SGD	-	-	-	-
AED	-	-	-	-
RUB	-	-	-	-
IDR	-	-	-	-
CHF	-	-	-	-
GBP	-	-	-	-
Total	**(0.13)**	-	**0.13**	-

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

The exchange rate used by the Company is that rate which is notified by the Reserve Bank of India.

36 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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37 **Fair value measurements**

(a) **Categories of financial instruments -**

Particulars	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	20.81	-	-
Cash and cash equivalents	-	14.08	-	0.10
Other bank balances	-	-	-	-
Investment in bonds	-	-	-	-
Investments (other than investments in subsidiary)	90.55	-	452.49	-
Investment in equity shares - Quoted	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	3.91	-	3.34
Total financial assets	**90.55**	**38.80**	**452.49**	**3.45**
Financial liabilities				
Lease liabilities	-	10.15	-	10.03
Borrowings	-	-	-	0.52
Trade payables	-	149.05	-	16.49
Other financial liabilities	-	238.13	-	21.58
Total financial liabilities	-	**397.33**	-	**48.62**

(b) **Fair value hierarchy:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Fair values		Fair values	
	FVTPL	FVTPL	FVTPL	FVTPL
Category	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
Financial assets				
Investment in bonds	-	-	-	
Investment in mutual funds	90.55	-	452.49	-
Investment in equity shares	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	-	-
Total financial assets	**90.55**	-	**452.49**	-
Financial liabilities				
Other financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

38 **Post-employment benefit plans**

As per Indian Accounting Standard 19" Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

The Company makes contributions, determined as a specific percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and other funds for the period aggregated to Rs. 10.36 million (March 31, 2023 : Rs. 0.06 million).

B. Defined Benefit Plans

Gratuity

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

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1) Liability Risks

a. Asset Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	March 31, 2024	March 31,2023
Current service cost	0.15	-
Net interest (Income)/ Expense	0.01	-
Net benefit expense	**0.16**	-

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefit obligation at the beginning of the year	0.02	-
Interest cost	0.01	-
Current service cost	0.15	-
Transfer	0.70	-
Remeasurements on obligation - Loss	0.21	-
Present value of obligation at the end of the year	**1.09**	-

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions	-	-
Mortality charges and taxes	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognized in Interest Income - (Loss) / Gain	-	-
Fair value of Plan assets at end of the year	-	-
Actual return on plan assets	-	-

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	March 31, 2024	March 31,2023
Experience gain on plan liabilities	0.21	-
Demographic gain on plan liabilities	-	-
Financial (loss) / gain on plan liabilities	0.01	-
Experience gain / (loss) on plan assets	-	-
Financial loss on plan assets	-	-

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

Amount recognised in the statement of other comprehensive income

Particulars	March 31, 2024	March 31,2023
Re-measurement for the year - obligation loss	0.21	-
Re-measurement for the year - plan assets loss / (gain)	-	-
Total re-measurements cost for the year recognised in other comprehensive income	**0.21**	-

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Net Defined Benefit (Asset) for the year

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation	1.09	-
Fair value of plan assets	-	-
Closing net defined benefit (asset)	**1.09**	-

Particulars	As at March 31, 2024	As at March 31, 2023
Current	0.12	-
Non-Current	0.98	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	As at March 31, 2024	As at March 31, 2023
Funds managed by insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
	%	%
Mortality table	IALM(2012-14) ult	
Discount rate	7.20%	0.00%
Rate of increase in compensation levels	10.00%	0.00%
Expected rate of return on plan assets	0.00%	0.00%
Withdrawal rate	23.00%	0.00%
Expected average remaining working lives of employees (in years)	4.29 *	0

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

Assumptions	Defined benefit obligation			
	As at March 31, 2024		As at March 31, 2023	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	8.20%	6.20%	0.00%	0.00%
Amount	1.05	1.16	-	-
Salary increment rate				
Salary increment rate	11.00%	9.00%	0.00%	0.00%
Amount	1.14	1.06	-	-
Withdrawal rate				
Withdrawal rate	24.00%	22.00%	0.00%	0.00%
Amount	1.08	1.12	-	-

