



**Dhunseri Poly Films
Private Limited**



Annual Report
2023-24

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Board's Report

Dear Members

Your Directors present the Fourth Annual Report of your Company together with the Audited Statement of Accounts for the year ended March 31, 2024.

Increase in Authorised and Paid Up Share Capital

The Authorised Share Capital of the Company was increased from ₹65,00,00,000/- (Rupees Sixty Five Crores only) divided into 6,50,00,000 (Six Crores Fifty Lakhs) Equity Shares of ₹10/- each to ₹70,00,00,000/- (Rupees Seventy Crores only) divided into 7,00,00,000 (Seven Crores) Equity Shares of ₹10/- each time to time during the year under review.

Further, the Paid up Share Capital of your Company was increased from ₹60,00,90,000/- (Rupees Sixty Crores and Ninety Thousand only) divided into 6,00,09,000 (Six Crores and Nine Thousand) Equity Shares of ₹10/- each to ₹68,30,90,000/- (Rupees Sixty Eight Crores Thirty Lakhs and Ninety Thousand only) divided into 6,83,09,000 (Six Crores Eighty three lakhs and Nine Thousand) Equity Shares of ₹10/- each vide right issue from time to time during the year under review.

As on the date of the report, the Paid up Share Capital of your Company stands at ₹68,30,90,000/- (Rupees Sixty Eight Crores Thirty Lakhs and Ninety Thousand only) divided into 6,83,09,000/- (Six Crores Eighty Three lakhs and Nine Thousand) Equity Shares of ₹10/- each.

Dhunseri Ventures Limited is holding 100% of the total Issued, Subscribed and Paid up Capital of your Company along with its nominees.

Financial Results

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Turnover and other income | 11,546.38 | 589.32 |
| Profit/(Loss) before exceptional and extraordinary items and tax | (1,702.36) | (1,140.72) |
| Exceptional and Extraordinary items | - | - |
| Profit/(Loss) after exceptional and extraordinary items and before tax | (1,702.36) | (1,140.72) |
| Tax Expense: | | |
| - Current tax | - | (3.51) |
| - Deferred tax | - | - |
| Profit/(Loss) for the year from operations | (1,702.36) | (1,137.21) |
| EPS: | | |
| (i) Basic | (2.72) | (3.19) |
| (ii) Diluted | (2.72) | (3.19) |

The Company has not transferred any amount to the reserves during the year.

Operations & Prospects

Your Company has completed setting up State of the Art -10.6 Meter Biaxially Oriented Polyester Film (BOPET) Line at Panagarh in the state of West Bengal. The commercial production has already started from the 13th of December 2023. Plant is operating at desired level and product quality has been well accepted in the market. Company has also initiated export market and have successfully marketed same in few market while penetration of export market will continue to be the next year's target.

Further, your Company is also in the process of setting up State of the Art - 10.4 Meter 2 Biaxially Oriented Polypropylene (BOPP) production in Jammu. Financial closure of BOPP project has been achieved in March 2024. Consent to Establish from J&K Pollution Control Board is received for the project and activities on the ground is expected to start from July/August 2024. The first BOPP line is expected to commence production from the FY 2025-26. While second line is expected to start operation from 2026-27.

Material Changes and Commitments Affecting Financial Position of The Company

No material changes and commitments have occurred after

the close of the financial year till the date of this Report, which affects the financial position of the Company.

Dividend

There being no operational income, your directors do not recommend any dividend for the year ended March 31, 2024.

Directors and Key Managerial Personnel

The Company, being a wholly owned subsidiary of a public company, the provisions of Section 152 of the Companies Act, 2013, relating to retirement of Directors by rotation are applicable to the Company. Accordingly, Mr. M.Dhanuka and Mr. M.Beriwala retire by rotation at the ensuing AGM and being eligible seek reappointment.

Mr. Harish Kumar Kandoi, has been appointed as the Chief Financial Officer of the Company w.e.f March 4, 2024.

Board Meetings

Your Board met nine times during the year ended March 31, 2024. The attendance of Directors at the Board Meetings are reproduced hereunder:

| Board Meetings held on | Members of the Board | | | | |
|------------------------|----------------------|---------------|----------------|----------------|----------------|
| | Mr. C.K.Dhanuka | Mr. M.Dhanuka | Mr. R.K.Sharma | Mr. M.Beriwala | Mrs. A.Kanoria |
| April 27, 2023 | Yes | No | Yes | No | Yes |
| May 24, 2023 | Yes | No | No | Yes | No |
| August 8, 2023 | Yes | No | Yes | Yes | Yes |
| September 5, 2023 | Yes | Yes | Yes | Yes | Yes |
| September 11, 2023 | Yes | No | Yes | Yes | Yes |
| November 07, 2023 | Yes | Yes | Yes | Yes | Yes |
| February 09, 2024 | Yes | Yes | Yes | Yes | No |
| March 04, 2024 | No | Yes | Yes | Yes | No |
| March 11, 2024 | Yes | Yes | Yes | No | No |

Declaration From Independent Directors on Annual Basis

The requirement of Section 149(7) of the Companies Act, 2013 do not apply to your Company.

Directors' Responsibility Statement Pursuant to Section 134(5) of the Companies Act, 2013

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the directors prepared the annual accounts on a going concern basis; and
- (e) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Holding, Subsidiaries and Joint Ventures:

Holding Company:

Your Company is a wholly owned subsidiary of Dhunseri Ventures Limited which is holding 100% of the equity share capital of your Company as on March 31, 2024.

Your Company has no subsidiary and Joint Venture Company as on March 31, 2024. Further no company ceased to be a subsidiary and Joint Venture company of the Company during the year under review.

Risk Management

The elements of risk threatening in the Company's existence are very minimal which could be only to the extent of project execution. There is no formal Risk Management committee constituted for this purpose during the year under review. The Board is responsible to monitor, identify and evaluate business risks and opportunities. The Board ensures to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage through mitigating actions on a continuing basis.

The two major mechanisms of risk management are the Monitoring of Statutory, Legal Compliances and the Internal Audit.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/outgo

The particulars as prescribed section under Section 134(3)(m) of the Companies Act 2013 read with rule the Companies (Accounts) Rules, 2014, are given in "Annexure-A" to this report.

Extract of Annual Return

Annual Return as on 31st March 2024, in the form MGT-7 pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, is available on the Company's Website: (Weblink:<https://www.dhunseripolyfilms.com/annual-return/>)

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act 2013 is now applicable to your company as the net worth of the company has touched ₹500 crores in the FY 2023-24. Since there is no profit in the company, the need to contribute and form a CSR Committee does not arise. Formation of CSR Committee and CSR contribution will be decided at appropriate time.

Auditors and Auditors' Report

Statutory Auditors

M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), the present Statutory Auditors of your Company shall hold office till the end of 6th AGM which was approved in the AGM held on August 11, 2021.

The Auditor's Report of the Company does not contain any qualification, reservation, adverse remark or disclaimer.

No frauds are reported by auditors under Section 143(12) of the Companies Act, 2013 in Auditor's Report.

Secretarial Auditors and Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. A.J. & Associates, Practicing Company Secretaries was appointed as the Secretarial Auditor of your Company for the FY 2023-24.

The Secretarial Audit Report issued by M/s. A. J. & Associates, Practicing Company Secretaries for the FY ended March 31, 2024 is attached as an "Annexure-B" to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Records and Cost Auditors

The provisions of Cost Audit and Records as prescribed under Section 148 of the Companies Act, 2013, are now applicable to your Company from FY 2024-25 and the Company will be maintaining Cost records accordingly.

Vigil Mechanism

Your Company has in place a Vigil Mechanism Policy in terms of Section 177 (9) of the Companies Act, 2013, which enables stakeholders including individual employees to freely communicate their concerns about illegal or unethical practices. No personnel have been denied access to the Board to lodge their grievances. No complaint has been received during the year.

Adequacy of Internal Financial Controls with Reference to Financial Statements

Your Company has in place adequate internal financial controls as required under the Companies Act, 2013. Your Company has adopted policies and procedures 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 disclosures. During the year, such

controls were tested by the internal auditors with reference to Financial Statements and no material weakness in the design or operation was observed.

Particulars of Loans, Guarantees and Investments

There are no Loans, Guarantees and Investments as per the provisions of Section 186 of the Companies Act, 2013.

Related Party Transactions

The transactions entered with related parties were on an arm's length basis and were in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted but as a prudence practice disclosure in form AOC-2 as "Annexure-C" is annexed to this Report.

There have been no materially significant related party transactions with the Company's promoters, directors, the management or relatives which may have potential conflict with the interests of the Company at large.

The necessary disclosures regarding the related party transactions have been disclosed in the Notes to Audited Financial Statements 2023-24 enclosed herewith.

Environment, Health and Safety

Environmental, Health and Safety is of great importance to your Company. Your Company continuously strives to ensure environment sustainable practices and provide a safe and healthy workplace. It aims at proper waste management and disposal to ensure healthy and safe environment.

Compliance with Secretarial Standards

Your Company is in compliance with the relevant provisions of the Secretarial Standard issued by The Institute of Company Secretaries of India and approved by the Central Government.

Employees

The statement containing details pertaining to clause 5(2) of the Companies Act (Appointment and Remuneration of Managerial Personnel) Rules, 2014 can be provided to the member. If the Member is interested in obtaining a copy of the same it may write to the Company Secretary at cs@dhunseripolyfilms.com

Further, the provisions of rules 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are not applicable to the Company.

Your Company believes that 'employees' are the most valuable assets of any organization. Your Directors wish to place on record their deep sense of appreciation for the co-operation, dedication and committed services by all the employees of your Company who plays a pivotal role in the growth of your Company.

GENERAL

The composition of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Nomination and Remuneration policy, Corporate Social Responsibility, remuneration to directors, Independent Director, details of employees pursuant to Section 197 of the Companies Act, 2013, Cost Audit, Formal annual evaluation are not applicable to your Company during the year under review. Hence, the details for the aforesaid have not been provided.

There is an Internal Complaints Committee in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 formed by the parent company Dhunseri Ventures Limited. The meeting of the same was held on 17th of January 2024, in which the women employees of your company participated.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions in regard to the under-mentioned items during the year under review:

- (a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (b) Issue of sweat equity shares to employees of the Company/
Issue of Employees Stock Option Scheme
- (c) Your Company has not bought back any of its securities during the year under review.

- (d) No Bonus Shares were issued during the year under review.
- (e) Your Company has not accepted any deposits from the public.
- (f) Your Company was not required to transfer any amount to the Investor Education and Protection Fund.
- (g) There is no change in the nature of business of your Company and no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.
- (h) There were no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- (i) There were no instances of one-time settlement with any Bank or Financial Institutions.

Acknowledgement

The Directors wish to place on record their sincere appreciation for the whole-hearted support received from West Bengal Industrial Development Corporation Ltd (WBIDC), West Bengal State Electricity Distribution Company Limited (WBSEDCL), West Bengal Pollution Control Board, Director of Industries, J&K, Pollution Control Board, J&K, Power Department J&K, PHE Department J&K, State and District Administration, J&K, its bankers mainly State Bank of India, India Exim Bank, OLB Germany, shareholder and all others associated with the Company. The Board of Directors also thank the employees of your Company for their valuable service and support during the year.

