

ООО «Емами РУС»

Финансовая информация специального
назначения за год, закончившийся
31 марта 2025 года, и аудиторское
заключение независимого аудитора

Translation from the Russian original

Emami Rus LLC

Special Purpose Financial Information for the
year ended 31 March 2025 and Independent
Auditor's Report

Translation from the Russian original

АУДИТОРСКОЕ ЗАКЛЮЧЕНИЕ НЕЗАВИСИМОГО АУДИТОРА

Для:

Н.Р. Доши энд Партнерс Паблик Эккаунтэнтс
ЛПК, Индия/Джатин Шах

Мнение

В соответствии с указаниями в ваших инструкциях аудитора Группы для целей вашего аудита консолидированной финансовой отчетности группы Емами (Группа) мы провели аудит финансовой информации специального назначения ООО «Емами РУС» (Компонент) (ОГРН 1187746750949), состоящей из: Баланса по состоянию на 31 марта 2025 года, Отчета о прибыли или убытке за год, закончившийся 31 марта 2025 года, Отчета о движении денежных средств за период с 1 апреля 2024 года по 31 марта 2025 года, а также примечаний к финансовой информации специального назначения (финансовая информация специального назначения).

По нашему мнению, прилагаемая финансовая информация специального назначения ООО «Емами РУС» за год, закончившийся 31 марта 2025 года, подготовлена во всех существенных отношениях в соответствии с учетной политикой, базирующейся на общепринятых стандартах по бухгалтерскому учету Индии (ИСБУ) и раскрытой в примечании 1 к финансовой информации специального назначения.

Основание для выражения мнения

Мы провели аудит в соответствии с Международными стандартами аудита (МСА). Наша ответственность в соответствии с этими стандартами описана в разделе «Ответственность аудитора за аудит финансовой информации специального назначения» нашего заключения. Мы являемся независимыми по отношению к Компоненту в соответствии с Правилами независимости аудиторов и аудиторских

INDEPENDENT AUDITOR'S REPORT

To:

Jatin Shah - N. R. Doshi & Partners Public
Accountants LLC, India

Opinion

As requested in your group audit engagement instructions we have audited for purposes of your audit of the consolidated financial statements of Emami Group (the Group) the special purpose financial information of Emami Rus LLC (the Component) (OGRN 1187746750949) which comprises: Balance Sheet as at 31 March 2025, Profit or Loss Statement for the year ended 31 March 2025, the Statement of Cash Flows for the period from 1 April 2024 to 31 March 2025 and notes to the special purpose financial information (the special purpose financial information).

In our opinion, the accompanying special purpose financial information of Emami Rus LLC for the year ended 31 March 2025 was prepared, in all material respects, in accordance with accounting policies, which is based on the Indian Accounting Standards (IndAS), described in Note 1 to the special purpose financial information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Information* section of our report. We are independent of the Component in accordance with the Independence Rules for Auditors and Audit Organisations and the Code of Professional Ethics for Auditors adopted in the Russian

организаций и Кодексом профессиональной этики аудиторов, принятыми в РФ и соответствующими Международному кодексу этики профессиональных бухгалтеров (включая Международные стандарты независимости), разработанному Советом по международным стандартам этики для профессиональных бухгалтеров, и нами выполнены прочие обязанности в соответствии с этими требованиями профессиональной этики. Мы полагаем, что полученные нами аудиторские доказательства являются достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения.

Важные обстоятельства - цель составления и ограничение распространения и использования

Финансовая информация специального назначения подготовлена для целей составления консолидированной финансовой отчетности Группы. Финансовая информация специального назначения не является полным комплектом финансовой отчетности Компонента в соответствии с ИСБУ, и не предназначена для достоверного представления во всех существенных аспектах финансового положения Компонента на 31 марта 2025 года, его финансовых результатов и движения денежных средств за год, закончившийся на указанную дату, в соответствии с ИСБУ. В связи с вышеизложенным финансовая информация специального назначения может быть непригодна для использования в каких-либо иных целях.

Подготовленное нами заключение предназначено исключительно для Н.Р. Доши энд Партнерс Паблик Эккаунтэнтс ЛЛК и не подлежит распространению сторонам или использованию сторонами, кроме Компонента и Н.Р. Доши энд Партнерс Паблик Эккаунтэнтс ЛЛК. Мы не выражаем модифицированное мнение в связи с этим вопросом.