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit paym	As at March 31, 2024	As at March 31, 2023
Less than 1 year	0.12	-
1 to 2 years	0.11	-
3 to 5 years	0.53	-
More than 5 years	4.82	-

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39 Leases

The impact of Ind AS 116 on these changes is disclosed below :

A1. Right-of-use assets

Description	Right-of-use assets - Leasehold land	
	As at March 31, 2024	As at March 31, 2023
Gross block		
Balance at the beginning of the year	9.98	-
Additions during the year	-	9.98
Disposals during the year	-	-
Balance at the end of the year	**9.98**	**9.98**
Accumulated depreciation		
Balance at the beginning of the	0.23	-
Charge for the year	0.25	0.23
Disposals during the year	-	-
Balance at the end of the year	**0.48**	**0.23**
Net Block as at the end of the year	**9.50**	**9.75**

A2. Lease liabilities

	As at March 31, 2024	As at March 31, 2023
Current	0.78	0.74
Non Current	9.37	9.29
Total	**10.15**	**10.03**

A3. Interest expenses on lease

	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	0.85	0.39

A4. Expenses on short term leases / low value assets

	As at March 31, 2024	As at March 31, 2023
Short-term lease	-	-
Low value assets	-	-

A5. Amounts recognised in the statement of cash flow

	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	0.93	0.13

A6. Maturity analysis – contractual undiscounted cash flows

	As at March 31, 2024	As at March 31, 2023
Less than one year	0.78	0.74
One to five years	4.52	3.36
More than five years	17.64	19.58
Total undiscounted lease liabilities	**22.94**	**23.68**

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40 Employee Share Based-Payments

Under the Employee stock option scheme-2012("2012 Scheme") & 2017 ("2017 Scheme), the stock options of the holding company were granted to certain employees of the company. In the most cases the exercise price of the share option is equal to the market price of underlying shares on the date of the grant. vesting period of the options are 3 to 4 years and options are vested qually over the vesting period. Vested options are exercisable as per the terms of the option plan , provided the employee is in the employment of the company on the date of the vesting of the stock options and should not be serving his notice period. the fair value of the share options is estimated at the grant date using black- scholes option- pricing model, taking into account the term and conditions upon which the share options were granted.

Particulars	March 31, 2024		March 31, 2023	
	Weighted average exercise price per share per option (Rs)	Number of options	Weighted average exercise price per share per option (Rs)	Number of options
Opening Balance	-	-	-	-
Granted during the year	500	11,563	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Closing Balance	**500**	**11,563**	-	-
No of options exercisable at the end of the year	-	-	-	-

Share options outstanding at the end of the period have the following expiry date and exercise prices as on March 31, 2024 and March 31, 2023:

Grant date	Expiry date	Exercise price (Rs)	Options outstanding as at March 31, 2024	Options outstanding as at March 31, 2023
02-Nov-23	02-Nov-24	500.00	2,352	-
02-Nov-23	02-Nov-25	500.00	2,352	-
02-Nov-23	02-Nov-26	500.00	2,352	-
02-Nov-23	02-Nov-27	500.00	4,707	-
Total			**11,763**	-
Weighted average remaining contractual life of the options outstanding at the end of the year			**2.39**	-

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

A Grant Date:-

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Stock Price per share (Rs.)	1,345.30	1,345.30	1,345.30	1,345.30
Standard Deviation (Volatility)	24.99%	31.98%	31.98%	31.98%
Risk-free Rate	7.33%	7.35%	7.36%	7.38%
Exercise Price (Rs.)	500.00	500.00	500.00	500.00
Time to Maturity (in years)	1.50	2.50	3.50	4.50
Dividend yield	0.23%	0.23%	0.23%	0.23%
Fair value of option (Rs.)	**892.63**	**922.73**	**950.73**	**977.05**

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(All amounts are in rupees million, unless otherwise stated)

