CA

MAHESHWARI & ASSOCIATES
Chartered Accountants

Park Plaza "First Floor", No. 1, Park Road
(Off Infantry Road), Tasker Town,
Bangalore – 560051, India
T. +91 80 41242545
E. bangalore@maheshwariassociates.com
www.maheshwariassociates.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Tenax Pidilite India Private Limited (Formerly Known as Tenax India Stone Products Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tenax Pidilite India Private Limited (Formerly Known as Tenax India Stone Products Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2021, 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 on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including total comprehensive income), Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are 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 scepticism throughout the audit. We also:

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

• Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls. However this report is not applicable to the company.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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;

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change 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 Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounts) Rules, 2015 (as amended);

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f) This report does not include our opinion with respect to the adequacy of the internal financial controls over the financial reporting of the Company. Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the Company being the private limited company the provisions of this section are not applicable to the company hence not commented on the same; and

h) 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:

    i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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.

For Maheshwari & Associates
Chartered Accountants
Firm's Registration No.: 311008E

SUNIL KUMAR BIRLA
Digitally signed by SUNIL KUMAR BIRLA
Date: 2021.04.29 18:16:20 +05'30'

Sunil Birla
Partner
Membership No.: 202226
UDIN: 21202226AAAAD5405

Place: Bengaluru
Date: 29th April 2021

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of Tenax Pidilite India Private Limited (Formerly Known as Tenax India Stone Products Private Limited) of even date.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) In respect of company's Fixed Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Fixed Assets is reasonable having regard to the size of the Company and the nature of its assets.

c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii)(c) of the Order are not applicable.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are no loans and investments made by the Company as per section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

Park Plaza "First Floor", No. 1, Park Road
(Off Infantry Road), Tasker Town,
Bangalore – 560051, India
T. +91 80 41242545
E. bangalore@maheshwariassociates.com
www.maheshwariassociates.com

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

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income tax, Sales tax, Service tax, Value Added Tax, Goods and Service tax, Customs duty, Excise duty Cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they become payable.

c) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid (₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Tax Deducted at Source	1,14,310	Nil	April 2009 to March 2020	Income tax Officer, TDS Ward

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

(x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company being the private company the provisions of Section 197 of companies Act, 2013 are not applicable to the company. Accordingly, the paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us and based on 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.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Maheshwari & Associates
Chartered Accountants
Firm's Registration No.: 311008E

SUNIL KUMAR BIRLA
Digitally signed by SUNIL KUMAR BIRLA
Date: 2021.04.29 18:17:01 +05'30'

Sunil Birla
Partner
Membership No.: 202226
UDIN: 21202226AAAAAD5405

Place: Bengaluru
Date: 29th April 2021

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Balance Sheet as at 31st March, 2021

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	3	0.78	-	374.56
(b) Right of use asset	4	95.79	-	-
(c) Other Intangible Assets	5	777.15	739.83	2.14
(d) Intangible assets under development		1.42	-	-
(e) Financial Assets				
(i) Others	6	-	265.68	0.99
(f) Income Tax Assets (net)		23.67	82.71	36.11
(g) Deferred Tax Assets (net)	7	-	-	14.58
(h) Other Non current Assets	8	81.31	-	-
Total Non Current Assets		**980.12**	**1,088.22**	**428.38**
Current Assets				
(a) Inventories	9	944.22	775.61	809.30
(b) Financial Assets				
(i) Trade Receivables	10	666.46	1,208.80	533.56
(ii) Cash and cash equivalents	11	2,124.65	1,460.61	1,835.33
(iii) Bank Balances other than Cash and Cash equivalents above*	12	296.42	-	0.00
(iv) Others	13	0.09	-	7.04
(c) Other Current Assets	14	73.18	10.11	12.80
Total Current Assets		**4,105.02**	**3,455.13**	**3,198.03**
TOTAL ASSETS		**5,085.14**	**4,543.35**	**3,626.41**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	15	60.00	60.00	60.00
(b) Other Equity	16	3,920.83	3,546.65	3,351.41
Total Equity		**3,980.83**	**3,606.65**	**3,411.41**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	-	-	29.89
(ii) Lease Liabilities	4	94.35	-	-
(b) Deferred Tax Liabilities (net)	7	34.01	3.48	-
(c) Provisions	18	-	-	17.91
Total Non Current Liabilities		**128.36**	**3.48**	**47.80**
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables				
Total outstanding dues of micro and small enterprises	19	1.75	-	-
Total outstanding dues of others	19	949.86	797.39	113.97
(ii) Lease Liabilities	4	3.26	-	-
(iii) Others	20	-	-	18.87
(b) Other Current Liabilities	21	14.77	135.83	31.76
(c) Provisions	22	-	-	2.60
(d) Current Tax Liabilities (net)		6.31	-	-
Total Current Liabilities		**975.95**	**933.22**	**167.20**
TOTAL EQUITY AND LIABILITIES		**5,085.14**	**4,543.35**	**3,626.41**

* 0.00 Represents values less than ₹ 500 for balances as on 31st March 2020 and 1st April 2019

Corporate Information & Significant Accounting Policies 1 to 2
See accompanying notes forming part of the financial statements . 3 to 48
Contingent Liabilities and Commitments 32

In terms of our Report attached
For Maheshwari & Associates
Chartered Accountants
Firm Reg.No:311008E

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUNIL KUMAR BIRLA Digitally signed by SUNIL KUMAR BIRLA Date: 2021.04.29 18:18:02 +05'30'

PRABHAKAR JAIN Digitally signed by PRABHAKAR JAIN Date: 2021.04.29 18:02:12 +05'30'

SANJAY BAHADUR Digitally signed by SANJAY BAHADUR Date: 2021.04.29 17:52:23 +05'30'

Sunil Birla
Partner
Membership No. 202226

PRABHAKAR JAIN
Director
DIN: 02017091

SANJAY BAHADUR
Director
DIN: 00032590

Place: Bengaluru
Date: 29th April 2021

Place: Mumbai
Date: 29th April 2021

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Statement of Profit and Loss For The Year Ended 31st March 2021