Ответственность руководства и собрания участников за финансовую информацию специального назначения

Генеральный директор (руководство) несет ответственность за подготовку указанной финансовой информации специального назначения в соответствии с учетной

Federation, which comply with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other responsibilities in accordance with these requirements of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Purpose of Preparation and Restriction on Distribution and Use

The special purpose financial information has been prepared for purposes of providing information to the Group to enable it to prepare the consolidated financial statements. As a result, the special purpose financial information is not a complete set of financial statements of the Component in accordance with IndAS and is not intended to present fairly, in all material respects, the financial position of the Component as of 31 March 2025, and of its financial performance, and its cash flows for the year then ended in accordance with IndAS. As a result, the special purpose financial information may not be suitable for another purpose.

Our report is intended solely for N. R. Doshi & Partners Public Accountants LLC and should not be distributed to or used by parties other than the Component or N. R. Doshi & Partners Public Accountants LLC.

Responsibilities of Management and the Board of shareholders for the Special Purpose Financial Information

General Director (management) is responsible for the preparation of the special purpose financial information in accordance with accounting policies described in Note 1 to the special purpose

политикой, раскрытой в примечании 1 к финансовой информации специального назначения, и за систему внутреннего контроля, которую руководство считает необходимой для подготовки финансовой информации специального назначения, не содержащей существенных искажений вследствие недобросовестных действий или ошибок.

При подготовке финансовой информации специального назначения руководство несет ответственность за оценку способности Компонента продолжать непрерывно свою деятельность, за раскрытие в соответствующих случаях сведений, относящихся к непрерывности деятельности, и за составление финансовой информации специального назначения на основе допущения о непрерывности деятельности, за исключением случаев, когда руководство намеревается ликвидировать Компонент, прекратить его деятельность или когда у него отсутствует какая-либо иная реальная альтернатива, кроме ликвидации или прекращения деятельности.

Собрание участников несет ответственность за надзор за подготовкой финансовой информации специального назначения Компонента.

Ответственность аудитора за аудит финансовой информации специального назначения

Наша цель состоит в получении разумной уверенности в том, что финансовая информация специального назначения не содержит существенных искажений вследствие недобросовестных действий или ошибок, и в выпуске аудиторского заключения, содержащего наше мнение. Разумная уверенность представляет собой высокую степень уверенности, но не является гарантией того, что аудит, проведенный в соответствии с международными стандартами аудита, всегда выявляет существенные искажения при их наличии. Искажения могут быть результатом недобросовестных действий или ошибок и считаются существенными, если можно обоснованно предположить, что в отдельности или в совокупности они могут повлиять на экономические решения пользователей, принимаемые на основе этой

financial information, and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial information, management is responsible for assessing the Component's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Component or to cease operations, or has no realistic alternative but to do so.

The Board of shareholders is responsible for overseeing the Component's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Information

Our objectives are to obtain reasonable assurance about whether the special purpose financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 this special purpose financial information.

финансовой информации специального назначения.

В рамках аудита, проводимого в соответствии с международными стандартами аудита, мы применяем профессиональное суждение и сохраняем профессиональный скептицизм на протяжении всего аудита. Кроме того, мы выполняем следующее:

- а) выявляем и оцениваем риски существенного искажения финансовой информации специального назначения вследствие недобросовестных действий или ошибок; разрабатываем и проводим аудиторские процедуры в ответ на эти риски; получаем аудиторские доказательства, являющиеся достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения. Риск необнаружения существенного искажения в результате недобросовестных действий выше, чем риск необнаружения существенного искажения в результате ошибки, так как недобросовестные действия могут включать сговор, подлог, умышленный пропуск, искаженное представление информации или действия в обход системы внутреннего контроля;
- б) получаем понимание системы внутреннего контроля, имеющей значение для аудита, с целью разработки аудиторских процедур, соответствующих обстоятельствам, но не с целью выражения мнения об эффективности системы внутреннего контроля Компонента;
- в) оцениваем надлежащий характер применяемой учетной политики, раскрытой в примечании 1 к финансовой информации специального назначения, обоснованность оценочных значений, рассчитанных руководством, и соответствующего раскрытия информации;

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

- Identify and assess the risks of material misstatement of the special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Component's internal control.
- Evaluate the appropriateness of accounting policies used which are disclosed in Note 1 to the special purpose financial information and the reasonableness of accounting estimates and related disclosures made by management.