41 Ratio Analysis and its element

Ratio	Numerator	Demoninator	As at March 31, 2024	As at March 31, 2023	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	1.72	13.06	-87%	Due to Increase in Trade Payables and payable for CAPEX and increase in trade receivables as operations started in current year
Debt-Equity Ratio	Total Debt	Shareholders Equity	-	-	-	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	The Companuy do not have any external debt, accordingly debt service coverage ratio is nil.
Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-736.35%	-1582.56%	-53%	Due to increase in share capital on right issue of shares
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.23	-	#DIV/0!	Commencement of plant and Production on 01st March 2024
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.71	-	#DIV/0!	Commencement of plant and Production on 01st March 2024
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases purchase return	Average Trade Payables	1.67	-	#DIV/0!	Commencement of plant and Production on 01st March 2024
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.07	-	#DIV/0!	Commencement of plant and Production on 01st March 2024
Net Profit Ratio (%)	Net Profit After Tax	Net sales = Total sales - sales return	-191.21%	#DIV/0!	#DIV/0!	Commencement of plant and Production on 01st March 2024
Return on Capital Employed (%)	Earnings before interest, taxes and dividend income	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-1.38%	-8.39%	-84%	Increase in PPE from right issue of shares and commencement of Plant and production on 01st March 2024
Return on Investment (%)	Interest (Finance Income)	Average Investment	0.00%	0.00%	#DIV/0!	

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42 Other Statutory Information

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

b) The Company do not have any transactions with companies struck off.

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

d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

e) The Company have 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:
i) 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
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

g) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

For Sanjay S Rathi & Co
Chartered Accountants
Firm Registration No. 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

Aditya S Rathi
Partner
Membership No. 150097

Place: Pune
Date: 09th May,2024

For **and on behalf of the Board of Directors of Clean Fino-Chem Limited**

Ashok Boob

Ashok Boob
Director
DIN : 00410740

Place: Pune
Date:09th May,2024

Krishnakumar Boob
Director
DIN : 00410672

Place:Pune
Date:09th May2024

Clean Fino-Chem Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in million thousand, unless otherwise stated)

1. Corporate Information

Clean Fino-Chem Limited is a public company domiciled and headquartered in India. The company is a subsidiary of Clean Science and Technology Limited,which is a Chemical organisation. The Company is engaged in manufacturing and sale of various types of speciality chemicals at its manufacturing plants situated at Kurkumbh MIDC, Daund, Dist: Pune. The Company caters to both domestic and international markets.

2. Material Accounting Policies

2.1 Basis of preparation and presentation

a) Statement of Compliance

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The Standalone financial statements for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on May 09, 2024.

b) Basis of measurement

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;
iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of Standalone financial statements have been consistent with the previous year.

The Standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months.

2.2 Use of judgements estimates and assumptions

The preparation of the Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue,

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expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone financial statements is included in the following notes:

- Note 40 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 9 – Valuation of inventories: Allocation of overheads.
- Note 33 – Recognition of tax expense including deferred tax.
- Note 35 – Recognition of contingencies: key assumptions about the likelihood and magnitude of outflow of resources. However, there are no major contingent liabilities as at current financial year end.
- Note 41 – Impairment of trade receivables: Computation of weighted average loss rate.
- Note 41 – Defined benefit obligation: key actuarial assumptions.

2.3 Revenue recognition:

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is measured based on the transaction price excluding taxes, which is the consideration, net of returns, trade discounts, and volume rebates, if any.

The sales made by the Company may include transport arrangements from third parties. In such cases, revenue for the supply of such third-party transport arrangements are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue for the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due as per agreed terms and conditions with the buyers.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

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2.4 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a First-in-first-out formula.

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process (WIP) and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realizable value. The net realizable value of the finished goods is determined with reference to the selling prices of related finished goods.
WIP includes certain inventories used in the production process which has life of more than one year. These inventories are amortised over its useful life and included as part of cost of production.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.5 Property, plant and equipment

• Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipments are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

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Clean Fino-Chem Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in million thousand, unless otherwise stated)

• **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

• **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the Statement of Profit and Loss.

• **Depreciation method and estimated useful lives**

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Other intangible assets:

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

• Amortisation

The useful lives of intangible assets are assessed based on management estimates.

Intangible assets i.e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

• Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between

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the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

2.7 Employee benefits:

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

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

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.8 Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

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When the options are exercised, the Company issues new equity shares of the Company of Rs. 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 48 – Employee Share-based Payments for further details.