₹ in Lakhs

Particulars	Note	For the year ended 31.3.2021	For the year ended 31.3.2020
INCOME			
Revenue from Operations	23	2,439.66	3,609.80
Other Income	24	126.92	76.62
Total Income		**2,566.58**	**3,686.42**
EXPENSES			
Cost of Materials Consumed	25	38.78	662.00
Purchases of Stock-in-Trade	26	1,898.17	1,560.30
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Transit	27	(248.15)	11.95
Employee Benefits Expense	28	-	316.73
Finance Costs	29	0.74	4.51
Depreciation and Amortization Expense	30	9.39	16.71
Other Expenses	31	364.70	454.62
Total Expenses		**2,063.63**	**3,026.82**
Profit / (Loss) before Exceptional Items and Tax		502.95	659.60
(Add) / Less : Prior Period and Exceptional Items (net)		-	372.58
Profit / (Loss) before Tax		**502.95**	**287.02**
Tax Expense			
Current Tax		98.24	63.10
Taxes for earlier years		-	0.95
Deferred Tax		30.53	20.49
Net Tax expense		128.77	84.54
Profit/ (Loss) for the year		**374.18**	**202.48**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Actuarial Gains/(Losses)		-	(9.68)
Income tax relating to items that will not be reclassified to profit or loss		-	2.44
Total Other Comprehensive Income		**-**	**(7.24)**
Total Comprehensive Income		**374.18**	**195.24**
Earnings per share			
Basic (Rs.)	34	623.63	325.40
Diluted (Rs.)	34	623.63	325.40
Face Value of Share (Re)		100.00	100.00
Significant Accounting Policies	1 to 2		
See accompanying notes forming part of the financial statements	3 to 48		

In terms of our Report attached
For Maheshwari & Associates
Chartered Accountants
Firm Reg.No:311008E

SUNIL KUMAR BIRLA
Digitally signed by SUNIL KUMAR BIRLA
Date: 2021.04.29 18:19:01 +05'30'

Sunil Birla
Partner
Membership No. 202226

Place: Bengaluru
Date: 29th April 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PRABHAKAR JAIN
Digitally signed by PRABHAKAR JAIN
Date: 2021.04.29 18:02:38 +05'30'

PRABHAKAR JAIN
Director
DIN: 02017091

SANJAY BAHADUR
Digitally signed by SANJAY BAHADUR
Date: 2021.04.29 17:52:51 +05'30'

SANJAY BAHADUR
Director
DIN: 00032590

Place: Mumbai
Date: 29th April 2021

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Statement of Cash Flow For The Year Ended 31st March 2021

₹ in Lakhs

Particulars	For the year ended	
	31.3.2021	31.3.2020
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	**502.95**	**287.02**
Adjustments for:		
Depreciation and amortization expense	9.39	16.71
Foreign Exchange gain or loss	(23.25)	0.57
Finance costs	0.74	4.51
Interest Income	(24.34)	(25.38)
Baddebts and advances written off	-	15.92
Loss/(Profit) on sale of Property, Plant & Equipment	-	(17.47)
Provision written back	(0.15)	(33.77)
Provision for Doubtful Debts	21.28	75.51
	(16.33)	**36.60**
Operating profit before working capital changes	**486.62**	**323.62**
Movement in working capital:		
(Increase) / decrease in operating assets:		
Inventories	(168.61)	33.69
Trade receivables	521.06	(766.67)
Other financial Current assets	(0.09)	-
Other financial Non Current assets	265.68	(264.69)
Other Current Assets	(63.07)	2.69
Other Bank Balance	(296.42)	-
Other non current assets	(81.31)	-
	177.23	**(994.98)**
Increase / (decrease) in operating liabilities:		
Trade payables	177.62	716.62
Other Current Financial liabilities	-	(18.87)
Other Current Liabilities	(121.06)	104.07
Provisions	-	(30.19)
	56.56	**771.63**
Cash generated from / (used in) operations	**720.41**	**100.27**
Net income tax paid (Net of Refund)	(32.87)	(110.64)
Net cash used in operating activities (A)	**687.54**	**(10.37)**
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(0.84)	(6.12)
Purchase of Intangible assets	(45.57)	(740.07)
Cost incurred on Intangible asset under development	(1.42)	-
Sale of Property, Plant and Equipment	-	383.82
Interest income received	24.34	32.42
Net cash used in investing activities (B)	**(23.49)**	**(329.95)**
C. Cash flow from financing activities		
Proceeds / (Repayment) of / from finance ease obligations	-	(29.89)
Interest expenses	-	(4.51)
Net cash generated from financing activities (C)	**-**	**(34.40)**
Net increase in Cash and cash equivalents (A+B+C)	**664.04**	**(374.72)**
Cash and cash equivalents at the beginning of the year	1,460.61	1,835.33
Cash and cash equivalents at the end of the year (Refer Note 11)	**2,124.65**	**1,460.61**

The accompanying notes are forming part of the financial statements.

In terms of our Report attached
For Maheshwari & Associates
Chartered Accountants
Firm Reg.No:311008E

SUNIL KUMAR BIRLA Digitally signed by SUNIL KUMAR BIRLA Date: 2021.04.29 18:19:43 +05'30'

Sunil Birla
Partner
Membership No. 202226

Place: Bengaluru
Date: 29th April 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PRABHAKAR JAIN Digitally signed by PRABHAKAR JAIN Date: 2021.04.29 18:02:54 +05'30'

PRABHAKAR JAIN
Director
DIN: 02017091

Place: Mumbai
Date: 29th April 2021

SANJAY BAHADUR Digitally signed by SANJAY BAHADUR Date: 2021.04.29 17:53:08 +05'30'

SANJAY BAHADUR
Director
DIN: 00032590

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Statement of changes in equity for the year ended 31st March 2021

A. Equity share capital

₹ in Lakhs

Particulars	As at		
	31.3.2021	31.3.2020	1.4.2019
Equity shares of Rs 100 each issued, subscribed and fully paid			
Balance at the beginning of the reporting period	60.00	60.00	60.00
Changes in equity share capital during the year	-	-	-
Balance at the end of the reporting period	**60.00**	**60.00**	**60.00**

B. Other equity

Particulars	Retained earning	Other Comprehensive Income	Total other equity
Balance as on 1st April 2019	**3,344.17**	**7.24**	**3,351.41**
Profit for the year	202.48	-	202.48
Other Comprehensive Income for the year, net of taxes	-	(7.24)	(7.24)
Balance as on 31st March 2020	**3,546.64**	**0.00**	**3,546.65**
Profit for the year	374.18	-	374.18
Other Comprehensive Income for the year, net of taxes	-	-	-
Balance as at March 31, 2021	**3,920.82**	**0.00**	**3,920.83**

The accompanying notes are forming part of the financial statements.