- г) делаем вывод о правомерности применения руководством допущения о непрерывности деятельности, а на основании полученных аудиторских доказательств - вывод о том, имеется ли существенная неопределенность в связи с событиями или условиями, в результате которых могут возникнуть значительные сомнения в способности Компонента продолжать непрерывно свою деятельность. Если мы приходим к выводу о наличии существенной неопределенности, мы должны привлечь внимание в нашем аудиторском заключении к соответствующему раскрытию информации в финансовой информации специального назначения или, если такое раскрытие информации является ненадлежащим, модифицировать наше мнение. Наши выводы основаны на аудиторских доказательствах, полученных до даты нашего аудиторского заключения. Однако будущие события или условия могут привести к тому, что Компонент утратит способность продолжать непрерывно свою деятельность.

Мы осуществляем информационное взаимодействие с собранием участников, доводя до его сведения, помимо прочего, информацию о запланированном объеме и сроках аудита, а также о существенных замечаниях по результатам аудита, в том числе о значительных недостатках системы внутреннего контроля, которые мы выявляем в процессе аудита.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Component'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 special purpose financial information 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 Component to cease to continue as a going concern.

We communicate with the Board of shareholders, 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.

Выводы, сделанные при формировании нашего мнения, основаны на уровне существенности Компонента, указанном вами в контексте аудита консолидированной финансовой отчетности Группы.

The conclusions reached in forming our opinion are based on the Component materiality level specified by you in the context of the audit of the consolidated financial statements of the Group.

Signed by:

Руководитель аудита,
по результатам которого выпущено
аудиторское заключение независимого
аудитора (руководитель задания
по аудиту), ОГРН 22006023906,
действующий от имени аудиторской
организации на основании доверенности
от 30.10.2024 № 87-01/2024-Ю

The Engagement Partner on the audit resulting
in this independent auditor's report, principal
registration number of the entry in the State
Register of Auditors and Audit Organisations
22006023906, acting on behalf of the audit
organisation under the Power of Attorney
No. 87-01/2024-Ю dated 30.10.2024

Аксенов Максим Николаевич

Maxim Nikolaevich Aksenov

Аудиторская организация:
Юникон Акционерное Общество
117587, Россия, Москва, Варшавское шоссе,
дом 125, строение 1, секция 11, 3 эт., пом. I,
ком. 50,
ОГРН 12006020340

Audit company:
Unicon Aktsionernoe Obshchestvo
Suite 50, Office I, 3rd Floor, Section 11, Block 1,
Bldg. 125, Warshavskoye Shosse, Moscow,
117587, Russia
Principal Registration Number of the Entry in the
State Register of Auditors and Audit
Organisations: 12006020340

28 апреля 2025 года

28 April 2025

Emami RUS LLC
BALANCE SHEET

AS AT March 31, 2025

Amount in Local Currency

ASSETS	Notes	As at 31.03.2025		As at 31.03.2024	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	189,195		1,480,705	
(b) Capital Work-in-Progress	3.1	-		-	
(c) Investment Property	3.2	-		-	
(d) Goodwill on Consolidation	3.3				
(e) Right of Use Assets					
(f) Intangible Assets	3.3	-		-	
(g) Intangible Assets under Development	3.3	-		-	
(h) Financial Assets					
(i) Investments	3.4	-		-	
(ii) Loans	3.5	-		-	
(iii) Others	3.6	-		-	
(i) Other Non-Current Assets	3.7	-	189,195	-	1,480,705
2. Current Assets					
(a) Inventories	3.8	48,023,093		129,597,916	
(b) Financial Assets					
(i) Investments	3.4	-		-	
(ii) Trade Receivables	3.9	268,902,408		223,267,430	
(iii) Cash and Cash Equivalents	3.10	113,236,414		40,296,508	
(iv) Bank Balance other than (iii) above	3.11	-		-	
(v) Loans	3.12	-		-	
(vi) Other Financial Assets	3.13	-		-	
(c) Current Tax Assets (Net)	3.14	-		2,842,648	
(d) Other Current Assets	3.15	10,414,791	440,576,705	4,712,729	400,717,230
Total Assets			440,765,900		402,197,935
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.16	200,287,365		200,287,365	
(b) Other Equity	3.17	(50,162,082)	150,125,284	(118,860,241)	81,427,124
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.18	-		-	
(ii) Other Financial Liabilities	3.19	-		-	
(b) Provisions	3.20	-		-	
(c) Deferred Tax Liabilities (Net)	3.21	-		-	
(d) Other Non-Current Liabilities	3.22	-	-	-	-
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.23	-		-	
(ii) Trade Payables	3.24				
Total outstanding dues of Micro, Small & Medium Enterprises (MSME)		-		-	
Total outstanding dues of creditors Other than MSME		267,893,452		310,642,282	
(iii) Other Finanacial Liabilities	3.25	4,132,940		4,960,662	
(b) Other Current Liabilities	3.26	14,500,482		-	
(c) Provisions	3.27	3,180,967		5,167,868	
(d) Current Tax Liabilities (Net)	3.28	932,775			
			290,640,616		320,770,812
Total Equity and Liabilities			440,765,900		402,197,935