2.9 Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

• **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or

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substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.10 Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.11 Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the Standalone financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

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2.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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2.13 Fair value measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

2.14 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

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2.15 Financial instruments

2.15.1 Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus except for trade receivables which are initially measured at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:
a) At amortised cost
b) At fair value through Other Comprehensive Income ('FVTOCI')
c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

(b) Financial assets classified as measured at FVOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, the Company makes such election on an instrument-by-instrument basis. for its investments which are classified as equity instruments. the subsequent changes in fair value are recognized in other

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comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a mutual fund investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

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

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognized in the Statement of Profit and Loss.

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2.15.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

(a) Financial liabilities at amortised cost

The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when, and

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only when it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss.

Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Company has been identified as being the Chief operating decision maker by the management of the Company.

2.17 Government Grants:

Government grants related to revenue are recognized on a systematic basis in the net profit in the

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Statement of Profit and Loss over the periods necessary to match them with the related costs which they intend to compensate.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.18 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.19 Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

2.20 Adoption of new accounting principle:

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 -Income Taxes). The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company has adopted this amendment effective 1 April 2023. The company previously accounted for deferred tax on leases on a net basis. Following the amendments, the company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets.

2.21 Recent Indian Accounting Standards (Ind AS) and Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLEAN SCIENCE PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **CLEAN SCIENCE PRIVATE LIMITED**, which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2024, 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 financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the 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 in this Other Information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Financial Statements.

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

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

- Obtain an understanding of internal 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2.
   (A) 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 standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account

   d. In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

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e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(B) 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 does not have any pending litigations which would impact its financial position.

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 as disclosed in notes to accounts, no fund have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities including foreign entities (Intermediaries) with the understandings , whether recorded in writings or otherwise ,that the intermediary shall ,directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee security or the like to or on behalf of the ultimate beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, as disclosed in financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

e. No Dividend Is declared and paid during the year by the company.

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f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Sanjay S Rathi
Partner
M. No – 042436
UDIN: 24042436BKDQIJ3018

Place of Signature: Sangamner
Date: 14/05/2024

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure Referred to in our Independent auditors' Report paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CLEAN SCIENCE PRIVATE LIMITED of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) The company does not have Property, Plant and Equipment and Intangible Assets. Accordingly, the provisions of clause 3(i) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

(ii)

(a) The Company has entered into Bill to Ship to transaction during the year. Due to such kind of business operations the company does not have any physical inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the company has not been sanctioned working capital limits in excess of 5 crore rupees, in aggregate, from any bank or financial institution hence the reporting under Clause No 3 (ii) (b) of the order is not applicable to the company

(iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, Paragraph 3(iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with. Therefore Paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)

(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 is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable and as amounts deducted / accrued in the books of account, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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(b) According to the information and explanations given to us, there are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any short term loans and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix) (e) of the Order is not applicable

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(xi)

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) No whistle-blower complaints, received during the year by the company;

(xii) Company is not a Nidhi Company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company:

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(xiii) According to the information and explanations given to us, the company has not undertaken any transactions with related parties as mentioned in Section 177 and 188 of Companies Act, 2013, accordingly the provisions of clause 3(xiii) of the Order are not applicable to the company;

(xiv) In our opinion, the company has no internal audit system commensurate with the size and the nature of its business.

(xv) In our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that company is incapable 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) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

CA Sanjay S Rathi
Partner
M. No – 042436

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

Place of Signature: Sangamner
Date: 14/05/2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of CLEAN SCIENCE PRIVATE LIMITED for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of **CLEAN SCIENCE PRIVATE LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone financial statements, whether due to fraud or error.

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M/s Sanjay S Rathi & Co;**
Chartered Accountants
FRN - 109182W

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

CA Sanjay S Rathi
Partner
M. No – 042436

Place of Signature: Sangamner
Date: 14/05/2024

Clean Science Private Limited (CIN : U74900PN2013PTC149834)