For and on behalf of
The Board of Directors

Place: Kolkata
Date: May 24, 2024

C.K.Dhanuka
Director

Annexure A to Board's Report

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

(A) Conservation of Energy

Your Company attaches priority to conservation of energy. The activities of the Company in this direction are:

- i) The steps taken or impact on conservation of energy:
 - Temperature controller installed in Cooling towers.
 - Temperature based monitoring device installed in AHU because of which we can save power consumption in Monsoon and Winter seasons.
 - Combi grinder taken inline instead of Off line grinder so that lesser KW motor is in operation for maximum number of hours and power consumption reduced.
- ii) The steps taken by the company for utilizing alternate sources of energy: N.A
- iii) The capital investment on energy conservation equipment- N.A

B) Technology Absorption

- i) The efforts made towards technology absorption: **The company has installed energy efficient, State of Art German Machines with widest Film line and high speed.**
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: **The Company is in operation for last four months and has already achieved rated output.**
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported: **N.A**

(b) the year of import: **N.A**

(c) whether the technology been fully absorbed: **N.A**

(d) if not fully absorbed, areas where absorption has not taken place and the reasons there of- **N.A** ; and

iv) the expenditure incurred on Research and Development- **Research and development is spread across the business of the Company. Though no specific expenditure was made under the head R&D, constant development efforts are made to increase efficiency and for cost reduction. The R&D is integrated to the production, quality control process of the company and as a result are not segregated. The benefits are consequently synergized and not allocated in terms of financial heads.**

C) Foreign Exchange Earnings and Outgo-

a) Foreign Exchange inflow in the FY 2023-24 is – **₹17,75,821.00**

b) Foreign exchange outflow in the FY 2023-24 is - **₹37,48,89,787.00**

For and on behalf of
The Board of Directors

Place: Kolkata
Date: May 24, 2024

C.K.Dhanuka
Director

Annexure B to Board's Report

FORM MR. 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

**(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To
The Members of
Dhunseri Poly Films Private Limited
Dhunseri House,
4A, Woodburn Park,
Kolkata- 700020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s DHUNSERI POLY FILMS PRIVATE LIMITED (hereinafter called "the Company") (CIN: U25209WB2020PTC241596). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records made available to us maintained by Dhunseri Poly Films Private Limited for the financial year ended on 31.03.2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (Not applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made there under, as amended, to the extent of the External Commercial borrowings raised by the company. The company doesn't have any Foreign Direct Investment and Overseas Direct Investment;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- (Not Applicable to the Company);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - (Not Applicable to the Company);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (Not Applicable to the Company);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 - (Not Applicable to the Company);

- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - (Not Applicable to the Company);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not applicable to the Company);
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - (Not Applicable to the Company);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not Applicable to the Company);
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - (Not Applicable to the Company).

(vi) Other than the fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws applies specifically to the Company:

- a. The Petroleum Act, 1934;
- b. Legal and Metrology Act, 2009;
- c. Foreign exchange Management Act, 1999;
- d. Reserve Bank of India, 1934; and
- e. Provisions of Section 9A of the Indian Aircraft Act, 1934

The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We further report that we have not commented on the compliance of various tax laws and accounting standards and compliance of Schedule III in the preparation of Financial Statements as it is dealt separately by an appropriate independent professional and forms part of the Annual report.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard (SS 1 & SS 2) issued by the Institute of Company Secretaries of India (ICSI);

During the audit period, and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above save and except delay in filing of few forms with ROC/MCA.

We further report that

The Board of Directors of the Company is duly constituted. There was no change in the composition of the Board during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

The resolutions in the Board/Committee meetings as observed, were unanimous and there have been no dissenting views. Thus, there was no such views which was required to be recorded.

We further report that as per the explanation given to us and the representations made by the Management, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable law, rules, regulations and guidelines. A compliance report by the Company Secretary (CS) is submitted to the Board periodically.

We further report that during the audit period, the Company following event/ actions occurred which had a bearing on the Company's affairs and the Compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.:

1. The company has issued 83,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 90/- each in one or more tranches on right basis to its parent company during the year 2023-24.
2. Members Resolution(s) passed u/s 62(3) of the Companies Act, 2013 for borrowing from the lenders on the terms and conditions and with sole discretion to convert either whole or part of the loans into equity in the event of default in the terms specified in the financing documents.
3. Members Resolution(s) passed u/s 61 read with Section 13 of the Companies Act, 2013 for increase of Authorised Capital, from Rs. 65 Crores to Rs. 70 Crores.

For A J & ASSOCIATES

Company Secretaries

CS Abhijeet Jain

Proprietor

Place: Kolkata

FCS: 4975

Date: 24 May 2024

C. P. No: 3426

UDIN: F004975F000435779

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

‘Annexure A’

To,

The Members

Dhunseri Poly Films Private Limited

Our report of even date is to be read along with this letter.

1. It is the managements’ responsibility to identify corporate and other laws, rules, regulations, standards, guidelines and directions, which are applicable to the company depending upon the industry in which it operates and to comply and maintain those records in letter and in spirit. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*For A J & ASSOCIATES
Company Secretaries*

CS Abhijeet Jain
Proprietor

FCS: 4975

C. P. No: 3426

UDIN: F004975F000435779

Place: Kolkata

Date: 24.05.2024

Annexure C to Board's Report

FORM NO.AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies(Accounts)Rules,2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section(1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company does not have any contracts or arrangements or transactions which are not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

| Sl. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts /arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any | Amount paid as advances, if any: |
|---------|--|---|---|---|--|----------------------------------|
| 1. | IVL Dhunseri Petrochem Industries Private Limited (IDPIL) - Promoter group Company | Supply agreement | Till 5 years | Supply agreement with IVL Dhunseri Petrochem Industries Private Limited for supply of its principal raw material (Film Grade chips) for manufacture of Polyester Film for the BOPET project at a price as mentioned in the purchase order, for a period of five (5) years. | 28.02.2023 | NA |
| 2. | Dhunseri Ventures Limited (DVL)- Holding Company and Shareholding of more than 2% by interested directors. | Assignment and Novation agreement | Same as above | Assignment and Novation Agreement dated November 7, 2023 with Dhunseri Ventures Limited (DVL)and IVL Dhunseri Petrochem Industries Private Limited for assignment of the supply agreement between the company and IVL Dhunseri Petrochem Industries Private Limited dated September 5, 2023 in favour of the Dhunseri Ventures Limited (DVL). | 07.11.2023 | NA |
| 3. | Dhunseri Ventures Limited (DVL)- Holding Company and Shareholding of more than 2% by interested directors. | Supply agreement | Till 5 years | Supply Agreement with Dhunseri Ventures Limited (DVL) for the purchase and sale of BOPET Films manufactured by the Company , on 6th October, 2023, effective on or from the date of first purchase order for a period of 5 years. | 24.05.2023 | NA |

For and on behalf of
The Board of Directors

Place: Kolkata
Date: May 24, 2024

C.K.Dhanuka
Director

Independent Auditor's Report

To
The Members of
Dhunseri Poly Films Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dhunseri Poly Films Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's reports thereon.

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

In connection with our audit of the 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also 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 control 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, 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 for the following matters: (i) The Company has used an accounting software, which is operated by a third party software service provider for maintenance of its books of account and its daily backup on servers physically located in India. In the absence of system and organisation controls report for the period 1 October 2023 to 31 March 2024, we are unable to conclude on the daily backup of the books of account during the aforesaid period; (ii) the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the 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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 and 1 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith 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, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were 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 the Note 40 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, the Company has used an accounting software, which is operated by a third party software service provider, for maintaining its books of account. In the absence of reporting on compliance with the audit trail requirements in the system and organisation controls report for the period 1 April 2023 to 30 September 2023 and in the absence of system and organisation controls report for the period 1 October 2023 to 31 March 2024, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
- For B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022
- Jayanta Mukhopadhyay**
Partner
- Place: Kolkata
Date: 24 May 2024
- Membership no: 055757
ICAI UDIN:24055757BKEYKX4152

Annexure A to the Independent Auditor's Report on the Financial Statements of Dhunseri Poly Films Private Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- | | |
|--|--|
| <p>(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets.</p> <p>(i) (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 discrepancy was noticed on such verification.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.</p> <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its</p> | <p>Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.</p> <p>(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.</p> <p>(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory</p> <p>(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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:</p> |
|--|--|

| Quarter | Name of bank | Particulars | Amount as per books of account (Rs. in Lakhs) | Amount as reported in the quarterly return/ statement (Rs. in Lakhs) | Amount of difference (Rs. in Lakhs) | Whether return/ statement subsequently rectified |
|----------------|--------------|----------------------|---|--|-------------------------------------|--|
| September 2023 | HDFC Bank | Inventories | 1056.48 | 1477.44 | 420.96 | No |
| September 2023 | HDFC Bank | Trade Payables | 1705.37 | 1565.61 | 139.76 | No |
| September 2023 | HDFC Bank | GST Receivables | 2007.14 | 1951.00 | 56.14 | No |
| September 2023 | HDFC Bank | Advance to Creditors | 112.80 | 105.48 | 7.32 | No |
| December 2023 | HDFC Bank | Inventories | 2339.33 | 1756.40 | 582.93 | No |
| December 2023 | HDFC Bank | Trade Payables | 3304.37 | 2626.40 | 677.97 | No |
| December 2023 | HDFC Bank | GST Receivable | 2101.50 | 2077.50 | 24.00 | No |

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties in respect of which the requisite information is as below. The Company has not made any investments in companies, firms or limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity. Accordingly, clause 3(iii)(a) of the Order is not applicable

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans

(c) The Company has not provided any loans and advances in the nature of loans during the year. Accordingly, clause 3(iii)(c) to clause 3(iii)(f) of the Order are not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee

or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident

Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to

us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (INR in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|----------------------|--------------------|-----------------------|------------------------------------|---------------------------------|-----------------|
| Income Tax Act, 1961 | Income tax | 35.77 | 2021-22 | National Faceless Appeal Centre | None |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- | | |
|---|--|
| <p>(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p style="padding-left: 20px;">(b) We have considered the internal audit reports of the Company issued till date for the period under audit.</p> <p>(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.</p> <p>(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.</p> <p style="padding-left: 20px;">(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.</p> <p style="padding-left: 20px;">(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.</p> <p style="padding-left: 20px;">(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC.</p> | <p>(xvii) The Company has incurred cash losses of Rs 708.12 in the current financial year and Rs 112.83 in the immediately preceding financial year.</p> <p>(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.</p> <p>(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.</p> <p>(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.</p> |
|---|--|

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Place: Kolkata

Membership no: 055757

Date: 24 May 2024

ICAI UDIN:24055757BKEYKX4152

Annexure B to the Independent Auditor's Report on the financial statements of Dhunseri Poly Films Private Limited for the year ended 31 March 2024

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

(Referred to in paragraph 2(A)(g) 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 Dhunseri Poly Films Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the 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 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 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 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 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 B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Place: Kolkata