In terms of our Report attached
For Maheshwari & Associates
Chartered Accountants
Firm Reg.No:311008E

SUNIL KUMAR BIRLA
Digitally signed by SUNIL KUMAR BIRLA
Date: 2021.04.29 18:20:22 +05'30'

Sunil Birla
Partner
Membership No. 202226

Place: Bengaluru
Date: 29th April 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PRABHAKAR JAIN
Digitally signed by PRABHAKAR JAIN
Date: 2021.04.29 18:03:11 +05'30'

PRABHAKAR JAIN
Director
DIN: 02017091

SANJAY BAHADUR
Digitally signed by SANJAY BAHADUR
Date: 2021.04.29 17:53:24 +05'30'

SANJAY BAHADUR
Director
DIN: 00032590

Place: Mumbai
Date: 29th April 2021

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

3. Property, plant and equipment **₹ in Lakhs**

Carrying amounts of:	31.3.2021	31.3.2020	1.4.2019
Freehold land	-	-	232.70
Building & Civil	-	-	61.98
Plant & Machinery	-	-	11.83
Vehicles	-	-	57.17
Furniture & Fixtures	-	-	6.11
Office Equipments	0.78	-	4.77
Total	**0.78**	**-**	**374.56**

₹ in Lakhs

Cost (Gross Block)	Freehold Land	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Deemed Cost							
Balance at 1st April, 2019	232.70	148.54	26.60	67.27	41.19	16.97	**533.27**
Additions	-	-	4.77	-	-	1.35	**6.12**
Adjustment/Disposal	(232.70)	(148.54)	(31.38)	(67.27)	(41.19)	(18.31)	**(539.39)**
Balance at March 31, 2020	-	-	-	-	-	-	**-**
Additions	-	-	-	-	-	0.84	**0.84**
Adjustment/Disposal	-	-	-	-	-	-	**-**
Balance at March 31, 2021	**-**	**-**	**-**	**-**	**-**	0.84	**0.84**

Accumulated depreciation	Freehold Land	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at 1st April, 2019	**-**	**86.56**	**14.78**	**10.10**	**35.07**	**12.20**	**158.71**
Depreciation expense	-	2.77	2.53	6.55	1.45	2.51	**15.81**
Adjustment/Disposal	-	(89.33)	(17.31)	(16.65)	(36.52)	(14.71)	(174.52)
Balance at March 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	-	-	-	-	-	0.06	**0.06**
Adjustment/Disposal	-	-	-	-	-		**-**
Balance at March 31, 2021	**-**	**-**	**-**	**-**	**-**	**0.06**	**0.06**

Carrying amount (Net Block)	Freehold Land	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at 1st April, 2019	**232.70**	**61.98**	**11.83**	**57.17**	**6.11**	**4.77**	**374.56**
Additions	-	-	4.77	-	-	1.35	6.12
Adjustment/Disposal	(232.70)	(59.21)	(14.07)	(50.62)	(4.66)	(3.60)	(364.86)
Depreciation expense	-	(2.77)	(2.53)	(6.55)	(1.45)	(2.51)	(15.81)
Balance at March 31, 2020	**-**	-	**-**	**-**	-	**-**	**-**
Additions	-	-	-	-	-	0.84	0.84
Adjustment/Disposal		-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	0.06	0.06
Balance at March 31, 2021	**-**	**-**	**-**	**-**	**-**	**0.78**	**0.78**

Pidilite

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

4 Right of Use Assets

The Company has leased land for construction of factory for a period of 15 years entering into the lease arrangements with Pidilite Industries Limited. Accordingly the company has accounted for a Right To Use (ROU) asset and Lease Liability as per requirement of Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities is 9.5% (As at 31st March 2020 and 1st April 2019 - NA)

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020 31st March 2020 and 1st April 2019:

₹ in Lakhs

Particulars	**31.3.2021**	**31.3.2020**	**1.4.2019**
Leasehold Land			
Openging Balance	-	-	-
Additions	96.87	-	-
Deletions		-	-
Accumulated Depreciation	(1.08)	-	-
Closing Balance	**95.79**	**-**	**-**

The following is the break-up of current and non-current lease liabilities as at 31st March 2020 31st March 2020 and 1st April 2019:

Particulars	**31.3.2021**	**31.3.2020**	**1.4.2019**
Current lease liabilities	3.26	-	-
Non-current lease liabilities	94.35	-	-
Closing Balance	**97.61**	**-**	**-**

The following is the movement in lease liabilities during the year ended 31st March 2020 and 31st March 2019:

Particulars	**31.3.2021**	**31.3.2020**	**1.4.2019**
Balance at the beginning	-	-	-
Additions	96.87	-	-
Deletions	-	-	-
Finance cost accrued during the period	0.74	-	-
Payment of lease liabilities	-	-	-
Balance at the end	**97.61**	**-**	**-**

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2021, at 31st March 2020 and at 1st April 2019 on an undiscounted basis:

Particulars	**31.3.2021**	**31.3.2020**	**1.4.2019**
Less than one year	12.03	-	-
One to five years	60.14	-	-
More than five years	106.24	-	-
Balance at the end	**178.41**	**-**	**-**

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

5. Other Intangible assets ₹ **in Lakhs**

Carrying amounts of	**31st March 2021**	**31st March 2020**	**1st April 2019**
Trade Mark	702.99	657.66	-
Computer Software	0.23	- 0.00	2.14
Technical Knowhow	73.93	82.17	-
	777.15	**739.83**	**2.14**

Cost (Gross block)	**Trade Mark**	**Computer Software**	**Technical Knowhow**	**Total**
Balance at 1st April, 2019	**-**	**18.99**	**-**	**18.99**
Additions	657.66	**-**	82.41	740.07
Adjustment/Disposal	**-**	- 18.99	**-**	- 18.99
Balance at March 31, 2020	**657.66**	**-**	**82.41**	**740.07**
Additions	45.33	0.24	-	45.57
Balance at March 31, 2021	**702.99**	**0.24**	**82.41**	**785.64**

Accumulated amortisation and impairment	**Trade Mark**	**Computer Software**	**Technical Knowhow**	**Total**
Balance at 1st April, 2019	**-**	**16.85**	**-**	**16.85**
Amortisation expense	2.14	0.66	0.24	3.04
Adjustment/Disposal	-	(17.50)	-	(17.50)
Adjustment IND AS	(2.14)	-	-	(2.14)
Balance at March 31, 2020	**-**	**0.00**	**0.24**	**0.25**
Amortisation expense	-	0.01	8.24	8.25
Other Adjustments	-	-	-	0.00
Balance at March 31, 2021	**-**	**0.01**	**8.48**	8.50