Standalone Balance Sheet

(All amounts are in rupees thousand,unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Financial assets			
(i) Investments	3	7,642.56	7,083.92
(ii) Cash and cash equivalents	4	54.67	70.12
Other current assets		-	-
Total current assets		**7,697.22**	**7,154.04**
Total assets		**7,697.22**	**7,154.04**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	9,815.00	9,815.00
Other equity	6	(2,510.34)	(2,905.42)
Total equity		**7,304.66**	**6,909.58**
Liabilities			
Non-current liabilities			
Deferred tax liabilities (Net)	7	363.06	222.46
Total non-current liabilities		**363.06**	**222.46**
Current liabilities			
Financial liabilities			
(i) Trade payables	8		
a) total outstanding dues of micro enterprises and small enterprises		29.50	22.00
b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Total current liabilities		**29.50**	**22.00**
Total liabilities		**392.56**	**244.46**
Total equity and liabilities		**7,697.22**	**7,154.04**

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For and on behalf of the Board of Directors of Clean Science Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Science Private Limited (CIN : U74900PN2013PTC149834)

Standalone Statement of Profit and Loss

(All amounts are in rupees thousand,unless otherwise stated)

	Note	Year Ended 31-03-2024	Year Ended 31-03-2023
Income			
Revenue from operations	9	1,020.05	-
Other income	10	558.64	322.84
Total income		**1,578.69**	**322.84**
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-trade		**1,000.05**	
Changes in inventories of finished goods and work-in-progress		-	-
Employee benefits expenses		-	-
Finance costs		-	-
Depreciation and amortisation expenses		-	-
Other expenses	11	42.96	40.75
Total expenses		**1,043.01**	**40.75**
Profit / (Loss) before tax		**535.68**	**282.09**
Tax expense:			
Current tax		-	-
Deferred tax	7	140.60	81.25
Profit / (Loss) for the year (A)		**395.08**	**200.84**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		-	-
(ii) Income tax relating to remeasurements of defined benefit liability / (asset)		-	-
Other comprehensive income / (loss) for the year (B)		-	-
Total comprehensive income for the year (A+B)		**395.08**	**200.84**
Earnings per equity share			
[nominal value of Rs. 10]			
Basic	12	0.40	0.20
Diluted		0.40	0.20

Significant accounting policies 2

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For and on behalf of the Board of Directors of
Clean Science Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Science Private Limited (CIN : U74900PN2013PTC149834)

Standalone Statement of Cash Flows

(All amounts are in rupees thousand,unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
A. Cash flow from operating activities		
Net profit / (loss) before taxation	**535.68**	**282.09**
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	(558.64)	(322.84)
Operating profit before working capital changes	**(22.96)**	**(40.75)**
Movement in working capital:		
Increase / (Decrease) in trade payables	7.50	(4.15)
Cash generated from operations	**(15.46)**	**(44.90)**
Net income tax (paid)	-	-
Net cash flow generated from operating activities (A)	**(15.46)**	**(44.90)**
B. Cash flow from investing activities	-	-
Net cash flow (used in) investing activities (B)	-	-
C. Cash flow from financing activities		
Net cash flow (used in)/from financing activities (C)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(15.46)	(44.90)
Cash and cash equivalents at the beginning of the period	70.12	115.02
Cash and cash equivalents at the end of the period	**54.67**	**70.12**
Notes:-		
Cash on hand	-	-
Balances with bank		
- Current accounts	54.67	70.12
	54.67	**70.12**

Significant accounting policies *Note 2*

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For and on behalf of the Board of Directors of
Clean Science Private Limited

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Science Private Limited (CIN : U74900PN2013PTC149834)
Standalone Statement of Changes in Equity
(All amounts are in rupees thousand,unless otherwise stated)

(a) Equity share capital

Equity share of Rs 10 each issues, subscribed and fully paid	As at March 31, 2024 Number of shares	Amount	As at March 31, 2023 Number of shares	Amount
Balance at the beginning of the reporting year	9,81,500	98,15,000	9,81,500	98,15,000
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	9,81,500	98,15,000	9,81,500	98,15,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period/year	9,81,500	98,15,000	9,81,500	98,15,000

(b) Other equity

Particulars	Reserves and surplus Surplus / (Deficit) of profit and loss account
Balance at 1 April 2022	(3,106.26)
Profit/(Loss) for the year	200.84
Balance at 31 March 2023	(2,905.42)
Balance at 1 April 2023	(2,905.42)
Profit/(Loss) for the year	395.08
Balance at 31 Mar 2024	(2,510.34)