Date: 24 May 2024

Membership no: 055757

ICAI UDIN:24055757BKEYKX4152

Balance Sheet as at 31st March 2024

(₹ in lakhs)

| Particulars | Notes | As at 31 March 2024 | As at 31 March 2023 |
|--|-------|------------------------|------------------------|
| Assets | | | |
| (1) Non-current Assets | | | |
| (a) Property, plant and equipment | 3 | 58,321.15 | 2,678.92 |
| (b) Capital Work in Progress | 4 | - | 48,763.86 |
| (c) Intangible Assets | 5 | 29.18 | 36.15 |
| (d) Financial Assets | | | |
| (i) Other Financial Assets | 12 | 908.31 | 249.93 |
| (e) Other Non-Current Assets | 6 | 7,885.33 | 6,012.47 |
| Total Non-Current Assets | | 67,143.97 | 57,741.33 |
| (2) Current Assets | | | |
| (a) Inventories | 7 | 2,542.84 | - |
| (b) Financial Assets | | | |
| (i) Investments | 8 | 4,979.96 | 3,950.45 |
| (ii) Trade Receivables | 9 | 211.19 | - |
| (iii) Cash and Cash Equivalents | 10 | 702.13 | 4,171.20 |
| (iv) Bank Balances other than (iii) above | 11 | 22,823.99 | 21,315.27 |
| (c) Current Tax Assets (Net) | 19 | 222.48 | 27.76 |
| (d) Other Current Assets | 6 | 2,812.87 | 1,698.37 |
| Total Current Assets | | 34,295.46 | 31,163.05 |
| Total Assets | | 1,01,439.43 | 88,904.38 |
| Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 13 | 6,830.90 | 6,000.90 |
| (b) Other equity | 14 | 49,597.10 | 43,827.62 |
| Total Equity | | 56,428.00 | 49,828.52 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 27,637.52 | 30,839.35 |
| (ii) Lease Liabilities | | 83.75 | 28.29 |
| (b) Provisions | 16 | 67.62 | 24.33 |
| (c) Non Current Liabilities | 20 | 7,330.49 | 7,400.24 |
| Total Non-current liabilities | | 35,119.38 | 38,292.21 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 4,955.98 | - |
| (ii) Lease Liabilities | | 37.82 | 18.20 |
| (iii) Trade payables | 17 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 154.08 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,545.74 | 99.54 |
| (iv) Other Financial Liabilities | 18 | 541.81 | 569.04 |
| (b) Provisions | 16 | 15.54 | 3.32 |
| (c) Other Current Liabilities | 20 | 641.08 | 93.55 |
| Total Current Liabilities | | 9,892.05 | 783.65 |
| Total Equity and Liabilities | | 1,01,439.43 | 88,904.38 |

Material accounting policies

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The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place: Kolkata

Date: 24 May 2024

For and on behalf of the Board of Directors of

Dhunseri Poly Films Private Limited

CIN: U25209WB2020PTC241596

C. K. Dhanuka

Director

DIN - 00005684

H.K.Kandoi

Chief Financial Officer

M. Dhanuka

Director

DIN: 00005666

R.K.Sharma

Director & CEO

DIN: 05197101

Vasundhara Joshi

Company Secretary

Statement of Profit and Loss for the year ended 31 March 2024

(₹ in lakhs)

| Particulars | Notes | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-------|-----------------------------|-----------------------------|
| I Revenue From Operations | 21 | 9,550.79 | - |
| II Other Income | 22 | 1,995.59 | 589.32 |
| III Total Income | | 11,546.38 | 589.32 |
| IV Expenses | | | |
| Cost of materials consumed | 23 | 9,018.33 | - |
| Changes in inventory of finished goods and work-in-progress | 24 | (496.84) | - |
| Employee Benefit Expenses | 25 | 1,145.99 | 314.99 |
| Finance Costs | 26 | 891.29 | 2.52 |
| Depreciation and amortisation expense | 27 | 829.48 | 74.87 |
| Other expenses | 28 | 1,860.49 | 1,337.66 |
| Total expenses | | 13,248.74 | 1,730.04 |
| V Loss before exceptional items and tax (III-IV) | | (1,702.36) | (1,140.72) |
| VI Exceptional item | | - | - |
| VII Loss before tax (V-VI) | | (1,702.36) | (1,140.72) |
| Current tax | | - | (3.51) |
| Deferred tax | | - | - |
| VIII Income tax expenses | 29 | - | (3.51) |
| IX Loss for the year (VII-VIII) | | (1,702.36) | (1,137.21) |
| X Other comprehensive income/(loss) (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurement gain/(loss) of defined benefit obligations | | 1.84 | (2.60) |
| (ii) Income tax relating to these items | | - | - |
| XI Total comprehensive loss for the year (IX+X) | | (1,700.52) | (1,139.81) |
| XII Earnings per equity share: | 30 | | |
| [Nominal value per share: ₹10/- each] | | | |
| (1) Basic | | (2.72) | (3.19) |
| (2) Diluted | | (2.72) | (3.19) |

Material accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 24 May 2024

For and on behalf of the Board of Directors of
Dhunseri Poly Films Private Limited
CIN: U25209WB2020PTC241596

C. K. Dhanuka
Director
DIN - 00005684

H.K.Kandoi
Chief Financial Officer

M. Dhanuka
Director
DIN: 00005666

R.K.Sharma
Director & CEO
DIN: 05197101

Vasundhara Joshi
Company Secretary

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

A) Equity Share Capital

(₹ in lakhs)

| Particulars | Amount |
|--|-----------------|
| Balance as at 01 April 2022 | 2,500.90 |
| Changes in equity share capital during 2022-23 | 3,500.00 |
| Balance as at 31 March 2023 | 6,000.90 |
| Changes in equity share capital during 2023-24 | 830.00 |
| Balance as at 31 March 2024 | 6,830.90 |

B) Other Equity

(₹ in lakhs)

| Particulars | Reserves and Surplus | | Total |
|--|----------------------|-------------------|-------------------|
| | Securities Premium | Retained Earning | |
| Balance as at 01 April 2022 | 13,499.10 | (31.67) | 13,467.43 |
| Issuance of shares at premium | 31,500.00 | - | 31,500.00 |
| Total comprehensive income for the year ended 31 March 2023 | | | |
| Loss for the year | - | (1,137.21) | (1,137.21) |
| Other Comprehensive Loss | - | (2.60) | (2.60) |
| Total Comprehensive Loss | - | (1,139.81) | (1,139.81) |
| Balance as at 31 March 2023 | 44,999.10 | (1,171.48) | 43,827.62 |
| Balance as at 01 April 2023 | 44,999.10 | (1,171.48) | 43,827.62 |
| Issuance of shares at premium | 7,470.00 | - | 7,470.00 |
| Total comprehensive income for the year ended 31 March 2024 | | | |
| Loss for the year | - | (1,702.36) | (1,702.36) |
| Other Comprehensive Income | - | 1.84 | 1.84 |
| Total Comprehensive Loss | - | (1,700.52) | (1,700.52) |
| Balance as at 31 March 2024 | 52,469.10 | (2,872.00) | 49,597.10 |

Refer Note 14 for description of reserves

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place: Kolkata

Date: 24 May 2024

For and on behalf of the Board of Directors of

Dhunseri Poly Films Private Limited

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DIN: 00005666

R.K.Sharma

Director & CEO

DIN: 05197101

Vasundhara Joshi

Company Secretary

Statement of Cash Flows for the year ended 31 March 2024

(₹ in lakhs)

| Particulars | Notes | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|---|-------|-----------------------------|-----------------------------|
| Cash Flow From Operating Activities | | | |
| Loss before tax | | (1,702.36) | (1,140.72) |
| Adjustments for: | | | |
| Depreciation and amortisation expense | 27 | 829.48 | 74.87 |
| Financial instruments measured at FVTPL - net change in fair value | | (37.13) | (55.54) |
| Interest Income | | (1,700.18) | (256.50) |
| Deferred Government Grant | | (50.20) | - |
| Net Gain on Disposal of Investments measured at FVTPL | | (208.08) | (277.14) |
| Unrealised Foreign Exchange Fluctuation Loss | | 0.05 | 1,021.22 |
| Finance Costs | | 891.29 | 2.52 |
| Operating Loss before changes in working capital | | (1,977.13) | (631.29) |
| Working capital adjustments: | | | |
| Increase in Inventories | | (2,542.84) | - |
| Increase in Trade Receivable | | (211.24) | - |
| Increase in Financial Assets and Non-financial Assets | | (1,152.72) | (1,348.82) |
| Increase in Financial Liabilities and Non-financial Liabilities | | 4,329.71 | 278.26 |
| Net Cash used in Operations | | (1,554.22) | (1,701.85) |
| Income -Tax Paid (Net of refunds) | | (194.72) | (24.35) |
| Net Cash used in Operating Activities (A) | | (1,748.94) | (1,726.20) |
| Cash Flow from Investing Activities | | | |
| Acquisition of Property, Plant and Equipment (including capital advances) | | (7,799.88) | (34,817.78) |
| Purchase of Investments | | (10,727.30) | (16,556.65) |
| Proceeds from Sale of investments | | 9,943.00 | 17,044.30 |
| Disposal of Property, Plant and Equipment | | - | 0.11 |
| Movement in bank balances other than cash and cash equivalents | | (1,356.83) | (19,209.16) |
| Interest Received | | 897.09 | 271.29 |
| Net Cash used in Investing Activities (B) | | (9,043.92) | (53,267.89) |

Statement of Cash Flows for the year ended 31 March 2024 (Contd.)

(₹ in lakhs)

| Particulars | Notes | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-------|-----------------------------|-----------------------------|
| Cash Flow from Financing Activities | | | |
| Proceeds from issuance of share capital (including securities premium) | | 8,300.00 | 35,000.00 |
| Proceeds from short term borrowings | | 500.00 | - |
| Proceeds from Long Term Borrowings | | 74.40 | 23,770.23 |
| Interest Paid | | (1,501.99) | - |
| Payment of lease liabilities | | (48.62) | (15.18) |
| Net Cash generated from Financing Activities (C) | | 7,323.79 | 58,755.05 |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | | (3,469.07) | 3,760.96 |
| Opening Cash and Cash Equivalents | 10 | 4,171.20 | 410.24 |
| Closing Cash and Cash Equivalents | 10 | 702.13 | 4,171.20 |

1. The aforesaid cash flow statement has been prepared under the indirect method as set out in Ind AS 7- "Statement of Cash Flow".
2. Disclosure on reconciliation of liabilities from financing activities as required by Ind AS 7 has been included in Note 31.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 24 May 2024

For and on behalf of the Board of Directors of
Dhunseri Poly Films Private Limited
CIN: U25209WB2020PTC241596

C. K. Dhanuka
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Director
DIN: 00005666

R.K.Sharma
Director & CEO
DIN: 05197101

Vasundhara Joshi
Company Secretary

Notes to Financial Statements for the year ended 31 March 2024

Reporting Entity

Dhunseri Poly Films Private Limited [the 'Company'] having CIN U25209WB2020PTC241596 is a company domiciled in India, with its registered office situated at Kolkata. The company was originally incorporated on 28 November 2020 under the provision of Companies Act 2013. The Company is primarily engaged in manufacturing of Films.

1. Basis of accounting

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 24 May 2024.

Details of Company's Accounting policy are included in Note 2.

1.2 Historical Cost Convention

These financial statements have been prepared on a historical cost basis, except for the following items:

| Items | Measurement basis |
|--|---|
| Certain financial assets and liabilities | Fair value |
| Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

1.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs unless otherwise indicated.

1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical judgements, assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

Measurement of defined benefit obligations: key actuarial assumptions - The cost of the defined benefits that includes gratuity and compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

Deferred Tax Asset: Judgement involves non-recognition of DTA.

Useful life of property, plant and equipment: Useful life of property, plant and equipments are reviewed at each financial year-end. The Company estimates the useful life are different than the useful life stated in Schedule II to The Companies Act, 2013 and are based on the experience of the entity with similar assets.

Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values of assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- 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 Group 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.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions and valuation techniques made in measuring fair values is included in Note 35.

2. Material accounting policies

2.1 Leases

The Company as a lessee

The Company assesses whether a contract contains a lease as per the requirements of Ind AS 116 "Leases" at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

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 end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 incremental borrowing rate of the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Lease payments have been classified as financing cash flows.

2.2 Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs are directly attributable to acquisition or construction of assets which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.3 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year end, monetary assets and liabilities denominated in foreign currencies are restated at the year end exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/other expense.

2.4 Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

(i) 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. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.5 Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

2.6 Financial Instruments

(i) Recognition and Initial measurement

The Company recognises financial assets and financial liabilities when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. 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.

A financial asset is measured at amortised cost if it meets both the conditions and is not designated as at FVTPL:

- (i) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets: The subsequent measurement of gains and losses of various categories of financial instruments are as follows:

(i) **Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(ii) **Equity investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

(iii) **Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial Liabilities: Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

(iii) Derecognition

Financial assets: 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.