Carrying amount (Net Block)	**Trade Mark**	**Computer Software**	**Technical Knowhow**	**Total**
Balance at 1st April, 2019	**-**	**2.14**	**-**	**2.14**
Other Additions	657.66	-	82.41	**740.07**
Amortisation expense	-	0.66	0.24	**0.90**
Adjustment/Disposal	-	- 1.48	-	
Balance at March 31, 2020	**657.66**	**- 0.00**	**82.17**	**739.83**
Other Additions	45.33	0.24	-	45.57
Amortisation expense	-	0.01	8.24	8.25
Other Adjustments	-	-	-	**-**
Balance at March 31, 2021	**702.99**	**0.23**	**73.93**	**777.15**

6 Financial Assets - Others - Non Current — **₹ in Lakhs**

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Unsecured, considered good			
Security deposits	-	-	0.99
Other bank balances - Bank Deposits with more than 12 months maturity *	-	265.68	-
TOTAL	-	**265.68**	**0.99**

* This fixed deposit has been secured against the bank guarantee provided by the company in favour of the office of the Commissioner of Customs by way of Deed of Bank Guarantee dated 15th April 2019. The bank guarantee was to expire on 14th April 2024. However, consequent to the closure of customs proceedings the bank guarantee was released as of 3rd February 2021.

7 Deferred Tax Assets (Net) / Deferred Tax Liabilities (Net)

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Property, Plant and equipment and Intangible Assets	**(59.56)**	(23.22)	(1.61)
Expenses disallowed on account of Sec 37 (1)	**25.09**	19.74	10.48
Expenses disallowed on account of Sec 43B	**-**	-	5.71
On account of timing difference in Lease liability and Right to use of Asset (Net)	**0.46**	-	-
TOTAL	**(34.01)**	**(3.48)**	**14.58**

8 Other Non current Assets

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Advance to Capital Vendors	**81.31**	-	-
TOTAL	**81.31**	**-**	**-**

9 Inventories (At lower of cost and net realizable value)

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Raw Material & Packing Material	**-**	79.54	101.28
Stock in Trade *	**944.22**	656.15	679.27
Finished Goods	**-**	39.92	28.75
TOTAL	**944.22**	**775.61**	**809.30**

* Includes Goods in transit ₹ 357.44 lakhs (₹ 40.20 lakhs as on 31.03.2020 and ₹ 79.01 lakhs as on 01.04.2019)

10 Trade Receivables

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Unsecured, considered good	**666.46**	1,208.80	533.56
Considered Doubtful	**99.72**	78.43	35.20
	766.18	1,287.23	568.76
Less: Allowances for Expected Credit Loss	**99.72**	78.43	35.20
TOTAL	**666.46**	**1,208.80**	**533.56**

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

11 Cash and Cash Equivalents

₹ in Lakhs

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Cash on Hand	-	0.34	0.57
Balances with banks			
In Current Account	234.65	1,447.86	1,623.53
In Fixed Deposits Accounts with original maturity of 3 months or less	1,890.00	12.41	211.23
TOTAL	2,124.65	1,460.61	1,835.33

12 Bank Balances other than Cash and Cash Equivalents

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Fixed Deposits with banks			
In Fixed Deposit Accounts with original maturity of more than 3 months but less than 12 months	13.38	-	-
In Fixed Deposit Accounts with original maturity of more than 12 months	283.04	-	-
Earmarked Account			
Dividend Payment Bank Account*	0.00	0.00	0.00
TOTAL	296.42	-	0.00

(*Balance represents amounts less than Rs.500)

13 Financial Assets - Others - Current

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Interest accrued on fixed deposit	0.09	-	7.04
TOTAL	0.09	-	7.04

14 Other current Assets

	As at 31.03.2021	As at 31.3.2020	As at 01.04.2019
Unsecured, considered good			
Prepaid Expenses	7.80	10.00	6.73
Balances with Government Authorities	65.38	-	-
Advance to Suppliers/others	-	0.11	6.07
TOTAL	73.18	10.11	12.80

15 Equity Share Capital

₹ in Lakhs

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Authorised Capital :			
60,000 Equity Shares of Rs.100 each	**60.00**	60.00	60.00
TOTAL	**60.00**	60.00	60.00
Issued, Subscribed and Paid up Capital :			
60,000 Equity Shares of Rs.100 each, fully paid-up	**60.00**	60.00	60.00
TOTAL	**60.00**	**60.00**	**60.00**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31.03.2021		As at 31.03.2020		As at 1.04.2019	
	Number of Shares	Rs.	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares						
Shares outstanding at beginning of period	60,000	60.00	60,000	60.00	60,000	60.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at end of the period	60,000	60.00	60,000	60.00	60,000	60.00

b. Rights, preferences and restrictions attached to shares

The Company has only one clas of equity shares having a par value of 100/- per share. Each holder of equity shares is entitled to one vote per shares. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by holding company and subsidiary of holding company

With effect from 28th May 2020, 42,000 Equity Shares (as at 31.03.2020 and 01.04.2019 - Nil Equity shares) are held by Pidilite Industries Limited, the holding company. Previously the company was subsidiary company Tenax SPA where in 59,999 shares were held by them and 1 share through Tenax Eurasia, who is a subsidiary company of Tenax SPA

d. Details of shareholders holding more than 5% shares in the Company:

	As at 31.03.2021		As at 31.03.2020		As at 1.04.2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidiilite Industries Ltd	**42,000**	70%	-	0.00%	-	0.00%
Tenax S.P.A	**17,999**	29.99%	59,999	0.79%	59,999	100.00%

e. There are no shares issued for consideration other than cash & shares bought back.

16 Other Equity

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Retained Earnings			
Balance as per last financial statements	3,546.65	3,351.41	3,351.41
Add: Profit / (Loss) for the year	374.18	195.24	-
Closing Balance	**3,920.83**	**3,546.65**	**3,351.41**
TOTAL	**3,920.83**	**3,546.65**	**3,351.41**

This Reserve represents the cumulative profits 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.

17 Borrowings

	As at 31.3.2021	As at 31.3.2020	As at 01.04.2019
Secured			
Motor vehicle loan from Bank *	-	-	29.89
TOTAL	**-**	**-**	**29.89**

*This borrowing is secured by hypothecation of motor vehicle and Rs. 50,00,000/- repayable in 70 equal instalments from February 2018, interest at the rate of 9.75%. However, during the year FY 2019-20 the company has repaid the entire borrowing as per terms of preclosure.