Significant accounting policies *Note 2*
The accompanying notes form an integral part of the Standalone Financial Statements
As per our report of even date attached

For **M/s Sanjay S Rathi & Co.**
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

Place : Pune
Date : 14th May,2024
ICAI UDIN :

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For **and on behalf of the Board of Directors of Clean Science Private Limited**

Krishnakumar Boob
Director
DIN : 00410672

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director
DIN : 02351154

Place : Pune
Date : 14th May,2024

Clean Science Private Limited (CIN : U74900PN2013PTC149834)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
	Investments		
3	**A. Investments carried at fair value through profit & loss (FVTPL)**		
	Investment in mutual funds - Quoted		
	1,24,556 (31 March 2024: 1,24,556) units of Kotak Banking and PSU Debt Fund Direct Growth	7,642.56	7,083.92
		7,642.56	7,083.92
4	**Cash and cash equivalents**		
	Cash on hand		
	Balance with banks		
	In current accounts		
	On deposit accounts (with original maturity of 3 months or less)	54.67	70.12
		54.67	70.12

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountant

Clean Science Private Limited (CIN : U74900PN2013PTC149834)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

5 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised :		
2,000,000 (31 March 2024 : 2,000,000) equity shares of Rs.10 each.	20,000	20,000
TOTAL	**20,000**	**20,000**
Issued and subscribed and paid up :		
981,500 (31 March 2024 : 981,500) equity shares of Rs.10 each fully paid-up	9,815	9,815
TOTAL	**9,815**	**9,815**

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	As at March 31, 2024	As at March 31, 2023
Outstanding at the beginning of the year	9,81,500	9,81,500
Equity shares issued during the year in consideration for cash	-	
Outstanding at the end of the year	**9,81,500**	**9,81,500**

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Sharenolders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at March 31, 2024		As at March 31, 2023	
	Number of shares	%	Number of shares	%
Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')	9,81,500	100%	9,81,500	**100%**

6 Other equity	As at March 31, 2024	As at March 31, 2023
Surplus of profit and loss account		
Balance as at the beginning of the period/year	(2,905.42)	(3,106.26)
Add · Profit / (Loss) for the year	395.08	200.84
Balance as at the end of the year	(2,510.34)	(2,905.42)

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountant

(All amounts are in rupees thousand,unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
7 Deferred tax		
Deferred tax liabilities (DTL)		
Mutual funds designated at fair value through profit and loss	363.06	222.47
	363.06	**222.47**

Movement in temporary differences:

	April 01, 2023	Recognised in profit or loss during the year	Recognised in OCI during the year	March 31, 2024
Deferred tax liabilities (DTL)				
Mutual funds designated at fair value through profit and loss	222.47	140.60	-	363.06
	222.47	**140.60**	**-**	**363.06**

	April 01, 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	March 31, 2023
Deferred tax liabilities (DTL)				
Mutual funds designated at fair value through profit and loss	141.21	81.25	-	222.47
	141.21	**81.25**	**-**	**222.47**

	As at March 31, 2024	As at March 31, 2023
8 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 13)	29.50	22.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	29.50	**22.00**

Trade Payable Ageing Schedule

As at 31 March 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment				(Amount in Rs.)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	29.50	-	-	-	-	29.50
Total outstanding for other than MSME due	-	-	-	-	-	-

As at 31 March 2023

Particulars	Current but not due	Outstanding for following periods from the due date of payment				(Amount in Rs.)
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	22.00	-	-	-	-	22.00
Total outstanding for other than MSME due	-	-	-	-	-	-

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountant

Clean Science Private Limited (CIN : U74900PN2013PTC149834)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

		Year Ended 31-03-2024	Year Ended 31-03-2023
9	Revenue from operations		
	Sale of products	1,020.05	-
		1,020.05	-

		31-03-2024	31-03-2023
10	**Other income**		
	Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	558.64	322.84
		558.64	**322.84**

		31-03-2024	31-03-2023
11	**Other expenses**		
	Payment to auditors	17.70	17.70
	Bank charges	0.65	0.65
	Consultancy fees	24.61	22.40
		42.96	**40.75**