Financial liabilities: The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

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

2.7 Impairment

i. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 Earnings per share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the company by the weighted average of equity shares outstanding during the year. The weighted average of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a right issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earning per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earning per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

2.9 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

2.10 Employee Benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a 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.

(ii) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ("the asset ceiling"). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund schemes. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Other long-term employee benefits- compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The company's net obligation in respect of other long-term employee benefit of accumulating absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

2.11 Property, plant and equipment

i. Recognition and measurement

The cost of any item of PPE 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. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item 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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Item of Property, plant and equipment for which related actual cost do not exceed ₹ 5,000 are fully depreciated in the year of purchase.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gains/losses are recognised in the statement of profit or loss.

2.12 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Executive Committee to make decisions about resources to be allocated to the segments and assess their performance.

The Company has only one operating segment which deals in manufacture of Flexible Packaging Films. Detailed disclosures about operating segments are given in Note 39.

2.13 Intangible Assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss. An Intangible asset is recognised only if it is probable that future economic benefit attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

The estimated useful life is as follows:

-Software 5 years

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in specific asset to which it relates and the cost of asset can be measured reliably. All other expenditure is recognised in profit and loss as incurred.

2.14 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

2.15 Revenue

At contract inception, Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products and rendering of certain services revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods or services. There is no significant financing component involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers. The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

2.16 Government Grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss based on fulfilment of conditions/obligations associated with the Grant.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.17 Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts 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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.18 Subsequent events

There are no material non-adjusting events after the reporting period till the date of issue of these financial statements (i.e. 24 May 2024).

2.19 Recent accounting 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.

Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

3. Property Plant and Equipment

See accounting policies in note 2.2 and 2.11

(₹ in lakhs)

| Particulars | Owned Asset | | | | | | | Leased Asset | | Total |
|---------------------------------|------------------|-------------------------|-----------------|------------------------|-------------------|------------------------|---------------|-----------------|-----------------|------------------|
| | Office Equipment | Electrical Installation | Freehold Land | Furniture and Fixtures | Plant & Machinery | Computer & Accessories | Motor Vehicle | Building | Leasehold land | |
| Gross carrying amount | | | | | | | | | | |
| Balance as at April 01, 2022 | 4.05 | - | - | 8.87 | - | 5.95 | - | - | 2,463.20 | 2,482.07 |
| Additions | 12.62 | - | - | 134.74 | - | 19.08 | 39.42 | 34.18 | 56.09 | 296.13 |
| Disposal | (0.12) | - | - | - | - | - | - | - | - | (0.12) |
| Balance as at March 31, 2023 | 16.55 | - | - | 143.61 | - | 25.03 | 39.42 | 34.18 | 2,463.20 | 2,778.08 |
| Balance at 01 April 2023 | 16.55 | - | - | 143.61 | - | 25.03 | 39.42 | 34.18 | 2,463.20 | 2,778.08 |
| Additions | 158.62 | 3,791.63 | 2,013.81 | 51.38 | 40,701.52 | 81.28 | 73.21 | 9,479.91 | 112.13 | 56,463.49 |
| Balance as at March 31, 2024 | 175.17 | 3,791.63 | 2,013.81 | 194.99 | 40,701.52 | 106.31 | 112.63 | 9,514.09 | 168.22 | 59,241.57 |
| Accumulated depreciation | | | | | | | | | | |
| Balance as at April 01, 2022 | 0.18 | - | - | 0.42 | - | 0.49 | - | - | 25.68 | 26.77 |
| Depreciation for the year | 2.48 | - | - | 12.16 | - | 4.31 | 7.05 | 7.99 | 13.53 | 72.40 |
| Disposal | (0.01) | - | - | - | - | - | - | - | - | (0.01) |
| Balance as at March 31, 2023 | 2.65 | - | - | 12.58 | - | 4.80 | 7.05 | 7.99 | 13.53 | 99.16 |
| Balance at 01 April 2023 | 2.65 | - | - | 12.58 | - | 4.80 | 7.05 | 7.99 | 13.53 | 99.16 |
| Depreciation for the year | 12.21 | 52.89 | - | 24.57 | 465.65 | 16.79 | 14.76 | 168.31 | 41.15 | 821.26 |
| Balance as at March 31, 2024 | 14.86 | 52.89 | - | 37.15 | 465.65 | 21.59 | 21.81 | 176.30 | 54.68 | 920.42 |
| Carrying amount (net) | | | | | | | | | | |
| At March 31, 2023 | 13.90 | - | - | 131.03 | - | 20.23 | 32.37 | 26.19 | 42.56 | 2,678.92 |
| At March 31, 2024 | 160.31 | 3,738.74 | 2,013.81 | 157.84 | 40,235.87 | 84.72 | 90.82 | 9,337.79 | 113.54 | 58,321.15 |

Security

As at 31 March 2024, all the movable fixed assets and immovable properties of the Company are subject to charge for borrowings and borrowing facilities/limits availed by the Company from bank (Refer Note 15)

4. Capital Work in Progress

See accounting policies in note 2.12

(₹ in lakhs)

| Particulars | Amount |
|---|--------------------|
| Balance at 01 April 2022 | 3,810.51 |
| Additions | 45,008.55 |
| Allocated to property, plant and equipment upon capitalisation during the year | (55.20) |
| Balance as at March 31, 2023 | 48,763.86 |
| Balance at 01 April 2023 | 48,763.86 |
| Additions | 4,791.24 |
| Allocated to property, plant and equipment upon capitalisation during the year | (53,555.10) |
| Balance as at March 31, 2024 | - |
| At March 31, 2023 | 48,763.86 |
| At March 31, 2024 | - |

(a) Ageing of Capital work in progress is as follows:

As at 31 March 2024

(₹ in lakhs)

| Particulars | Amount in Capital work-in progress for a period of | | | | Total |
|--|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress - Polyfilms project | - | - | - | - | - |
| | - | - | - | - | - |

As at 31 March 2023

(₹ in lakhs)

| Particulars | Amount in Capital work-in progress for a period of | | | | Total |
|--|--|-----------|-----------|-------------------|-----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress - Polyfilms project | 44,988.26 | 3,775.60 | - | - | 48,763.86 |
| | 44,988.26 | 3,775.60 | - | - | 48,763.86 |

- (b) Gross amount of Property Plant and Equipment includes government grant received under Export Promotion of Capital Goods license recognised as deferred income on government grant amounting to ₹**7,380.69 lakhs** (31 March 2023- ₹7,400.24 lakhs) (Refer note 20)
- (c) Borrowing cost capitalised during the year aggregates to ₹**1,845.33 lakhs** (31 March 2023- ₹1,941.45 lakhs). This includes net exchange loss on foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost aggregating to ₹**599.63 lakhs** (31 March 2023- ₹800.30 lakhs).

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

5. Intangible Assets

See accounting policies in note 2.13

(₹ in lakhs)

| Particulars | Amount |
|-------------------------------------|--------------|
| Gross carrying amount | |
| Balance as at April 01, 2022 | - |
| Additions | 38.62 |
| Balance as at March 31, 2023 | 38.62 |
| Balance at 01 April 2023 | 38.62 |
| Additions | 1.25 |
| Balance as at March 31, 2024 | 39.87 |
| Accumulated Amortisation | |
| Balance as at April 01, 2022 | - |
| Amortisation for the year | 2.47 |
| Balance as at March 31, 2023 | 2.47 |
| Balance at 01 April 2023 | 2.47 |
| Amortisation for the year | 8.22 |
| Balance as at March 31, 2024 | 10.69 |
| At March 31, 2023 | 36.15 |
| At March 31, 2024 | 29.18 |

6. Other Assets

(₹ in lakhs)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|-------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Current | Non current | Current | Non current |
| Deposit with Government Authorities | 2,039.98 | - | 1,408.79 | - |
| Capital Advances | - | 7,854.29 | - | 6,012.47 |
| Other Advances | 14.36 | - | - | - |
| Advance to Employees | 10.71 | - | - | - |
| Prepaid Expenses | 747.82 | 31.04 | 289.58 | - |
| Total Other Assets | 2,812.87 | 7,885.33 | 1,698.37 | 6,012.47 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

7. Inventories

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (a) Raw material (including raw material in transit amounting to ₹37.81 lakhs, 31 March 2023: Nil) | 1,089.02 | - |
| (b) Work in progress | 425.34 | - |
| (c) Finished goods (including goods in transit amounting to ₹411.79 lakhs, 31 March 2023: Nil) | 794.02 | - |
| (d) Stores and spares including packing material | 234.46 | - |
| Total Inventories | 2,542.84 | - |
| Carrying amount of inventories (included in above) pledged as securities for borrowings, refer note 15 | 2,542.84 | - |

The write-down of inventories to net realisable value during the year amounted to ₹20.60 lakhs (31 March 2023 : Nil). The write down of inventories are included in changes in inventory of finished goods and work-in-progress.

8. Current Investments

See accounting policies in note 2.6

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Investments in Mutual Funds at FVTPL | | |
| SBI Savings Fund | | |
| 1,23,13,980 (31 March 2023: 1,05,14,529) units of Face Value of ₹1,000/- each | 4,979.96 | 3,950.45 |
| Total Investment in Mutual Fund | 4,979.96 | 3,950.45 |
| Total Current Investments | | |
| Aggregate book and market value of unquoted Investments | 4,979.96 | 3,950.45 |

9. Trade Receivables

See accounting policies in note 2.6

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Unsecured, considered good | | |
| Trade Receivables considered good - Secured | 211.19 | - |
| Trade Receivables considered good - Unsecured | - | - |
| Trade Receivables which have significant increase in Credit Risk | - | - |
| Trade Receivables - credit impaired. | - | - |
| Total Trade Receivables | 211.19 | - |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

For receivables secured against borrowings, refer Note 15.

The Company's exposure to credit and currency risks related to trade receivables are disclosed in Note 35

The ageing of Trade Receivables as at 31 March 2024 is as follows:

31st March 2024

(₹ in lakhs)

| Particulars | Not Due | Outstanding from due date of payment | | | | | Total |
|--|---------------|--------------------------------------|-----------------|-----------|-----------|-------------------|---------------|
| | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 194.28 | 16.91 | - | - | - | - | 211.19 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 194.28 | 16.91 | - | - | - | - | 211.19 |

The ageing of Trade Receivables as at 31 March 2023 is as follows:

31st March 2023

(₹ in lakhs)

| Particulars | Not Due | Outstanding from due date of payment | | | | | Total |
|--|----------|--------------------------------------|-----------------|-----------|-----------|-------------------|----------|
| | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | - | - | - | - | - | - |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

10. Cash and Cash Equivalents

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Cash and cash equivalents | | |
| Balances with Banks | | |
| Current Accounts | 702.13 | 451.69 |
| Fixed Deposit with original maturity less than 3 months | - | 3,719.51 |
| Total Cash and Cash Equivalents | 702.13 | 4,171.20 |

(i) There are no repatriation restriction with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

11. Bank Balances other than Cash and Cash Equivalents above

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Others bank balances | | |
| Bank Account-Secured Against Borrowings (Refer Note (i) below) | 136.45 | 1,618.08 |
| Fixed Deposits with maturity of more than 3 months but less than 12 months (Refer Note (ii) below) | 22,687.54 | 19,697.19 |
| Total Other Bank Balances | 22,823.99 | 21,315.27 |

(i) There are repatriation restrictions and the accounts are maintained as escrow account.

(ii) Fixed deposits amounting to ₹1,904.83 lakhs (31 March 2023-₹752.88 lakhs) are under lien with bank.