18 Provisions - Non-Current

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Employee Benefits payable- Gratuity (Refer note 39)	-	-	17.91
TOTAL	**-**	**-**	**17.91**

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited) 1,00,000 1,00,000 1,00,000
Notes forming part of financial statements.

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

19 Trade Payables

₹ in Lakhs

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Trade Payables			
Total Outstanding dues to Micro Enterprises & Small Enterprises (Refer Note 36)	1.75	-	-
Total Outstanding dues to creditors other than Micro Enterprises & Small Enterprises	949.86	797.39	113.97
TOTAL	**951.61**	**797.39**	**113.97**

20 Other Current Financials Liabilities

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Current maturities of borrowings	-	-	9.15
Employee Benefits payable	-	-	9.73
TOTAL	-	-	**18.87**

21 Other Current Liabilities

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Advance from customers*	0.00	1.04	9.55
Statutory Remittances**	14.77	134.79	22.21
TOTAL	**14.77**	**135.83**	**31.76**

* represents amount less than ₹ 500.
** includes TDS, TCS & GST

22 Provisions - Current

	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Provision for Employee Benefits (Refer Note 39)			
Gratuity	-	-	1.00
Compensated absences	-	-	1.60
TOTAL	-	-	**2.60**

	1,00,000	1,00,000

23 Revenue From Operations

₹ in Lakhs

	For the year ended 31.3.2021	For the year ended 31.3.2020
Revenue From Operations (Gross)		
Sale of Products		
Finished Goods	**41.04**	1,007.12
Traded Goods	**2,387.15**	2,531.09
TOTAL (A)	**2,428.19**	3,538.21
Other Operating Revenue		
Scrap Sales	**3.96**	5.85
Handling and Transportation Charges	**6.78**	4.25
Service Income	**0.73**	61.49
TOTAL (B)	**11.47**	71.59
Revenue from operations (Gross) (A+B)		
TOTAL	**2,439.66**	3,609.80

24 Other Income

	For the year ended 31.3.2021	For the year ended 31.3.2020
Interest on:		
Bank Deposit	**20.20**	25.38
Refund of Income Tax	**4.14**	-
Other Non-Operating Income:		
Net gain on foreign currency transactions and translation	**23.25**	-
Profit on sale of fixed assets	**-**	17.47
Provision no longer required written back	**0.15**	33.77
Reimbursement of Expenses*	**79.18**	
TOTAL	**126.92**	76.62

*Consequent to Share purchase agreement dated 27th Feb 2020 between Tenax SPA, Pidilite Industries Limited and the Company, Certain expenses incurred by the company has been recovered from Tenax SPA.

25 Cost of Materials Consumed

	For the year ended 31.3.2020	For the year ended 31.3.2020
Raw Material at the beginning of the year	**79.54**	101.28
Add : Purchases and movement from Raw material to stock in trade*	**(40.76)**	640.26
	38.78	741.54
Less : Raw Material at the end of the year	**-**	79.54
TOTAL	**38.78**	662.00

* During the year the company has moved the raw material into stock in trade and then sold as such and hence there is a purchase figure disclosed here is negative.

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

26 Purchase of Stock in Trade

₹ in Lakhs

	For the year ended 31.3.2021	For the year ended 31.3.2020
Purchase of Stock in Trade	**1,898.17**	1,560.30
TOTAL	**1,898.17**	1,560.30

27 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

	For the year ended 31.3.2021	For the year ended 31.3.2020
Inventories at end of the year		
Stock-in-Trade	**944.22**	656.15
Finished Goods	**-**	39.92
(A)	**944.22**	696.07
Inventories at beginning of the year		
Stock-in-Trade	**656.15**	679.27
Finished Goods	**39.92**	28.75
(B)	**696.07**	708.02
(B)-(A)	**(248.15)**	11.95
TOTAL	**(248.15)**	11.95

28 Employee Benefits Expense

	For the year ended 31.3.2021	For the year ended 31.3.2020
Salaries and Wages	**-**	300.54
Contribution to Provident and Other Funds (Refer note 39)	**-**	12.99
Employee State Insurance fund (Refer note 39)	**-**	0.21
Gratuity (Refer note 39)	**-**	(6.66)
Compensated absences (Refer note 39)	**-**	6.51
Staff Welfare Expenses	**-**	3.14
TOTAL	**-**	316.73

29 Finance Costs

	For the year ended 31.3.2021	For the year ended 31.3.2020
Interest expense on:		
Interest on long term borrowings	-	4.51
Interest on lease liability	0.74	-
TOTAL	**0.74**	4.51

30 Depreciation and Amortization Expense

₹ in Lakhs

	For the year ended 31.3.2021	For the year ended 31.3.2020
Depreciation on Tangible Assets (Refer Note 3)	0.06	15.81
Depreciation on right of use assets (Refer note 4)	1.08	-
Amortization of Intangible Assets (Refer Note 5)	8.25	0.90
TOTAL	**9.39**	16.71

31 Other Expenses

	For the year ended 31.3.2021	For the year ended 31.3.2020
Sub-contracting job work Charges	19.79	-
Warehousing Charges	26.33	-
Bank Charges	2.82	3.89
Manpower Supply Service Charges	145.73	-
Customs Clearing and forwarding charges	11.12	27.79
Transportation Charges	21.51	20.98
Rent (Refer note 38)	6.75	7.06
Rates and Taxes	11.47	4.90
Insurance	1.97	5.32
Repairs & Maintenance	0.14	7.91
Legal, Professional and Consultancy fees	75.31	172.62
Communication Expenses	-	6.03
Printing and Stationery	1.28	2.73
Travelling and Conveyance Expenses	0.27	48.75
Bad Debts and advances written off	-	15.92
Provision for Doubtful Debts	21.28	75.51
Payments to Auditor (Refer note 37)	6.00	8.00
Selling & Distribution Expenses	-	11.99
Net loss on foreign currency transactions and translation	-	0.57
Contribution to Corporate Social Responsibility (Refer note 43)	12.71	15.90
Miscellaneous expenses	0.22	18.75
TOTAL	**364.70**	454.62

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

32 Contingent Liabilities and Commitments

₹ in Lakhs

		As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
A)	**Contingent liabilities not provided for:**			
	Claims against the Company not acknowledge as debts comprise:			
	Direct tax matters	1.14	-	-
	Indirect tax matters	-	-	-
	TOTAL	**1.14**	**-**	**-**
B)	**Commitments:**			
(a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for	**156.06**	-	-
(b)	Other Commitments:		-	-
	Non Cancellable Lease commitments	**72.17**		
	Contractual obligations towards warehousing charges	**4.60**	-	-
	TOTAL	**232.83**	**-**	**-**

33 Segment information

The Company is operating in a single segment i.e. manufacturing and trading of chemicals (marble processing products, surface processing products, smoothing and polishing products, resins, mastics, abrasives, polishes). The Chief officer of Decission making (CODM) does not segregate the activities or products as a segment, reviews them as single segment and hence, the segment reporting as per IND AS 108 is not applicable.