General director



Mridul Greenwold Asheerwad

14th APR. 2025

(0)

Emami RUS LLC
STATEMENT OF PROFIT AND LOSS ACCOUNT
AS AT March 31, 2025

Amount in Local Currency

Particulars		Twelve Month March 2025	Twelve Months March 24
Income			
Revenue from Operations		532,703,453	461,314,915
Other Income		13,467,737	7,029,131
Total Income	(A)	546,171,189	468,344,045
Expenses			
Cost of Materials Consumed			
Purchases of Stock-in-Trade		142,690,734	310,452,888
(Increase)/Decrease in Inventories of Finished Goods, Stock in Trade and Work-in-Progress		81,574,823	(101,093,330)
Excise duty on sale of Goods			
Employee Benefits Expense		54,564,284	74,835,104
Other Expenses		189,653,214	260,831,756
Total Expenses Before Interest, Depreciation, Amortisation and Tax	(B)	468,483,055	545,026,418
Earning Before Interest, Depreciation, Amortisation and Tax	(A-B)	77,688,134	(76,682,373)
Finance Costs	(C)	-	-
Depreciation, Amortisation & Impairment Expense:			
a) Amortisation & Impairment of Intangible Assets		-	-
b. Depreciation on Right of use assets		-	-
c) Depreciation of Tangible Assets		1,187,722	1,066,442
	(D)	1,187,722	1,066,442
Total Expenses	(B+C+D)=	469,670,777	546,092,860
Profit Before tax and exceptional items	(A-E)=F	76,500,413	(77,748,815)
Exceptional items	(G)		
Profit Before tax	(F-G)=H	76,500,413	(77,748,815)
Tax Expense:	(I)		
Current Tax (MAT)		7,802,253	(1,230,930)
Provision of Earlier Years			
MAT Credit Entitlement			
Deferred Tax charge			
Profit for the year	(H-I)=J	68,698,160	(76,517,885)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Equity Instrument through Other Comprehensive Income (net of tax)			
Remeasurement of the net defined benefit liability/ asset (net of tax)			
Income Tax Effect			
Total Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the year		68,698,160	(76,517,885)

General director



Mridul Greenwold Asheerwad

14th APR. 2025

CASH FLOW STATEMENT
for the period ended March 31, 2025

	Twelve Month March 2025	Twelve Months March 24
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	76,500,413	(77,748,815)
<i>Adjustments for :</i>		
Dividend from investment in mutual funds		
(Profit) / loss on fair value of mutual funds		
Depreciation and Amortisation Expense	1,187,722	1,066,442
Finance Costs	-	-
Interest income on loans & deposits	(4,664,543)	(7,029,131)
(Profit) / Loss on Sale/Disposal of Property, Plant & Equipments (Net)		
Dividend Income from equity investment carried at fair value through OCI		
Share of loss of an Associate		
Unrealised Foreign Exchange Gain	(10,280,042)	37,371,619
Sundry balances written (back) / off (Net)		
Share of Minority Interest		
(Profit)/ loss on Derivative Instruments		
	62,743,650	(46,339,885)
<i>Adjustments for working capital changes :</i>		
Increase /(Decrease) in Trade Payables and Other Liabilities	(18,796,028)	40,736,581
(Increase)/Decrease in Inventories	81,574,823	-101,093,330.48
(Increase)/Decrease in Trade Receivables	(45,634,978)	59,016,341.44
(Increase)/Decrease in Loans and Advances and Other Financial Assets	-	-
(Increase)/Decrease in Other Non Financial Assets & Current Assets	(5,702,062)	24,059,111.14
Increase /(Decrease) in Provisions	(1,986,901)	1,271,113.37
	9,454,855	23,989,817
CASH GENERATED FROM OPERATIONS	72,198,404	(22,350,068)
Less : Direct Taxes Paid	(4,026,831)	(310,359)
NET CASH FLOW FROM OPERATING ACTIVITIES	68,171,574	(22,660,428)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment		
Interest Received	4,664,543	7,029,131
Dividend Received		
Sale of Investments		
Loans given		
Proceeds from repayment of loan given		
Purchase of Property, Plant & Equipment & Intangible Assets	103,789	(822,544)
Investment in Associates		
Purchases of Investments		
Investment in Preference Shares		
Fixed Deposits made		
Proceeds from maturity of Fixed Deposit		
NET CASH USED IN INVESTING ACTIVITIES	4,768,332	6,206,587
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings		
Proceeds from Short Term Borrowings from Banks		
Interest Paid	-	-
Dividend Paid		
Acquisition of Non Controlling Interest		
Corporate Dividend Tax paid		
Cash Credit taken / (repaid) (Net)	-	-
NET CASH USED IN FINANCING ACTIVITIES		
D. Effect of Foreign Exchange Fluctuation	-	-
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	72,939,905	(16,463,840)
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	40,296,508	56,750,348.63
CASH & CASH EQUIVALENTS-CLOSING BALANCE	113,236,414	40,296,508
Cash & Cash Equivalents includes:		
Balances with banks	113,236,414	40,296,508
Fixed Deposits with Banks(Original Maturity of less than 3 Months)		
Cheque-in-hand		
Cash on hand		
Total Cash & Cash Equivalents (Refer Note No : XXX)	113,236,414	40,296,508