12. Other Financial Assets

(₹ in lakhs)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|---------------|---------------------|---------------|
| | Current | Non current | Current | Non current |
| Fixed Deposit having remaining maturity of more than 12 months (Refer Note (i) below) | - | 651.20 | - | - |
| Security Deposit | - | 257.11 | - | 249.93 |
| Total Other Financial Assets | - | 908.31 | - | 249.93 |

(i) Fixed deposits amounting to ₹651.20 lakhs (31 March 2023-₹ Nil) are under lien with bank.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

13. Equity Share Capital

(All amounts in ₹ lakhs, unless otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Authorised | | |
| 7,00,00,000 Equity Shares of ₹10/- each (31 March 2023-6,50,00,000 Equity Shares of ₹10/- each) | 7,000.00 | 6,500.00 |
| Issued, Subscribed and Paid-up | | |
| 6,83,09,000 Equity Shares of ₹10/- each fully paid up (31 March 2023-6,00,09,000 Equity Shares of ₹10/- each fully paid up) | 6,830.90 | 6,000.90 |
| Total Equity Share Capital | 6,830.90 | 6,000.90 |

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

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | No. of Shares | Amount (₹ in lakhs) | No. of Shares | Amount (₹ in lakhs) |
| Balance as at the beginning of the year | 6,00,09,000 | 6,000.90 | 2,50,09,000 | 2,500.90 |
| Add: Shares issued during the year | 83,00,000 | 830.00 | 3,50,00,000 | 3,500.00 |
| Balance as at the end of the year | 6,83,09,000 | 6,830.90 | 6,00,09,000 | 6,000.90 |

(b) Terms/ Rights 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. Each holder of equity shares is entitled to one vote per share. On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares of the Company held by Holding Company

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------|------------------------|------------------------|
| Dhunseri Ventures Limited | 6,83,09,000 | 6,00,09,000 |

The above shareholding represents legal ownership of shares

(d) Particulars of shareholders holding more than 5% of Issued, Subscribed and Paid-up share.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------|------------------------|------------------------|
| Dhunseri Ventures Limited | 6,83,09,000 | 6,00,09,000 |
| % Holding | 100.00% | 100.00% |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

(e) Change in shareholding of promoters

As at 31 March 2024

| Shares held by promoters at the end of the year | | % change during the year |
|---|---------------|--------------------------|
| Name of the promoter | No. of shares | |
| Dhunseri Ventures Limited | 6,83,09,000 | 100 |
| | 6,83,09,000 | 100 |

As at 31 March 2023

| Shares held by promoters at the end of the year | | % change during the year |
|---|---------------|--------------------------|
| Name of the promoter | No. of shares | |
| Dhunseri Ventures Limited | 6,00,09,000 | 100 |
| | 6,00,09,000 | 100 |

- (i) Dhunseri Ventures Limited is the legal owner of 6,83,09,000 shares (31 March 2023-6,00,09,000 shares) and Mrs. Aruna Dhanuka, Mr. C.K.Dhanuka, Mr. M.Dhanuka, Mr. R.K.Sharma, Mr. M.Beriwala, Mrs. S.Gulati are holding one share each as nominees of Dhunseri Ventures Limited.

14. Other Equity

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------------|---------------------|---------------------|
| Securities Premium [Refer (a) below] | 52,469.10 | 44,999.10 |
| Retained Earnings [Refer (b) below] | (2,872.00) | (1,171.48) |
| Total | 49,597.10 | 43,827.62 |

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| (a) Securities Premium | | |
| Balance as at the beginning of the year | 44,999.10 | 13,499.10 |
| Premium on shares issued during the year | 7,470.00 | 31,500.00 |
| Balance as at the end of the year | 52,469.10 | 44,999.10 |

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

(b) Retained Earnings

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Balance as at the beginning of the year | (1,171.48) | (31.67) |
| Add: Loss for the year | (1,702.36) | (1,137.21) |
| Add: Remeasurement of defined benefit obligations (net of tax) | 1.84 | (2.60) |
| Balance as at the end of the year | (2,872.00) | (1,171.48) |

This reserve represents the cumulative profit/loss of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

15. Borrowings

(₹ in lakhs)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|--|---------------------|------------------|---------------------|------------------|
| | Current | Non current | Current | Non current |
| Secured | - | - | - | - |
| Term Loan from banks (Refer Note-(i) to (vi) below) | 4,452.55 | 27,637.52 | - | 30,839.35 |
| Working Capital Demand Loan from banks (Refer Note (vii) below) | 503.43 | - | - | - |
| Total Borrowings | 4,955.98 | 27,637.52 | - | 30,839.35 |

The Company's exposure to interest rate, foreign currency and liquidity risks related to borrowings is disclosed in Note 35.

- (i) Borrowings include ₹22,409.72 lakhs (31 March 2023-₹21,707.57 lakhs) taken from Oldenburgische Landesbank AG pertaining to the financing of the BOPET Project in Panagarh, West Bengal repayable in 17 equal half yearly instalments, the last instalment being 13 September 2032. The loan carries an interest rate of 0.95% plus 6 months EURIBOR. The loan is secured against the assets financed by the loan.
- (ii) Borrowings include ₹9,610.67 lakhs (31 March 2023-₹9,131.78 lakhs) taken from HDFC Bank Limited pertaining to the financing of the BOPET Project in Panagarh, West Bengal repayable in 24 equal quarterly instalments, the last instalment being 01 April 2030. The loan carries an interest rate of 2.75% plus 3 months EURIBOR. The loan is secured against the leasehold land and other assets of Dhunseri Poly Films Private Limited.
- (iii) Borrowings include ₹11.17 lakhs (31 March 2023-₹ Nil) taken from HDFC Bank Limited for purchase of motor car. The loan is repayable in 51 further equated monthly instalments, the last instalment being 07 June 2028. The loan carries an interest rate of 8.75%. The loan is secured against purchase of motor vehicle. (Refer Note-3)
- (iv) Borrowings include ₹19.61 lakhs (31 March 2023-₹ Nil) taken from HDFC Bank Limited for purchase of motor car. The loan is repayable in 50 further equated monthly instalments, the last instalment being 07 May 2028. The loan carries an interest rate of 8.60%. The loan is secured against purchase of motor vehicle. (Refer Note-3)
- (v) Borrowings include ₹21.29 lakhs (31 March 2023-₹ Nil) taken from HDFC Bank Limited for purchase of motor car. The loan is repayable in 60 equated monthly instalments, the last instalment being 05 April 2029. The loan carries an interest rate of 9.10%. The loan is secured against purchase of motor vehicle. (Refer Note-3)
- (vi) Borrowings include ₹17.61 lakhs (31 March 2023-₹ Nil) taken from HDFC Bank Limited for purchase of motor car. The loan is repayable in 60 equated monthly instalments, the last instalment being 05 April 2029. The loan carries an interest rate of 9.10%. The loan is secured against purchase of motor vehicle. (Refer Note-3)

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

- (vii) Working Capital Loan from bank of ₹503.43 lakhs (31 March 2023-₹ Nil) is secured by way of first pari passu charge on the entire current assets of the Company and second charge on all movable and immovable properties of Panagarh plant, excluding the assets exclusively charged by Oldenburgische Landesbank AG as referred to in Note (i) above.
- (viii) The parent company, Dhunseri Ventures Limited has given Corporate Guarantee against the borrowings referred to in Note (i) and (ii) above

Details of quarterly returns or statement of current assets filed by the company with banks and financial institutions are not in agreement with the books of accounts

Summary of reconciliation of statement as submitted to Banks as compared to Books of Accounts for the year ended 31 March 2024

(₹ in lakhs)

| Quarter | Name of Bank | Particulars of Securities provided | Amount as per Books of Accounts | Amount as reported in the quarterly return/ statement | Amount of difference* |
|---------|--------------|------------------------------------|---------------------------------|---|-----------------------|
| Sep-23 | HDFC Bank | Inventories | 1,056.48 | 1,477.44 | (420.96) |
| Sep-23 | | Trade Payable | 1,705.37 | 1,565.61 | 139.76 |
| Sep-23 | | Advance to Creditors | 112.80 | 105.48 | 7.32 |
| Sep-23 | | GST Receivables | 2,007.14 | 1,951.00 | 56.14 |
| Dec-23 | | Inventories | 2,339.33 | 1,756.40 | 582.93 |
| Dec-23 | | Trade Payable | 3,304.37 | 2,626.40 | 677.97 |
| Dec-23 | | GST Receivables | 2,101.50 | 2,077.50 | 24.00 |

*Difference is on account of period end adjustments

16. Provisions

Assets and Liabilities relating to employee benefits

See accounting policies in Note 2.10

(₹ in lakhs)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|--------------|---------------------|--------------|
| | Current | Non current | Current | Non current |
| Net defined benefit liability-Gratuity plan | - | 11.58 | - | 7.86 |
| Liability for compensated absences | 15.54 | 56.04 | 3.32 | 16.47 |
| Total employee benefit liabilities | 15.54 | 67.62 | 3.32 | 24.33 |

For details related to employee benefit expense, see Note 25

The Company has a defined gratuity plan in India with LIC, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days salary/wages for every completed year of service or part thereof in excess of six months, based on the rate of salary/wages last drawn by the employee concerned.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Group. The board of the gratuity fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment and contribution policies) of the fund.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The Plan is funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to pay ₹25.17 lakhs (31 March 2023 - ₹15.29 lakhs) in contribution to its defined benefit plans in 2024-25.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

(₹ in lakhs)

| Reconciliation of present value of defined benefit obligation | Funded 31 March 2024 | Funded 31 March 2023 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 10.27 | 0.31 |
| Current service cost | 19.22 | 7.23 |
| Interest cost | 0.76 | 0.02 |
| Actuarial (Gain)/Loss recognised in other comprehensive income - change in financial assumption | 0.28 | (0.05) |
| Actuarial (Gain)/Loss recognised in other comprehensive income - experience adjustments | (1.11) | 2.76 |
| Balance at the end of the year | 29.42 | 10.27 |

(₹ in lakhs)

| Reconciliation of the present value of plan assets | Funded 31 March 2024 | Funded 31 March 2023 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 2.41 | - |
| Contribution paid to the plan | 14.24 | 2.30 |
| Return on plan assets excluding interest income | 1.01 | |
| Interest Income | 0.18 | 0.11 |
| Balance at the end of the year | 17.84 | 2.41 |
| Net defined benefit liability at the end of the year | 11.58 | 7.86 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

C.

(₹ in lakhs)

| i) Expense recognised in Statement of Profit and Loss | Funded 31 March 2024 | Funded 31 March 2023 |
|---|-------------------------|-------------------------|
| Current service cost | 19.22 | 7.23 |
| Interest cost | 0.76 | 0.02 |
| Interest Income | (0.18) | - |
| | 19.80 | 7.25 |

(₹ in lakhs)

| ii) Remeasurements recognised in other comprehensive income | Funded 31 March 2024 | Funded 31 March 2023 |
|---|-------------------------|-------------------------|
| Actuarial (Gain)/loss on defined benefit obligation | (0.83) | 2.71 |
| Return on plan asset excluding interest income | (1.01) | (0.11) |
| | (1.84) | 2.60 |

D. Plan assets

(₹ in lakhs)

| Plan assets comprise the following: | Funded 31 March 2024 | Funded 31 March 2023 |
|--|-------------------------|-------------------------|
| Funds managed by Life Insurance Corporation of India | 100.00% | 100.00% |

E. Defined benefit obligation

i. Actuarial assumptions

(₹ in lakhs)

| Principal actuarial assumptions at the reporting date | Funded 31 March 2024 | Funded 31 March 2023 |
|---|-------------------------|-------------------------|
| Discount rate | 7.22% | 7.36% |
| Future salary growth | 5.00% | 5.00% |

Assumptions regarding future mortality are based on "Indian Assured Lives Mortality (2012-14)".