34 Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

	For the year ending 31st March 2021	For the year ending 31st March 2020
Basic and Diluted:		
Total Operations for the year / period		
Profit for the year	374	195
Weighted average number of equity shares for calculating basic and diluted EPS	60,000	60,000
Par value per share	100	100
Earning per share (Basic and Diluted)	623.63	325.40

35 Unhedged Foreign Currency (FC) Exposure that have not been hedged by a Derivative Instruments otherwise are as Follows:

	For the year ending 31st March 2021		For the year ending 31st March 2020	
	In Euros	₹ in Lakhs	In Euros	₹ in Lakhs
Tenax SPA	8,88,022.85	764.23	5,121.09	4.25
Advance Chemical Solutions	-	-	2,350.00	1.95

36 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	1.75	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
TOTAL	**1.75**	-	-

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company.

37 Details of Payments to Auditor

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Audit fees	3.00	6.50
Tax Audit	0.75	1.50
Certifications	0.50	-
Other Services:		
For Taxation matters (Included in Professional fees)	1.75	4.25
	6.00	12.25

38 The Short-term Lease Disclosure

The Company has entered into leases for office premises and ware house, that are renewable on a periodic basis and are cancellable by giving the notice from one month to three months. There are escalation clause in the agreement and there are no restrictions imposed in the lease arrangements. There are no subleases and contingent rents.

The Company has incurred Rs. 6.75 lakhs (for the year ending 31st March 2020: Rs. 7.06 lakhs) during the year towards minimum lease payment. There are no Non cancellable lease commitments on account of these short term leases.

The Company is availing the exemption available for short-term and low value lease under IND AS 116.

39 Employee Benefits

A Details of defined contribution plans:

Employers' Contribution to Provident fund: Company's contribution in respect of Provident fund is made to Government provident fund and is charged to the Statement of profit and loss.

The details of Employers' Contribution to Provident fund paid during the year are as follows:

₹ in Lakhs

	For the year ended 31.3.2021	For the year ended 31.3.2020
Contribution to Provident Fund	-	12.99
Contribution to Employees State Insurance Fund	-	0.21
Total	**-**	**13.20**

B General description of defined benefit plans :
Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no Employees on the rolls of the Company as at 31st March 2021 and as at 31st March 2020. Hence the Gratuity Liability as on that dates are Nil. The Gratuity liability as at 1st April 2019 has been revalued as per Ind AS 19 from then recognised based on Local GAAP "AS 15" and accordingly the Gratuity Expenses and Liability has been disclosed. Further the disclosure below has been provided to the extent applicabile to the company.

Defined benefit plans – as per actuarial valuation

₹ in Lakhs

	Particulars	**For the year ended 31st March 2021**	**For the year ended 31st March 2020**
Change in the present value of defined benefit obligation			
1	Present value of defined benefit obligation at the beginning of the year	-	0.00
2	Current service cost	-	-
3	Interest cost/income	-	-
4	Remeasurements (gains)/ losses included in OCI	-	-
	Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
	Actuarial (gains)/ losses arising from changes in financial assumption	-	-
	Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
5	Past Service cost	-	-
6	Benefits paid	-	(3.02)
7	Present value of defined benefit obligation at the end of the year	-	**(3.02)**

	Net Asset/(Liability) recognised in the Balance Sheet as at	**As at 31st March 2021**	**As at 31st March 2020**	**As at 1st April 2019**
1	Present value of defined benefit obligation as at 31st March	-	-	18.91
2	Fair value of plan assets as at 31st March	-	-	-
3	Surplus/(Deficit)	-	-	-
4	Current portion of the above	-	-	1.00
5	Non current portion of the above	-	-	17.91

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.
Note 39 continued

	Actuarial assumptions	**As at 31st March 2021**	**As at 31st March 2020**	**As at 1st April 2019**
1	Mortality Rate	NA	NA	IALM (2012-14) Ultimate
2	Discount rate	NA	NA	**7.65% p.a.**
3	Attrition rate	NA	NA	5% p.a.
4	Salary Escalation	NA	NA	10%p.a.
5	Retirement Age	NA	NA	58 years

	Expense recognised in the Statement of Profit and Loss for the year ended	-	-	-
1	Current service cost	-	-	4.24
2	Interest cost on benefit obligation (Net)	-	-	1.80
3	Total expenses included in employee benefits expense	-	-	-

	Recognised in other comprehensive income for the year	-	-	-
1	Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	-
2	Actuarial (gains)/ losses arising from changes in financial assumption	-	-	0.78
3	Actuarial (gains)/ losses arising from changes in experience adjustment	-	-	(10.46)
4	Return on plan asset	-	-	-
5	Recognised in other comprehensive income	-	-	(9.68)

Sensitivity Analysis table has to be updated.

₹ in Lakhs

Defined Benefit Obligation	**As at 31st March 2021**	**As at 31st March 2020**	**As at 1st April 2019**
Discount rate			
a.Discount rate - 100 basis points	-	-	21.43
a.Discount rate - 100 basis points impact (%)	-	-	13.32%
b.Discount rate - 100 basis points	-	-	16.82
b.Discount rate - 100 basis points impact (%)	-	-	-11.05%
Salary increase rate			
a.Rate - 100 basis points	-	-	17.14
a.Rate - 100 basis points (%)	-	-	-9.39%
b.Discount rate - 100 basis points	-	-	20.96
b.Discount rate - 100 basis points (%)	-	-	10.85%

The mortality and attrition does not have a significant impact on the Liability, hence are not considered a significant actuarial assumption for the

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

40 Financial Instrument

a Capital Management

The Company manages its capital to ensure that it is able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Company consists of only equity of the Company. The Company is not subject to any externally imposed capital requirements.The Company does not have any debt as on 31st March 2021.

b Categories of financial instruments

₹ in Lakhs

	31st March 2021	31st March 2020	1st April 2019
Financial assets			
Measured at amortised cost	666.55	1,474.48	541.59
Cash and bank balances	2,124.65	1,460.61	1,835.33
Bank Balances other than Cash and Cash equivalents above	296.42	-	-
Financial liabilities			
Measured at Fair Value through Profit or Loss	97.61	-	-
Measured at amortised cost	951.61	797.39	132.84

c Financial risk management objectives

Liquidity risk management
Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial assets are higher than liabilities as on 31st March 2021. Also it has robust cash flows generating from operations and cash and bank balances, hence the company does not foresee any liquidity risk.