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Emami RUS LLC
Notes to Financial Statements
AS AT Mar. 31, 2025
Amount in Local Currency

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Unsecured, Considered Good		
Security Deposits To Related parties		
Security Deposits To Others		
Loans to Related Parties (Refer Note No 3.51)		
Loans to Employees		
Total	-	-

3.6 Other Non-current Financial Assets

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Unsecured, Considered Good		
Incentives Receivables		
Less: Provision for Doubtful Receivables		
Total	-	-

3.7 Other Non-current Assets

	As at 31.03.2025	As at 31.03.2024
Unsecured, Considered Good unless otherwise stated		
Capital Advances		
Deposit with Government authorities		
Prepaid Expenses		
Advance income tax (Net of Provision)		
Incentives Receivables		
Less: Provision for Doubtful Receivables		
Total	-	-

3.8 Inventories

	As at 31.03.2025	As at 31.03.2024
(At lower of cost and net realisable value)		
Raw and Packing Materials		
Raw Material		
Packing Material		
Work-in-Progress		
Finished Goods		
Traded Goods	37,705,961	129,597,916
Traded Goods: In transit	10,317,131	
Total	48,023,093	129,597,916

3.9 Trade Receivables

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Secured		
Considered Good	246,573,268	203,279,870
Unsecured		
Considered Good	22,329,140	19,987,560
Total	268,902,408	223,267,430

3.10 Cash and Cash Equivalents

	As at 31.03.2025	As at 31.03.2024
Cash and Cash Equivalents		
Balances with Banks	113,236,414	40,296,508
Fixed Deposits with Banks (Original Maturity of less than 3 Months)		
Cash on hand		
Cheques in hand		
Total	113,236,414	40,296,508

3.11 Other Bank Balances

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Other Bank Balances		
Unpaid Dividend account		
Deposit with Original maturity of more than 3 months but less than 12 months		
Total	-	-

3.12 Loans

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Unsecured, considered good		
Security deposit		
Loans to Employees	-	
Total	-	-

3.13 Other Financial Assets

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Unsecured, considered good		

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Interest Receivable on Deposits		
Other Receivables		
Incentives receivable		
At FVTPL		
Foreign Currency Forward & Option Contracts		
Total	-	-

3.14 Current Tax Assets (Net)

	As at 31.03.2025	As at 31.03.2024
Advance Income Tax (Net of Provision)	-	2,842,648
DTA		
Total	-	2,842,648

3.15 Other Current Assets

	As at 31.03.2025	As at 31.03.2024
Unsecured, considered good		
Advances other than Capital Advances		
For goods and services	9,768,901	4,663,827
To employees	-	-
Balances with Tax Department for VAT	-	-
Prepaid Expenses	645,890	48,901
Total	10,414,791	4,712,729

3.16 Equity Share Capital

	As at 31.03.2025	As at 31.03.2024
Authorised		
Issued		
Subscribed & Paid up*		
	200,287,365	200,287,365
Total Issued, Subscribed and Fully paid up Share Capital	200,287,365	200,287,365