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

ii. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in lakhs)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---------------------------------------|---------------------|----------|---------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (0.50% movement) | (1.45) | 1.59 | (0.35) | 0.38 |
| Future salary growth (0.50% movement) | 1.62 | (1.49) | 0.38 | (0.36) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Maturity Profile of Defined Benefit Obligation

(₹ in lakhs)

| Year | 31 March 2024 | 31 March 2023 |
|-------------------|---------------|---------------|
| a) 0 to 1 Year | 0.10 | 0.06 |
| b) 1 to 2 Year | 5.10 | 0.10 |
| c) 2 to 3 Year | 1.41 | 3.42 |
| d) 3 to 4 Year | 0.30 | 0.71 |
| e) 4 to 5 Year | 1.54 | 0.09 |
| f) 5 to 6 Year | 1.92 | 0.57 |
| g) 6 Year onwards | 19.05 | 5.32 |

F. Contribution to Defined Contribution Plan comprising ₹53.31 lakhs (31 March 2023-₹26.23 lakhs) on account of the Company's Contribution to Provident Fund ₹10.84 lakhs (31 March 2023-₹ Nil) on account of Company's Contribution to National Pension Scheme has been recognised as an expense and included in Note-25-Employee Benefit Expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.

17. Trade Payables

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Trade Payables | | |
| Total outstanding dues of micro and small enterprises | 154.08 | - |
| Total outstanding dues of creditors other than micro and small enterprises | 3,545.74 | 99.54 |
| Total Trade Payables | 3,699.82 | 99.54 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") based on the information available with the Company are given below:

(₹ in lakhs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| (a) The amounts remaining unpaid to micro and small suppliers as at the end of the accounting year | | |
| - Principal | 154.08 | - |
| - Interest | - | - |
| (b) The amount of the interest paid by the buyer in terms of section 16 of the MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (c) The amount of interest due and payable for the 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 | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act | - | - |

Trade Payables ageing schedule as at 31 March 2024

(₹ in lakhs)

| Particulars | Unbilled Dues | Outstanding for following periods from date of transaction | | | | Total |
|-----------------------------|---------------|--|-----------|-----------|-------------------|----------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | 154.08 | - | - | - | 154.08 |
| (ii) Others | 246.70 | 3,299.04 | - | - | - | 3,545.74 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| | 246.70 | 3,453.12 | - | - | - | 3,699.82 |

Trade Payables ageing schedule as at 31 March 2023

(₹ in lakhs)

| Particulars | Unbilled Dues | Outstanding for following periods from date of transaction | | | | Total |
|-----------------------------|---------------|--|-----------|-----------|-------------------|-------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 76.46 | 23.08 | - | - | - | 99.54 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| | 76.46 | 23.08 | - | - | - | 99.54 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

18. Other Current Financial Liabilities

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Payable to related party (Refer Note 37) | 104.66 | 50.62 |
| Retention Money | 36.87 | - |
| Creditors for capital goods | 316.59 | 487.79 |
| Payable to employees | 83.69 | 30.63 |
| Total Other Current Financial Liabilities | 541.81 | 569.04 |

19. Current Tax Asset (Net)

See accounting policies in Note 2.4

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Advance Payment of Taxes (Net of Provision for Taxation) | 222.48 | 27.76 |
| Total Current Tax Asset (Net) | 222.48 | 27.76 |

20. Other Liabilities

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|------------------------|------------------------|
| | Non Current | | Current | |
| Deferred Income on Government Grant (*) | 7,330.49 | 7,400.24 | - | - |
| Advance from customers | - | - | 623.45 | - |
| Statutory Dues Payable | - | - | 17.63 | 93.55 |
| Total Other Liabilities | 7,330.49 | 7,400.24 | 641.08 | 93.55 |

(*) Government Grant received against Export Promotion of Capital Goods licence and included in the cost of respective assets in note 3. The Company is under an obligation to export goods, as specified in the license.

21. Revenue from Operations

See accounting policies in note 2.15

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|------------------------------------|-----------------------------|-----------------------------|
| Sale of products (A) | | |
| Manufactured Goods | 9,517.41 | - |
| Other Operating Revenue (B) | | |
| Export Incentive | 5.87 | - |
| Sale of scrap | 27.51 | - |
| Revenue from Operations | 9,550.79 | - |

Refer to note 39 for "Disaggregation of Revenue" from Contracts with customers.

The amount of revenue from contracts with customers recognised in statement of profit and loss is the transaction price.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

22. Other Income

See accounting policies in note 2.17

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interest Income from financial assets | 1,700.18 | 256.50 |
| Net change in fair value of financial asset measured at FVTPL | 37.13 | 55.54 |
| Government Grant (Refer Note 20) | 50.20 | - |
| Gain on Sale of Investments measured at FVTPL | 208.08 | 277.14 |
| Miscellaneous Income | - | 0.14 |
| Total Other Income | 1,995.59 | 589.32 |

23. Cost of Materials Consumed

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Inventory at the beginning of the year | - | - |
| Add: Purchases | 14,965.56 | - |
| Less: Transfer to Capital work-in-progress | 4,858.21 | - |
| Less: Inventory at the end of the year | 1,089.02 | - |
| Total Cost of Materials Consumed | 9,018.33 | - |

24. Changes in inventory of finished goods and work-in-progress

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Opening inventory | | |
| Finished goods | - | - |
| Work-in progress | - | - |
| | - | - |
| Closing inventory | | |
| Finished goods | 794.02 | - |
| Work-in progress | 425.34 | - |
| | 1,219.36 | - |
| (Increase)/Decrease in inventory of Finished Goods and work-in-progress | | |
| Finished goods | (794.02) | - |
| Work-in progress | (425.34) | - |
| Transfer to Capital work-in progress | 722.52 | - |
| | (496.84) | - |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

25. Employee Benefits Expense

See accounting policies in note 2.10

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Salaries, Wages and Bonus | 1,054.81 | 291.78 |
| Contribution to provident fund and other funds (Refer Note 16) | 64.15 | 14.75 |
| Expenses related to post-employment benefit plans (Refer Note 16) | 19.80 | 7.25 |
| Staff welfare expenses | 7.23 | 1.21 |
| Total Employee benefit expenses | 1,145.99 | 314.99 |

26. Finance Costs

See accounting policies in Note 2.2, 2.3 and 2.17

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Interest expense on financial liabilities measured at amortised cost | 643.67 | - |
| Net exchange loss on foreign currency borrowings | 236.05 | - |
| Interest on Lease Liabilities | 11.57 | 2.52 |
| Total Finance Costs | 891.29 | 2.52 |

27. Depreciation and Amortisation Expense

See accounting policies in note 2.11

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Depreciation on property, plant and equipment | 821.26 | 72.40 |
| Amortisation of intangible assets | 8.22 | 2.47 |
| Total Depreciation and Amortisation expenses | 829.48 | 74.87 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

28. Other Expenses

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Power & Fuel | 693.31 | - |
| Consumption of stores and spare parts including packing material | 203.07 | - |
| Freight, delivery and shipping charges | 317.34 | - |
| Professional charges | 113.17 | 39.94 |
| Rent | 1.50 | 0.22 |
| Repairs and Maintenance | 51.06 | 0.73 |
| Net exchange loss on Foreign currency transaction/translations | 0.05 | 1,021.22 |
| Miscellaneous expenses [Refer (a) below] | 480.99 | 275.55 |
| Total Other Expenses | 1,860.49 | 1,337.66 |

(a) Includes Auditors' remuneration paid/payable as set out below:

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|------------------------------|-----------------------------|-----------------------------|
| Payment to auditors | | |
| As auditor | | |
| Statutory audit | 35.00 | 15.00 |
| Other matters (Certificates) | 4.00 | 1.50 |
| Reimbursement of expenses | 1.25 | 0.20 |
| Total | 40.25 | 16.70 |

(b) The provisions of Section 135 of the Companies Act 2013 is now applicable to the Company as the net worth of the Company has crossed ₹500 crs in the FY 2023-24. However, since there is losses in the current financial year, the requirement to contribute and form a CSR Committee does not arise.

29. Income tax

See accounting policy in note 2.4

A Amounts recognised in statement of profit and loss

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Current tax (a) | | |
| Pertaining to previous year | - | (3.51) |
| Deferred Tax (b) | - | - |
| Tax expense (a + b) | - | (3.51) |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

B Amounts recognised in Other Comprehensive Income

(₹ in lakhs)

| Particulars | Year ended 31 March 2024 | | |
|---|--------------------------|---------------------------|------------|
| | Before tax | Tax (expense)/ benefit | Net of tax |
| Remeasurement gain of the net defined benefit liability plans | 1.84 | - | 1.84 |
| | 1.84 | - | 1.84 |

(₹ in lakhs)

| Particulars | Year ended 31 March 2023 | | |
|---|--------------------------|---------------------------|------------|
| | Before tax | Tax (expense)/ benefit | Net of tax |
| Remeasurement loss of the net defined benefit liability plans | (2.60) | - | (2.60) |
| | (2.60) | - | (2.60) |

C The major components of deferred tax (liabilities)/assets as at 31 March 2024 are as follows:

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Difference in carrying value and tax base of property, plant and equipment | (1,997.09) | (1,481.77) |
| Difference in carrying value and tax base of government grant | 1,257.91 | 1,269.88 |
| Difference in carrying value and tax base of borrowings | 544.31 | 393.65 |
| Unabsorbed tax loss | 663.18 | - |
| Difference in carrying value and tax base of investments | 6.37 | (8.09) |
| Difference in carrying value and tax base of Lease Liability | 13.25 | 7.98 |
| Expenses allowable on payment basis | 14.27 | 4.74 |
| | 502.20 | 186.39 |

(i) Due to lack of convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the Company, the deferred tax assets was recognized only to the extent of deferred tax liability.

(ii) Unabsorbed tax loss is on account of unabsorbed depreciation, unabsorbed depreciation does not get expired.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

D Reconciliation of statutory rate of tax and effective rate of tax:

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Loss before tax | (1,702.36) | (1,140.72) |
| Domestic tax rate | 17.16% | 17.16% |
| Tax using the Company's domestic tax rate | (292.12) | (195.75) |
| Effect of: | | |
| Deferred taxes not recognised | (315.80) | (178.04) |
| Others | 23.68 | (17.71) |
| Actual tax expense | - | - |

30. Earnings Per Equity Share

See accounting policies in Note 2.8

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Basic and Diluted Earnings Per Share | | |
| (i) Loss for the year - (₹ in lakhs) | (1,702.36) | (1,137.21) |
| (ii) Weighted average number of Equity Shares outstanding during the year used as a denominator in calculating basic and diluted earnings per share | 6,24,74,301 | 3,56,96,671 |
| (iii) Face value of each Equity Shares (₹) | 10.00 | 10.00 |
| (iv) Dilutive Potential Equity Shares | - | - |
| (v) Basic and Diluted earnings per share (₹) | (2.72) | (3.19) |

31. Reconciliation of Liabilities from Financing Activities

31 March 2024

(₹ in lakhs)

| Particulars | Opening balance as at 01 April 2023 | Cash flows | Non-cash changes | | | Closing balance as at 31 March 2024 |
|-------------------|---|------------|----------------------------------|-----------------------------------|---|---|
| | | | Effect of Foreign Exchange | Addition to Lease Liability | Effect of Effective Interest Rate | |
| Borrowings | 30,839.35 | (927.59) | 835.68 | - | 1,846.06 | 32,593.50 |
| Lease liabilities | 46.49 | (48.62) | - | 112.13 | 11.57 | 121.57 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

31 March 2023

(₹ in lakhs)

| Particulars | Opening balance as at 01 April 2022 | Cash flows | Non-cash changes | | | Closing balance as at 31 March 2023 |
|-------------------|-------------------------------------|------------|----------------------------|-----------------------------|-----------------------------------|-------------------------------------|
| | | | Effect of Foreign Exchange | Addition to Lease Liability | Effect of Effective Interest Rate | |
| Borrowings | 4,722.69 | 23,770.23 | 1,821.52 | - | 524.91 | 30,839.35 |
| Lease liabilities | 3.06 | (15.18) | - | 56.09 | 2.52 | 46.49 |