	31-03-2024	31-03-2023
Payment to auditors		
As auditor		
Statutory audit fees	17.70	17.70
	17.70	**17.70**

M/s. Sanjay S. Rathi & Co. • Chartered Accountant •
FRN. 109182W

(All amounts are in rupees thousand,unless otherwise stated)

12 Earnings per share

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the year	3,95,082	2,00,837
Basic earnings per share		
Weighted average number of equity shares outstanding during the year	9,81,500	9,81,500
Basic EPS (Rs.)	**0.40**	**0.20**
Diluted earnings per share		
Profit for the year	3,95,082	2,00,837
Weighted average number of equity shares outstanding during the year for diluted EPS	9,81,500	9,81,500
Diluted EPS (Rs.)	**0.40**	**0.20**

13 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31-03-2024	31-03-2023
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

14 Related party disclosures

(a) List of related parties and description of relationship:

Holding company

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')

Fellow subsidiaries

1. Clean Science Private Limited
2. Clean Organics Private Limited
3. Clean Fino-Chem Limited

Key Management Personnel (KMP)

1. Mr. Ashok Boob
2. Mr. Siddhartha Sikchi
3. Mr. Krishnakumar Boob

(b) Related party transactions during the year : nil

(c) Balances outstanding at the end of the year: nil

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountant

(All amounts are in rupees million, unless otherwise stated)

15 Ratio Analysis and its element

Ratio	Numerator	Demoninator	As at March 31, 2024	As at March 31, 2023	% Change	Remarks
Current Ratio	Current Assets	Current Liabulities	260.92	325.18	-20%	
Debt-Equity Ratio	Total Debt	Shareholders Equity	-	-	-	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	
Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	5.56%	2.95%	88%	Due to increase in fair value gain on investments designated through fair value through profit and loss (FVTPL)
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	-	-	-	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	-	-	-	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	-	-	-	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.13	-	-	Due to increase in sales
Net Profit Ratio (%)	Net Profit After Tax	Net sales = Total sales - sales return	38.73	-	-	Due to increase in sales
Return on Capital Employed (%)	Earnings before interest, taxes and dividend income	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	6.99%	3.96%	77%	Due to increase in fair value gain on investments designated through fair value through profit and loss (FVTPL)
Return on Investment (%)	FVTPL/Interest (Finance Income)	Investment	8%	4.7%	63%	Increase in return

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountant

Clean Science Private Limited (CIN : U74900PN2013PTC149834)
Notes to Standalone Financial Statements
(All amounts are in rupees thousand,unless otherwise stated)

16 Financial instruments

16.1 Financial instruments by category

The carrying value of financial instruments by categories are as follows :

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	Amortised cost	Total carrying value	FVTPL	Amortised cost	Total carrying value
Category		Level 2			Level 2	
Assets						
Investment in Mutual Fund	7,642.56	-	7,643	7,084	-	7,084
Cash and cash equivalents	-	55	55	-	70	70
Total assets	**7,643**	**55**	**7,697**	**7,084**	**70**	**7,154**
Liabilities						
Trade payables	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

16.2 Fair value hierarchy

Fair value of financial assets and financial liabilities measured at amortised cost :
The management believes that the fair values of current financial assets (e.g. cash and cash equivalents) and current financial liabilities (e.g. trade payables) approximate their carrying amounts largely due to the short term nature.

16.3 Financial risk management

The Company's activities exposes it to credit risks and liquidity risks. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risks are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company has exposure to the following risks arising from financial instruments :

a. **Credit risk**

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

i. The company has not made any provision on expected credit loss on trade receivables, based on the management estimates.

ii. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

b. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	31 March 2024	31 March 2023
Total current assets (A)	7,697	7,154
Total current liabilities (B)	30	22
Working capital (A-B)	**7,668**	**7,132**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2024

Particulars	Less than one year	More than one year	Total
Trade payables	-	-	-

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023.