3.17 Other Equity

	As at 31.03.2025	As at 31.03.2024
Retained Earnings		
Opening balance	(119,028,684)	(42,510,799)
Net Profit for the Year	68,698,160	(76,517,885)
Remeasurements of the Net Defined Benefit Plans (net of tax)		
IND AS 115 Impact		
Income Tax Effect		
Final Dividend#		
Corporate Dividend Tax#		
Closing Balance		
Other Comprehensive Income		
Opening Balance		
Equity Instruments through Other Comprehensive Income		
Income Tax Effect		
Closing Balance		
Other Reserves	168,443	168,443
Capital Reserves		
Securities Premium Reserve		
General Reserve		
Opening Balance		
Transferred from General Reserve on Redemption of Debentures		
Transfer to Statement of Profit & Loss		
Closing Balance		
Debenture Redemption Reserves		
Opening Balance		
Transferred to General Reserve on Redemption of Debentures		
(-) Written Back in Current Year		
Closing Balance		
Other Reserves		
Total	(50,162,082)	(118,860,241)

3.18 Borrowings

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Unsecured		
Total	-	-

3.19 Other Financial Liabilities

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Unsecured		
Trade Deposits		
Security Deposits		
Lease liabilities		
Total	-	-

3.20 Provisions

	As at 31.03.2025	As at 31.03.2024
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Provision for Employee Benefits		
Gratuity		
Total	-	-

3.21 Deferred Tax Liabilities (Net)

	As at 31.03.2025	As at 31.03.2024
Deferred Tax Liabilities		
Tax impact due to difference between tax depreciation and book depreciation		
Investment carried at fair value through Other Comprehensive Income		
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future		
MAT Credit Entitlement		
Total	-	-

3.22 Other Non-current Liabilities

	As at 31.03.2025	As at 31.03.2024
Deferred Government grants		
Total	-	-

3.23 Borrowings

	As at 31.03.2025	As at 31.03.2024
Financial liabilities carried at amortised cost		
Secured		
From Banks		
Cash Credit (including working capital demand loan)		
Packing Credit		
(Both cash credit & packing credit is Secured by hypothecation of stocks, book debts on first charge basis ranking pari passu amongst lenders)		
Unsecured		
From Banks		
From Emami International FZE		
From Others		
Packing Credit	-	
ICICI Pact Project		
Total	-	-

3.24 Trade Payables

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Total outstanding dues of Micro, Small & Medium Enterprises (MSME)		
Total outstanding dues of creditors Other than MSME	267,893,452	310,642,282
Total	267,893,452	310,642,282

3.25 Other Financial Liabilities

	As at 31.03.2025	As at 31.03.2024
At amortised cost		
Current Maturities of Long-Term Borrowings		
Interest Accrued but not due on Borrowings		
Interest Accrued and due on Trade Deposits		
Creditors for Capital Goods		
Unpaid Dividends		
Employee Benefits	4,132,940	4,960,662
Lease liabilities		
Security deposit		
Other payables		
Total	4,132,940	4,960,662

3.26 Other Current Liabilities

	As at 31.03.2025	As at 31.03.2024
Deferred government grant		
Refund Liabilities		
For goods and services		-
Duties & Taxes	14,500,482	-
Total	14,500,482	-

3.27 Provisions

	As at 31.03.2025	As at 31.03.2024
Provision for Employee Benefits		
Provident Fund		
Gratuity/ PLVR 2021/2022		
Leave Encashment	3,180,967	5,167,868
Others		
Provision for Litigation		
Total	3,180,967	5,167,868

3.28 Current Tax Liabilities (Net)

	-	-
Income Tax (Net of Provision)	932,775	

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Emami RUS LLC
Notes to Financial Statements
AS AT March 31, 2025

Amount in Local Currency

3.28 Revenue from operations

	Twelve Month March 2025	Twelve Months March 24
Sale of Products	532,703,453	461,314,915
Other Operating Revenues		
Total	532,703,453	461,314,915

3.29 Other Income

	Twelve Month March 2025	Twelve Months March 24
Interest Received on financial assets carried at amortised cost		
Loans & Deposits	4,664,543	7,029,131
Others	-	-
Net foreign exchange gain	8,803,194	
Total	13,467,737	7,029,131

3.30 Cost of Material Consumed

	Twelve Month March 2025	Twelve Months March 24
Raw materials and Packing materials		
Opening Stock		
Add : Purchases during the year		
Less : Closing Stock		
Total	-	-

3.31 Change in inventories of finished goods, work-in-progress and Stock-in- Trade

	Twelve Month March 2025	Twelve Months March 24
(I) Opening Stock		
Work-in-progress		
Finished Goods		
Stock-in-Trade	129,597,916	28,504,585
(II) Closing Stock		
Work-in-progress		
Finished Goods		
Stock-in-Trade	48,023,093	129,597,916
(I) - (II)	81,574,823	(101,093,330)