32. a) Contingent liability as at 31 March 2024 and 31 March 2023 is ₹ Nil.

b) Commitments on account of acquisition of Property, Plant and Equipment (net of capital advances) as at 31 March 2024 is ₹44,073.31 lakhs (31 March 2023-₹45,072 lakhs)

33. Leases

A. Leases as lessee

i. Expenses pertaining to the above short-term leases recognised in the statement of profit and loss is as follows:

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|--------------------------|--------------------------|
| Expenses relating to short-term leases | 1.50 | 0.22 |

Lease payments for short-term leases not included in the measurement of the lease liability are classified as cash flows from operating activities.

ii. Right-of-use and lease liabilities recognised in the financial statements represents the Company's lease of land, lease of guest house and lease of office premises in Kolkata and Delhi. The lease is for a period of 99 years, 3 years, 3 years and 5 years respectively. The Company has paid upfront lease premium of ₹Nil (31 March 2023-₹Nil) for lease of land.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be made after the reporting date:

(₹ in lakhs)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|---------------------|---------------------|
| Less than one year | 47.21 | 20.95 |
| Between one year and five years | 93.21 | 27.29 |
| More than 5 years | 29.52 | 29.72 |
| | 169.94 | 77.96 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

34. Capital Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholder.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day to day needs. The management considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

35. Financial Risk Management

The Company's activities expose it to the following risks arising from financial instruments:

- Credit Risk (See 35 (ii));
- Liquidity Risk (See 35 (iii));
- Market Risk (See 35 (iv));

i. Risk Management Framework

The Company is exposed to normal business risks from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

ii. Credit risk

Credit Risk is the risk that the customer or counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities principally from the Company's receivables from the Customers and pertaining to balances with banks and financial institutions. Credit risk on cash and cash equivalents is limited as the Company maintains bank balances with banks having high credit ratings assigned by international and domestic credit rating agencies.

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the designated authorities of the management. The management mitigates the credit risk from some customer by accepting letter of credits from them. As per Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The maximum exposure to credit risk at the reporting date is the carrying value of financial assets disclosed in Note 8, 9 and 12.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

iii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

As of 31 March 2024, the Company had cash and bank balances of **₹23,526.12 lakhs**. As of 31 March 2023, the Company had cash and bank balances of ₹25,486.47 lakhs.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments, if any, and exclude the impact of netting agreements:

As at 31 March 2024

(₹ in lakhs)

| Particulars | Contractual Cash Flows | | | | | |
|-----------------------------|------------------------|------------------|------------------|-----------------|------------------|-------------------|
| | Carrying amount | Total | 0-1 year | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 32,593.50 | 40,890.72 | 6,674.24 | 5,840.62 | 16,052.86 | 12,323.00 |
| Trade Payables | 3,699.82 | 3,699.82 | 3,699.82 | - | - | - |
| Other Financial Liabilities | 541.81 | 541.81 | 541.81 | - | - | - |
| Total | 36,835.13 | 45,132.35 | 10,915.87 | 5,840.62 | 16,052.86 | 12,323.00 |

As at 31 March 2023

(₹ in lakhs)

| Particulars | Contractual Cash Flows | | | | | |
|-----------------------------|------------------------|------------------|-----------------|-----------------|------------------|-------------------|
| | Carrying amount | Total | 0-1 year | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 30,839.35 | 38,395.94 | 1,106.62 | 3,983.47 | 15,222.87 | 18,082.98 |
| Trade Payables | 99.54 | 99.54 | 99.54 | - | - | - |
| Other Financial Liabilities | 569.04 | 569.04 | 569.04 | - | - | - |
| Total | 31,507.93 | 39,064.52 | 1,775.20 | 3,983.47 | 15,222.87 | 18,082.98 |

The contractual maturities of lease liabilities is disclosed in Note 33.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

iv. Market Risk

Market risk is the risk that changes in market prices – such as prices of securities, foreign exchange rates and interest rates– 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.

a) Price Risk

Exposure

The Company's exposure to mutual funds price risk arises from investments held by the Company and classified in the Balance Sheet at fair value through profit or loss.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that the Company's equity instruments moved in line with the index.

(₹ in lakhs)

| Particulars | Impact on Profit before Tax | | Impact on Equity | |
|-----------------------|-----------------------------|---------------|------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Mutual Funds | | | | |
| Increase in NAV by 5% | 249.00 | 197.52 | 206.27 | 163.63 |
| Decrease in NAV by 5% | (249.00) | (197.52) | (206.27) | (163.63) |

Profit for the period would increase/decrease as a result of gains/losses on mutual funds and equity securities classified as at fair value through profit or loss. Other Components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

(b) Currency Risk:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which assets and liabilities are denominated and the functional currency of the Company. The currencies in which these transactions are primarily denominated are EUR and USD.

The Company uses forward exchange contracts in certain cases to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure

The summary quantitative data about the Company's exposure to currency risk on the reporting date:

(Foreign Currency in lakhs)

| Particulars | 31 March 2024 | | 31 March 2023 |
|------------------|---------------|----------|---------------|
| | USD | EUR | EUR |
| Borrowings | - | (361.24) | (361.24) |
| Trade Receivable | 2.53 | - | - |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the foreign currencies against ₹ at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below:

(₹ in lakhs)

| Particulars | Profit/(Loss) | | Equity, net of tax | |
|----------------------|---------------|-----------|--------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| 31 March 2024 | | | | |
| EUR (5% movement) | (1,629.32) | 1,629.32 | (1,349.73) | 1,349.73 |
| USD (5% movement) | 10.56 | (10.56) | 8.75 | (8.75) |

(₹ in lakhs)

| Particulars | Profit/(Loss) | | Equity, net of tax | |
|----------------------|---------------|-----------|--------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| 31 March 2023 | | | | |
| EUR (5% movement) | (1,613.80) | 1,613.80 | (1,207.61) | 1,207.61 |

c) Interest rate risk

The Company carries both fixed rate and variable rate instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows.

(₹ in lakhs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|---------------|---------------|
| Fixed rate instruments | | |
| Financial assets | 23,338.75 | 23,416.71 |
| Financial liabilities | (69.67) | (9,131.77) |
| | 23,269.08 | 14,284.94 |
| Variable-rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | (32,523.83) | (21,707.57) |
| | (32,523.83) | (21,707.57) |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

Cash flow Sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis presumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in lakhs)

| Particulars | Profit/(Loss) | | Equity, net of tax | |
|--------------------------|-----------------|-----------------|--------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| 31 March 2024 | | | | |
| Variable-rate instrument | (325.24) | 325.24 | (269.43) | 269.43 |
| 31 March 2023 | | | | |
| Variable-rate instrument | (217.08) | 217.08 | (162.44) | 162.44 |

36. Financial Instruments - Fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31 March 2024

(₹ in lakhs)

| Particulars | Note | At FVTPL | Financial assets - amortised cost | Financial liabilities amortised cost | Total carrying amount |
|---|------|----------|-----------------------------------|--------------------------------------|-----------------------|
| Financial assets measured at fair value | | | | | |
| Investments in Mutual Funds* | 8 | 4,979.96 | - | - | 4,979.96 |
| Financial assets not measured at fair value | | | | | |
| Trade Receivables | 9 | - | 211.19 | - | 211.19 |
| Cash and Cash Equivalents | 10 | - | 702.13 | - | 702.13 |
| Other Bank Balances | 11 | - | 22,823.99 | - | 22,823.99 |
| Other Financial Assets | 12 | - | 908.31 | - | 908.31 |
| | | - | 24,645.62 | - | 24,645.62 |
| Financial liabilities not measured at fair value | | | | | |
| Borrowings | 15 | - | - | 32,593.50 | 32,593.50 |
| Trade payables | 17 | - | - | 3,699.82 | 3,699.82 |
| Lease Liabilities | | - | - | 121.57 | 121.57 |
| Other financial liabilities | 18 | - | - | 541.81 | 541.81 |
| | | - | - | 36,956.70 | 36,956.70 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

31 March 2023

(₹ in lakhs)

| Particulars | Note | At FVTPL | Financial assets - amortised cost | Financial liabilities amortised cost | Total carrying amount |
|---|------|----------|--------------------------------------|---|--------------------------|
| Financial assets measured at fair value | | | | | |
| Investments in Mutual Funds* | 8 | 3,950.45 | - | - | 3,950.45 |
| Financial assets not measured at fair value | | | | | |
| Cash and Cash Equivalents | 10 | - | 4,171.20 | - | 4,171.20 |
| Other Bank Balances | 11 | - | 21,315.27 | - | 21,315.27 |
| Other Financial Assets | 12 | - | 249.93 | - | 249.93 |
| | | | 25,736.40 | - | 25,736.40 |
| Financial liabilities not measured at fair value | | | | | |
| Borrowings | 15 | - | - | 30,839.35 | 30,839.35 |
| Trade payables | 17 | - | - | 99.54 | 99.54 |
| Lease Liabilities | | - | - | 46.49 | 46.49 |
| Other financial liabilities | 18 | - | - | 569.04 | 569.04 |
| | | - | - | 31,554.42 | 31,554.42 |

The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value and hence, their fair values have not been disclosed.

* The fair value of investments in unquoted mutual funds (categorised under Level 2 fair value hierarchy) is determined by reference to quotes from the financial institutions i.e. Net asset value (NAV) for investments in mutual funds as declared by such financial institutions.

37. Related Party Transactions

(1) Relationship:

| Particulars | Country of Incorporation | Ownership Interest 31 March 2024 | Ownership Interest 31 March 2023 |
|---------------------------|-----------------------------|-------------------------------------|-------------------------------------|
| (a) Parent entity: | | | |
| Dhunseri Ventures Limited | India | 100.00% | 100.00% |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

(b) Key Managerial Personnel (KMP)

| Particulars | Designation |
|---|-------------------------|
| Mr. C. K. Dhanuka | Director |
| Mr. M. Dhanuka | Director |
| Mr. R. K. Sharma | Director & CEO |
| Mr. M. Beriwala | Director |
| Mrs. A. Kanoria | Director |
| Mr. S. Yadav (appointed w.e.f 1st July 2023 and resigned on 5th October 2023) | Chief Financial Officer |
| Mr. H.K.Kandoi (appointed w.e.f 4th March 2024) | Chief Financial Officer |
| Ms. Vasundhara Joshi (appointed w.e.f 9th November 2022) | Company Secretary |

(c) Enterprise over which the Parent Company is able to exercise significant influence and with whom transactions have taken place

IVL Dhunseri Petrochem Industries Private Limited

(d) Enterprises over which KMP(s) are able to exercise significant influence and with whom transactions have taken place

Trimplex Investments Limited

Mint Investments Limited

(2) Details of related party transactions/balances:

(₹ in lakhs)

| Nature of Transactions/Balances | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| (a) Parent Company | | |
| Dhunseri Ventures Limited | | |
| Issue of equity shares (including securities premium) | 8,300.00 | 35,000.00 |
| Corporate Guarantee fees | 45.83 | 39.23 |
| Purchase of Raw Materials | 9,590.09 | - |
| Sale of Goods | 2,123.07 | - |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

| | | |
|---|------------|---------|
| Payable towards purchase of Raw Materials | (3,423.22) | - |
| Other Payables (Refer Note 18) | (103.78) | (50.62) |
| (b) Enterprise over which the Parent Company is able to exercise significant influence and with whom transactions have taken place | | |
| IVL Dhunseri Petrochem Industries Private Limited | | |
| Purchase of Raw Materials | 4,107.72 | - |
| (c) Enterprises over which KMP(s) are able to exercise significant influence and with whom transactions have taken place | | |
| Trimplex Investments Limited | | |
| Service Charges | 6.09 | 4.58 |
| Payable (Refer Note 18) | (0.88) | - |
| Mint Investments Limited | | |
| Rent | 19.08 | 14.31 |
| (c) Post Employment Benefit Plan Entity | | |
| Dhunseri Ventures Limited Gratuity Fund | 14.24 | 2.30 |

- (i) In respect of the loan taken by the Company, a Corporate Guarantee amounting to ₹23,394.30 lakhs (31 March 2023-₹23,171.58 lakhs) has been given to Oldenburgische Landesbank Aktiengesellschaft Bank by its parent company, Dhunseri Ventures Limited.
- (ii) In respect of the loan taken by the Company, a Corporate Guarantee amounting to ₹8,500 lakhs (31 March 2023-₹8,500 lakhs) has been given to HDFC Bank Limited by its parent company, Dhunseri Ventures Limited.
- (iii) In respect of the loan taken by the Company, a Corporate Guarantee amounting to ₹62,800 lakhs (31 March 2023-₹ Nil) has been given to State Bank of India and EXIM Bank by its parent company, Dhunseri Ventures Limited. The loan is yet to be disbursed.