Particulars	Less than one year	More than one year	Total
Trade payables	-	-	-

M/s. Sanjay S. Rathi & Co.
FRN. 109182W
Chartered Accountants

(All amounts are in rupees thousand,unless otherwise stated)

17 **Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2024 and 31 March 2023.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at March 31, 2024	As at March 31, 2023
Total liabilities	-	-
Less: cash and cash equivalents and bank balances	(55)	(70)
Net debt	(55)	(70)
Total equity	9,815	9,815
Debt-equity ratio	-	-

18 **Other Statutory Information**

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
b) The Company do not have any transactions with companies struck off.
c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
e) The Company have 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:

i) 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
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

g) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

For M/s Sanjay S Rathi & Co.
Chartered Accountants
Firm registration no. 109182W

CA Sanjay S Rathi
Partner
Membership No. 42436

ICAI UDIN :
Date : 14th May,2024

M/s. Sanjay S. Rathi & Co. FRN. 109182W Chartered Accountant

For and on behalf of the Board of Directors of
Clean Science Private Limited

Krishnakumar Boob
Director

Place : Pune
Date : 14th May,2024

Siddhartha Sikchi
Director

Place : Pune
Date : 14th May,2024

Clean Science Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in rupees thousand, unless otherwise stated)

1. Corporate Information

Clean Science Private Limited is a private company domiciled and headquartered in India. The company is a subsidiary of Clean Science and Technology Limited, which is a Chemical organisation. The Company is engaged in the business of buying and selling of organic and inorganic chemicals.

2. Material Accounting Policies

2.1 Basis of preparation and presentation

a) Statement of Compliance

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The Standalone financial statements for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on May 14, 2024.

b) Basis of measurement

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;
iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of Standalone financial statements have been consistent with the previous year.

The Standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months.

2.2 Use of judgements estimates and assumptions

The preparation of the Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and

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prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone financial statements is included in the following notes:

- Note 40 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 9 – Valuation of inventories: Allocation of overheads.
- Note 33 – Recognition of tax expense including deferred tax.
- Note 35 – Recognition of contingencies: key assumptions about the likelihood and magnitude of outflow of resources. However, there are no major contingent liabilities as at current financial year end.
- Note 41 – Impairment of trade receivables: Computation of weighted average loss rate.
- Note 41 – Defined benefit obligation: key actuarial assumptions.

2.3 Revenue recognition:

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is measured based on the transaction price excluding taxes, which is the consideration, net of returns, trade discounts, and volume rebates, if any.

The sales made by the Company may include transport arrangements from third parties. In such cases, revenue for the supply of such third-party transport arrangements are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue for the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due as per agreed terms and conditions with the buyers.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

2.4 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a First-in-first-out formula.

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Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process (WIP) and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realizable value. The net realizable value of the finished goods is determined with reference to the selling prices of related finished goods.
WIP includes certain inventories used in the production process which has life of more than one year. These inventories are amortised over its useful life and included as part of cost of production.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.5 Property, plant and equipment

• Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipments are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow

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to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

• Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the Statement of Profit and Loss.

• Depreciation method and estimated useful lives

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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2.6 Other intangible assets:

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

• Amortisation

The useful lives of intangible assets are assessed based on management estimates.

Intangible assets i.e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

• Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

2.7 Employee benefits:

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- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

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

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

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Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.8 Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of Rs. 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

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See Note 48 – Employee Share-based Payments for further details.

2.9 Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

• Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity

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and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.10 Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.11 Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the Standalone financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period

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of time in exchange for consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

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transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal marker for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

2.14 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.15 Financial instruments

2.15.1 Financial assets

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Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus except for trade receivables which are initially measured at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:
a) At amortised cost
b) At fair value through Other Comprehensive Income ('FVTOCI')
c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

(b) Financial assets classified as measured at FVOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, the Company makes such election on an instrument-by-instrument basis, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses).

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Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a mutual fund investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

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

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognized in the Statement of Profit and Loss.

2.15.2 Financial liabilities

Initial recognition and measurement

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Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

(a) Financial liabilities at amortised cost

The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different

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terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss.

Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Company has been identified as being the Chief operating decision maker by the management of the Company.

2.17 Government Grants:

Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they intend to compensate.

Export Incentives

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Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.18 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.19 Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

2.20 Adoption of new accounting principle:

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 -Income Taxes). The amendments clarified that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company has adopted this amendment effective 1 April 2023. The company previously accounted for deferred tax on leases on a net basis. Following the amendments, the company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets.

2.21 Recent Indian Accounting Standards (Ind AS) and Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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