3.32 Employee Benefit Expenses

	Twelve Month March 2025	Twelve Months March 24
Salaries and Wages	54,380,356	74,281,467
Staff Contribution to Provident and Other Funds		
Gratuity Expenses		
Welfare Expense	183,928	553,637
Total	54,564,284	74,835,104

3.33 Finance Cost

	Twelve Month March 2025	Twelve Months March 24
Interest expenses	-	-
Total	-	-

3.34 Other Expenses

	Twelve Month March 2025	Twelve Months March 24
Consumption of Stores and Spare parts		
Power and Fuel		
Rent	10,136,541	6,957,880
Repairs & Maintenance :	-	-
Insurance	4,283,236	7,948,546
Rates and Taxes	4,594	-
Freight & Forwarding	10,014,019	13,752,904
Directors' Fees and Commission		
Advertisement & Sales Promotion	127,523,358	132,946,855
Packing Charges		
Other Selling Expenses	21,853,035	38,220,984
Loss on Sale/Disposal of Property, Plant & Equipments		
Sundry Balance Written Off		
Legal and Professional Fees	2,282,253	3,851,544
Travelling and Conveyance	1,515,156	7,128,606
Expenditure on CSR Activities		
Miscellaneous Expenses	12,041,022	11,478,885
Net foreign exchange loss	-	38,545,553
Total	189,653,214	260,831,756

Depreciation, Amortisation & Impairment Expense

	Twelve Month March 2025	Twelve Months March 24
a. Amorisation & Impairment of Intangible Assets	-	-
b. Depreciation on Right of use assets		
c. Depreciation of Other Assets	1,187,722	1,066,442
Total	1,187,722	1,066,442

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Notes to Financial statements
3.1 Property Plant & Equipment(Current Year)

Particulars	Gross Block			Depreciation			Net Block		
	As at 1.4.2024	Additions	Disposals/ Transfer	As at 31.03.2025	As at 1.4.2024	For the year	Disposals/ Transfer	As at 31.03.2025	As at 1.4.2024
Land									
Leasehold				-				-	-
Freehold				-				-	-
Building (including roads)*				-				-	-
Plant & Equipment				-				-	-
Furniture & Fixture				-				-	-
Office Equipment	1,943,392	-	(162,281)	1,781,111	956,167	911,997	(111,614)	1,756,550	24,561
Computer	1,859,014	-	-	1,859,014	1,365,534	275,725	53,122	1,694,380	164,634
Motor Vehicles	-	-	-	-				-	-
Property, Plant & Equipment Total	3,802,406	-	(162,281)	3,640,125	2,321,701	1,187,721.60	(58,492)	3,450,930	189,195
Capital Work- In-Progress	-	-	-	-				-	-
Total	3,802,406	-	(162,281)	3,640,125	2,321,701	1,187,722	(58,492)	3,450,930	189,195
									1,480,705

3.3 Intangible Assets

Particulars	Gross Block			Amortisation			Net Block		
	As at 1.4.2024	Additions	Disposals/ Transfer	As at 31.03.2025	As at 1.4.2022	For the year	Disposals/ Transfer	As at 31.03.2025	As at 1.4.2024
Goodwill				-				-	-
Computer Software				-				-	-
Brands , Trade Marks & etc.				-				-	-
Copy Rights				-				-	-
Know How & Formulation				-				-	-
Others	-			-	-	-		-	-
<u>Intangible Assets Total</u>	-	-	-	-	-	-	-	-	-
Intangible Assets under Development	-			-				-	-
<u>Grand Total</u>	-	-	-	-	-	-	-	-	-

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Details required for Stock Reserve Computation

Particulars	Amount		
	Purchase from Related Party	Purchase from third Party/ OWN Manufacturing	Total Closing Stock as on reporting Date
Raw Material			
Packing Material			
WIP			
Finished Goods	37,705,961		37,705,961
Goods in Transit	10,317,131		10,317,131
			48,023,093



Reporting Company Name	Related Party Name	Nature of Relationship	Transaction Details	Item Type PL / BS	For PL Items As at 31.03.2025	For BS Items As at 31.03.2025
Emami Rus LLC	Emami International FZE	Parent Company	Liability for purchase of Traded Goods	BS		208,619,930
Emami Rus LLC	Emami International FZE	Parent Company	Interest Cost	PL		
Emami Rus LLC	Emami International FZE	Parent Company	Loan Payable	BS		
Emami Rus LLC	Emami International FZE	Parent Company	Incurred interest payable	BS		
Emami Rus LLC	Emami International FZE	Parent Company	Purchases of Stock-in-Trade	PL	132,670,000	

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Particulars	Amount
Exchange Gain/Loss as per PL	8,803,194
Realised Portion	(1,476,848)
Unrealised Portion	10,280,042
	8,803,194

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Emami RUS LLC

Note 1

Summary of Significant Accounting Policies

This financial information of Emami RUS LLC has been prepared in accordance with the accounting policies of Emami Limited Group, based on Generally Accepted Accounting Standards of India (IndAS), since Emami RUS LLC is part of the Emami Limited Group.