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

(3) Analysis of remuneration of Key Managerial Personnel for the year 2023-24

(₹ in lakhs)

| Name | Short Term Employee Benefit | Post Employee Benefit | Other Long term Employee Benefit | Sitting Fees | Total |
|----------------------|-----------------------------|-----------------------|----------------------------------|--------------|--------------|
| Mr. C.K.Dhanuka | - | - | - | 0.70 | 0.70 |
| Mr. R.K.Sharma | - | - | - | 0.80 | 0.80 |
| Mr. M.Dhanuka | - | - | - | 0.65 | 0.65 |
| Mrs. A Kanoria | - | - | - | 0.35 | 0.35 |
| Mr. M. Beriwala | - | - | - | 0.65 | 0.65 |
| Mr. S. Yadav | 14.80 | 1.39 | - | - | 16.19 |
| Mr. H.K.Kandoi | 4.82 | 0.65 | 0.30 | - | 5.77 |
| Ms. Vasundhara Joshi | 5.52 | 0.37 | 0.18 | - | 6.07 |
| Total | 25.14 | 2.41 | 0.48 | 3.15 | 31.18 |

Analysis of remuneration of Key Managerial Personnel for the year 2022-23

(₹ in lakhs)

| Name | Short Term Employee Benefit | Post Employee Benefit | Other Long term Employee Benefit | Sitting Fees | Total |
|----------------------|-----------------------------|-----------------------|----------------------------------|--------------|-------------|
| Mr. C.K.Dhanuka | - | - | - | 0.45 | 0.45 |
| Mr. R.K.Sharma | - | - | - | 0.45 | 0.45 |
| Mr. M.Dhanuka | - | - | - | 0.30 | 0.30 |
| Mrs. A Kanoria | - | - | - | 0.20 | 0.20 |
| Mr. M. Beriwala | - | - | - | 0.40 | 0.40 |
| Ms. Vasundhara Joshi | 2.04 | 0.15 | 0.06 | - | 2.25 |
| Total | 2.04 | 0.15 | 0.06 | 1.80 | 4.05 |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

38. Analytical Ratios

| Particulars | Reference | March 31, 2024 (₹ in lakhs) | March 31, 2023 (₹ in lakhs) | % Variance | Reason for change if change more than 25% |
|--|----------------|--------------------------------|--------------------------------|----------------|---|
| A. Current Ratio | (a/b) | 3.47 | 39.77 | -91.27% | Increase in current liabilities due to commencement of operations |
| Current Assets (a) | | | | | |
| Current Liabilities (b) | | | | | |
| B. Return on Equity Ratio | (a/b) | -3.20% | -3.46% | -7.30% | Increase in Total Equity due to promoter's contribution |
| Loss for the year (a) | | | | | |
| Average shareholder's equity (b) | (c+d)/2 | | | | |
| Opening Total equity (c) | | | | | |
| Closing Total equity (d) | | | | | |
| C. Inventory turnover ratio | (a/b) | 7.51 | - | N.A. | The Company has commenced commercial operations during the year |
| Revenue from Operations (Net) (a) | | | | | |
| Average Inventory (b) | | | | | |
| D. Trade Receivables turnover ratio | (a/b) | 90.45 | - | N.A. | The Company has commenced commercial operations during the year |
| Revenue from Operations (Net) (a) | | | | | |
| Average Trade Receivables (b) | | | | | |
| E. Trade payables turnover ratio | (a/b) | 7.88 | - | N.A. | The Company has commenced commercial operations during the year |
| Net Purchase | | | | | |
| Average Trade Payables | | | | | |
| F. Net capital turnover ratio | (a/b) | 0.39 | - | NA | The Company has commenced commercial operations during the year |
| Revenue from Operations (Net) (a) | | | | | |
| Working Capital (b) | (c-d) | | | | |
| Current Assets (c) | | | | | |
| Current Liabilities (d) | | | | | |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

| Particulars | Reference | March 31, 2024 (₹ in lakhs) | March 31, 2023 (₹ in lakhs) | % Variance | Reason for change if change more than 25% |
|--|-----------------|--------------------------------|--------------------------------|-----------------|--|
| G. Net profit ratio | (a/b) | -17.82% | - | N.A. | The Company has commenced commercial operations during the year |
| Profit for the year after taxes (a) | | | | | |
| Revenue from Operations (Net) (b) | | | | | |
| H. Return on Capital employed | (a/b) | -0.96% | -2.24% | -57.46% | Higher borrowings availed in FY23 and FY24 as against FY22. This has led to increase in average capital employed. |
| Earnings Before Interest, Tax and Exceptional Item (a) | | | | | |
| Average Capital Employed (b) | (c+d)/2 | | | | |
| Opening Capital Employed (c) | | | | | |
| Closing Capital Employed (d) | (e+f+g-h) | | | | |
| Net Worth (e) | | | | | |
| Total debt and lease liabilities (f) | | | | | |
| Deferred Tax Liability (g) | | - | - | | |
| Deferred Tax Asset (h) | | - | - | | |
| I. Debt-Equity Ratio | (a/b) | 0.58 | 0.62 | -6.45% | |
| Total Debt including lease liabilities (a) | | | | | |
| Shareholder's Equity (b) | | | | | |
| J. Debt Service Coverage Ratio | (a/f) | 0.01 | (2.54) | -100.39% | Increase in earnings available for debt service on account of commencement of operations and increase in return on investment. |
| Earnings available for debt Service (a) | (a = b + c + d) | | | | |
| Net Profit after Taxes (b) | | | | | |
| Non cash expenses (c) | | | | | |
| Finance cost (d) | | | | | |
| Debt Service (f) | | | | | |
| Interest Payments (g) | (f = g + h + i) | | | | |
| Lease Payments (h) | | | | | |
| Principal Repayments (i) | | | | | |

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

| Particulars | Reference | March 31, 2024 (₹ in lakhs) | March 31, 2023 (₹ in lakhs) | % Variance | Reason for change if change more than 25% |
|---------------------------------|------------------|--------------------------------|--------------------------------|---------------|---|
| K. Return on investment | (a/b) | 6.99% | 3.49% | 99.88% | |
| Income from Investments (a) | | | | | Increased investment and increase in interest rate of investment, hence higher return |
| Average cost of Investments (b) | (b = (c+d)/2) | | | | |
| Opening Investments (c) | | | | | |
| Closing Investments (d) | | | | | |

39. Operating Segment

See accounting policies in Note 2.12

The Company's business activities falls within one operating segment (namely, "manufacturing and sale of Flexible Packaging Films")

Geographical information

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and the other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of assets.

(i) Revenue from sale of goods

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|-------------------|-----------------------------|-----------------------------|
| India | 9,288.51 | - |
| Foreign countries | 228.90 | - |
| Total | 9,517.41 | - |

Revenues from external customers attributed to an individual foreign country are not material.

The revenue generated by the Company from one of its customers during the current year aggregating to ₹2,123.07 lakhs (Previous Year-₹ Nil) Lakhs exceeded 10 percent of the total revenue of the Company.

(ii) Non-current assets*

(₹ in lakhs)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|-----------------------|-----------------------------|-----------------------------|
| India (a) | 66,235.66 | 57,491.40 |
| Foreign countries (b) | - | - |
| Total (a+b) | 66,235.66 | 57,491.40 |

* Non-current assets exclude financial assets and income tax assets

Notes to Financial Statements for the year ended 31 March 2024 (Contd.)

40. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place: Kolkata

Date: 24 May 2024

For and on behalf of the Board of Directors of

Dhunseri Poly Films Private Limited

CIN: U25209WB2020PTC241596

C. K. Dhanuka

Director

DIN - 00005684

M. Dhanuka

Director

DIN: 00005666

R.K.Sharma

Director & CEO

DIN: 05197101

H.K.Kandoi

Chief Financial Officer

Vasundhara Joshi

Company Secretary

Dhunseri Poly Films Private Limited

CIN: U25209WB2020PTC241596

Registered Office: "Dhunseri House", 4A, Woodburn Park, Kolkata-700020

Email id: info@dhunseripolyfilms.com

Ph: +91 33 68300300

Notice

NOTICE is hereby given that the 4th Annual General Meeting of the Members of the Company is scheduled to be held on Tuesday, 20th August, 2024 at 2:00 P.M. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) deemed to be held at the Registered Office of the Company, at "Dhunseri House", 4A, Woodburn Park, Kolkata-700020 to conduct the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2024, including the audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended March 31, 2024, the Cash Flow Statement, the statement of change in equity for the year ended March 31, 2024 and the Reports of the Board of Directors and Auditors' thereon.

Item No. 2 – Appointment of Director

To appoint Director in place of Mr. M.Dhanuka (holding DIN: 00005666), who retires by rotation and being eligible offers himself for re-appointment.

Item No. 3 – Appointment of Director

To appoint Director in place of Mr. M.Beriwala (holding DIN: 06684029), who retires by rotation and being eligible offers himself for re-appointment.

Registered Office:

Dhunseri House

4A, Woodburn Park

Kolkata - 700020

Dated: May 24, 2024

By Order of the Board

For **Dhunseri Poly Films Private Limited**

Vasundhara Joshi

Company Secretary

NOTES:

1. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th August, 2024 to 20th August, 2024(both days inclusive).

Registered Office:
Dhunseri House
4A, Woodburn Park
Kolkata - 700020
Dated: May 24, 2024

By Order of the Board
For **Dhunseri Poly Films Private Limited**

Vasundhara Joshi
Company Secretary

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Corporate Information

(as on May 24, 2024)

Board of Directors

Mr. C.K. Dhanuka
Mr. M. Dhanuka
Mr. R.K. Sharma
Mrs. A. Kanoria
Mr. M. Beriwalla

Chief Executive Officer (CEO)

Mr. R.K. Sharma

Chief Financial Officer (CFO)

Mr. H.K. Kandoi

Company Secretary

Ms. V. Joshi

Statutory Auditors

M/s B S R & Co. LLP
Chartered Accountants

Secretarial Auditor

M/s. A.J & Associates
Practising Company Secretaries

Bankers

HDFC Bank Ltd
Oldenburgische Landesbank Aktiengesellschaft (OLB)
State Bank of India (SBI)
Export–Import Bank of India (EXIM)

Registered Office

“Dhunseri House”
4A, Woodburn Park, Kolkata-700020
Phone – (033) 6830 0300
E-mail: info@dhunseripolyfilms.com

Plant Site

A26 & A27,
Panagarh Industrial Park, Kanksa
Paschim Bardhaman-713148

Holding Company

Dhunseri Ventures Limited

“Dhunseri House”
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