This accounting policy is presented further in this Note.

c. Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, volume rebates offered by the Company as part of the contract, excluding amounts collected on behalf of third parties like outgoing sales taxes including goods and service tax. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer and the amount of revenue can be measured reliably and recovery of the consideration is probable. Trade receivables that do not contain a significant financing component are measured at transaction price. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Company believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made

to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method or most likely method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

A majority of sales contract generally provide customer a right to return an item for a limited period of time for certain reasons. Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Thus, the amount of revenue recognized is adjusted for expected returns, which are estimated based on the historical data for a specific type of customers. In these circumstances, a refund liability and a right to receive returned goods (and corresponding adjustment to cost of sales) are recognized. The entity measures right to receive returned goods at the carrying amount of the inventory sold less any expected costs to recover goods. The refund liability is presented under the head "Provisions" on the Balance Sheet. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customers

Advance from customer is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Advance from customer is recognised as revenue when the Company performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

d. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of qualifying assets are capitalised till it get ready for its intended use or sale.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act,

2013, except certain items of building and plant & machinery as detailed in next paragraph.

The estimated useful lives are as follows:

Factory Building 10-30 Years

Non-factory Buildings (including Roads) 5 - 60 Years

Plant & Machinery* 5-15 Years

Furniture & Fixtures 3-10 Years

Office Equipment 3-5 Years

Computers 3-6 Years

Vehicles 8 Years

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on pro rata basis.

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 10 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as 'Capital Advances' under 'Other Non-Current Assets'.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit & Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

e. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Company depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Company.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period of derecognition. Transfers are made to (or from) investment properties only when there is a change in use. Transfer between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purpose.

f. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Company amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences 6 Years

Brand & Trademarks (Acquired) 7 Years

Copy Rights (Acquired) 7 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

Impairment on Goodwill is disclosed in statement of profit and loss under the head Depreciation and Amortisation expenses.

g. Research & Development Cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- ☐ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ☐ Its intention to complete and its ability and intention to use or sell the asset
- ☐ How the asset will generate future economic benefits
- ☐ The availability of resources to complete the asset
- ☐ The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

h. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.
- ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on moving weighted average method.
- iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs, etc. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts, as applicable.

j. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a

financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Financial instruments at amortised cost

A 'financial instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Profit and Loss.

Equity investments

All equity investments (excluding investments in associates) in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. These equity shares are designated as FVTOCI as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

If the Company decides to classify an equity instrument as at Fair Value Through OCI (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative

contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset; and

either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Income recognition

Interest Income- Interest income from financial instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

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

The application of simplified approach does not require the Company to track changes in

credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit and Loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

k. Fair value measurement

The Company measures financial instruments, such as, equity instruments and derivatives at fair value at each balance sheet date.

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

the liability takes place either:

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii) Level 3 — Valuation techniques for which the lowest level input that is significant

to the fair value measurement is unobservable

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

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

1. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m. Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to

make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Other Financial Liabilities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in

the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o. Employee Benefits

Defined Contribution Plan

The Company makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Defined Benefit Plan

i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

ii) The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India and other funds. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to Profit and Loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Other Long Term Employee Benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit and Loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- ☐ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit and Loss and does not give rise to equal taxable and deductible temporary differences.
- ☐ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures

to reduce carbon emission, etc., as applicable in the respective scenarios.

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

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

Current and Deferred tax relating to items recognised outside Profit and Loss is recognised outside Profit and Loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

One unit of Parent Company is entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

q. Foreign Currency Transactions & Translations

Functional and presentation currency

The consolidated financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

r. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

s. Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

t. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

u. Current and non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and

liabilities in the balance sheet.

v. Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

w. Measurement of EBITDA

The Company presents Earnings before Interest expense, Tax, Depreciation and Amortisation (EBITDA) in the Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, share of profit/loss from associate and tax expense, but includes other income.

x. Rounding of amounts

All amounts disclosed in the consolidated financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

y. New and amendments standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments:

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's consolidated financial statements.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but

not on the measurement, recognition or presentation of any items in the Company's financial statements.

Deferred tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

z. Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.