Credit risk management
Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables and other balances with banks. The Company deals with counterparties that have high credit rating. The exposure and credit ratings of its counterparties are continuously monitored. The Company also deals with a limited number of customers with good credit standing and are continuously monitored. The Company makes a provision for doubtful debts based on lifetime Expected Credit Loss Model (ECL) method.

d Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, finacial assets and liabilities and derivative financial instruments.

e Foreign currency sensitivity analysis

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

₹ in Lakhs

Particulars	FC value in Foreign Currency			FC value in INR		
	31st March 2021 (EUR)	31st March 2020 (EUR)	1st April 2019	31st March 2021	31st March 2020	1st April 2019
Amounts payable in foreign currency on account of the following:						
Tenax SPA	8,88,023	5,121	1,06,446	764.23	4.25	83.39
Advance Chemical Solutions	-	2,350	2,350	-	1.95	1.91

The Company is mainly exposed to the EUR.

The following table details the Company's sensitivity to a 2% increase and decrease against the relevant foreign currencies. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

₹ in Lakhs

	EUR/USD impact		
	31st March 2021	31st March 2020	1st April 2019
Impact on profit or loss for the year (ii)	15.28	0.12	1.71

(i) This is mainly attributable to the exposure to outstanding Euro receivables and payables at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

Note 40 Continued

f Fair value of the Company's financial assets and financial liabilities that are not measured at fair value
Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

₹ in Lakhs

Particulars	31st March 2021		31st March 2020		1st April 2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Inventories	**944.22**	**944.22**	775.61	775.61	809.30	809.30
Trade Receivables	**666.46**	**666.46**	1,208.80	1,208.80	533.56	533.56
Cash and cash equivalents	**2,124.65**	**2,124.65**	1,460.61	1,460.61	1,835.33	1,835.33
Bank Balances other than Cash and Cash equivalents above *	**296.42**	**296.42**	-	-	0.00	0.00
Others Current Assets (incl. Advance to Suppliers)	**73.18**	**73.18**	10.11	10.11	12.80	12.80
Others (Non current Assets)	**81.31**	**81.31**	0.99	0.99	-	-
Total	**4,186.24**	**4,186.24**	**3,456.12**	**3,456.12**	**3,190.99**	**3,190.99**
Financial liabilities						
Borrowings	-	-	-	-	29.89	29.89
Trade Payables	**951.61**	**951.61**	797.39	797.39	113.97	113.97
Other Financial Liabilities	-	-	-	-	18.87	18.87
Other Current Liabilities (Statutory Remittance)	**14.77**	**14.77**	135.83	135.83	31.76	31.76
Provisions	-	-	-	-	2.60	2.60
Lease Liability	**94.35**		-		-	-
Total	**1,060.73**	**966.38**	**933.22**	**933.22**	**197.09**	**197.09**

* represents values less than ₹ 500.

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

The following table provides an analysis of financial instruments and other items that are measured at fair value and have been grouped into Level 1, 2 and Level 3 below:

₹ in Lakhs

Particulars	Fair value hierarchy (Level)	Fair value		
		As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A Financial Assets				
a) Measured at amortised cost				
Other financial assets	2	1,611	2,250	1,344
Cash and cash equivalents	1	2,125	1,461	1,835
Bank Balances other than Cash and Cash equivalents above*	1	296	-	0
b) Measured at FVTPL:				
Trade Mark	2	702.99	-	-
Right to Use an Asset	2	95.79	-	-
B Financial Liabilities				
a) Measured at amortised cost				
Borrowings	2	-	-	29.89
Other financial liabilities	2	951.61	797.39	132.84
Lease Liabilities	2	97.61	-	-

There were no transfers between Level 1, 2 and Level 3 during the year ended 31 March 2021, 31 March 2020 and 1st April 2019.
* represents values less than ₹ 500.

TENAX PIDILITE INDIA PRIVATE LIMITED (Formerly Known as "Tenax India Stone Products Private Limited)
Notes forming part of financial statements.

41 Related Party Disclosures:

A Names of related parties and nature of relationship, Where control exists.

(i) Holding Company:
Tenax S.P.A (Up to 28th May 2020 and susequently changed to Investor Company)
Pidilite Industries Ltd (w.e.f. 28th May 2020)

(ii) Key Managerial Person
Stefano de Nepoli (Up to 28th May 2020)
Arshaan Anees (Up to 28th May 2020)

B List of Related Parties with whom transactions have taken place during the year:

(i) Holding Company:
Pidilite Industries Ltd (w.e.f. 28th May 2020)
Tenax S.P.A (Up to 28th May 2020 and susequently changed to Investor Company)

(ii) Companies Controlled by the Holding Company and Investor Company / Fellow subsidiaries:
Tenax Shanghai
Advance Chemical Solutions
Tenax India Industrial Chemical Private Limited

(iii) Key Managerial Person
Stefano de Nepoli (Up to 28th May 2020)
Arshaan Anees (Up to 28th May 2020)

C Aggregate related parties disclosure:

₹ in Lakhs

Sl No	Particulars	Holding Company		Fellow subsidiaries		Key Managerial Person	
		Transaction Value	Balance outstanding	Transaction Value	Balance outstanding	Transaction Value	Balance outstanding
1	**Purchases - Tenax SpA**						
	Current year	1,354.79	714.11	-	-	-	-
	Previous year*	1,432.06	4.25	-	-	-	-
2	**Reimbursement of Expenses recoverd - Tenax SpA**						
	Current year	79.18	5.00	-	-	-	-
	Previous year	-	-	-	-	-	-
3	**Sales - Pidilite Industries Limited**						
	Current year	688.88	456	-	-	-	-
	Previous year	-	-	-	-	-	-
4	**Manpower Supply Service Charges - Pidilite Industries Limited**						
	Current year	119	121	-	-	-	-
	Previous year	-	-	-	-	-	-
5	**Trade Mark Assigment - Tenax SpA**						
	Current year	-	-	-	-	-	-
	Previous year	657.66	-	-	-	-	-
6	**Technology License - Tenax SpA**						
	Current year	-	-	-	-	-	-
	Previous year	82.41	-	-	-	-	-
7	**Purchases - Advance Chemical Solutions**						
	Current year	-	-	-	-	-	-
	Previous year	-	-	-	2	-	-
8	**Short-term loan given - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	-	-	-	-
	Previous year	-	-	10.00	-	-	-
9	**Interest received on Short-term loan given - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-		-	-	-
	Previous year	-	-	0.03	-	-	-
10	**Sale of Property, Plant and Equipment - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	-	-	-	-
	Previous year	-	-	383.23	161.99	-	-
11	**Sale of Intangible Assets - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	-	-	-	-
	Previous year	-	-	51.50	-	-	-
12	**Purchases - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	252	49.90	-	-
	Previous year	-	-	-	-	-	-
13	**Rent Paid - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	6.75	-	-	-
	Previous year	-	-	-	-	-	-
14	**Manpower Supply Service Charges - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	25.23	1.04	-	-
	Previous year	-	-	-	-	-	-
15	**Sales - Tenax India Industrial Chemical Private Limited**						
	Current year	-	-	625.26	-	-	-
	Previous year	-	-	54.86	-	-	-
16	**Remuneration - Arshaan Anees ****						
	Current year	-	-	-	-	-	-
	Previous year	-	-	-	-	83.52	-
17	**Remuneration - Stefano De Napoli ****						
	Current year	-	-	-	-	-	-
	Previous year	-	-	-	-	120.37	-
18	**Balances Oustanding as on 1st April 2019**						
	Tenax SPA						83.39
	Advance Chemical Solutions						0.02

\# Figures from Tenax SPA includes transport charges paid to Tenax SPA on imports

* Exclusive of Goods and service tax

** The Remuneration includes the Bonus, Leave encashment and Gratuity.

Note: The information is based on the name of parties as identified and certified by the management.

42 Taxes

A Deferred Tax

a 2020-21

Deferred tax assets/(liabilities) in relation to: **₹ in Lakhs**

	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing balance
Property, Plant and Equipment	(23.22)	(36.34)	-	(59.56)
Lease Liability	-	0.46	-	0.46
Provision for Doubtful Debts	19.74	5.36	-	25.10
Total	**(3.48)**	**(30.53)**	**-**	**(34.01)**

b 2019-20

Deferred tax assets/(liabilities) in relation to: **₹ in Lakhs**

	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing balance
Property, Plant and Equipment	(1.61)	21.61	-	(23.22)
Provision for Gratuity, Leave encashment etc	5.71	5.71	-	-
Provision for Doubtful Debts	10.48	(9.26)	-	19.74
Total	**14.58**	**18.06**	**-**	**(3.48)**

B Income Tax

a Income tax recognised in profit or loss Year **₹ in Lakhs**

	For the year ending 31st March 2021	For the year ending 31st March 2020
Current tax		
In respect of the current year	98.24	63.10
In respect of prior years	-	0.95
	98.24	**64.05**
Deferred tax		
In respect of the current year	30.53	(18.06)
	30.53	**(18.06)**
Total income tax expense recognised in the current year relating to continuing operations	**128.77**	**46.00**

b The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ending 31st March 2021	For the year ending 31st March 2020
Profit before tax from operations	502.95	287.02
	25.17%	**25.17%**
Income tax expense calculated	126.59	72.24
Effect of expenses that are not deductible in determining taxable profit	13.37	9.51
Effect of expenses that are deductible in determining taxable profit	(42.19)	(34.68)
Interest on delayed payment of taxes	0.47	-
Adjustment of profits on account of Ind AS	-	16.03
Effect of deferred tax on timing differences	30.53	(18.06)
Adjustments recognised in the current year in relation to the current tax of prior years	-	0.95
Income tax expense recognised in profit or loss (relating to continuing operations)	**128.76**	**46.00**

43 Corporate Social Responsibility

	For the year ending 31st March 2021	For the year ending 31st March 2020
Amount required to be spent during the year	12.71	15.90
Amount spent during the year	12.71	15.90

Note: The CSR expenditure has been contributed to Triveni Kalyan Foundation towards Community Development for the year ending 31st March 2021 and Colours of life, Parents Association of Persons with Cerebral Palsy and Associated Disorders (PAPCP) and Foundation for Neglected Diseases (FDNR) for the year ending 31st March 2020 to spend it as per CSR Policy of the company.

44 First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2021, are the first, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2020, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2021, together with the comparative period data as at and for the year ended 31st March 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2019 and the financial statements as at and for the year ended 31st March 2020.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1. Since there is no change in the functional currency, the company has elected to continue with the carrying value measured under the previous GAAP and use that carrying values as the deemed cost for property, plant and equipment on the transition date.

2. A previous GAAP revaluation for an item of plant, property and equipment may be used as deemed cost, provided that at the date of revaluation, the revaluation was broadly comparable to fair value, or cost or depreciated cost in accordance with Ind AS.

3. Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

A. Reconciliation of equity as at 31st March 2020 and 1st April 2019 (date of transition to Ind AS)

₹ in Lakhs

Particulars	Notes	As at 31st March 2020	As at 1st April 2019
Equity reported under previous GAAP		3,582.16	3,332.01
Reversal of amortization on account of Ind AS 38	i	2.14	-
Adjustment of provision for doubtful debts on account of adpotion of ECL method of provision	ii	(49.58)	25.93
Tax on above adjustments	iii	11.94	(6.53)
Equity reported under Ind AS		3,546.66	3,351.41

B) Reconciliation of Total Comprehensive income for the year ended 31st March 2020

₹ in Lakhs

Particulars	Notes	For the year ending 31st March 2020
Profit after tax reported as per previouse GAAP		250.15
Reversal of amortization on account of Ind AS 38	i	2.14
Adjustment of provision for doubtful debts on account of adpotion of ECL method	ii	(75.51)
Tax on above adjustments	iii	18.46
Total effect of transition to Ind AS		195.24
Profit as per Ind AS		195.24
Other comprehensive income/expense for the year (net of tax)	iv	-
Total comprehensive income reported under Ind AS		**195.24**

Notes:-

Other Intangibles: Under previous GAAP, other intangible assets were amortised based on their useful life. Under Ind AS, the company has estimated the useful lives of Trademarks to be indefinite. On transitioning to Ind AS, amortisation expense pertaining to Trademarks resulting in an increase in carrying amount of Trademark and copyrights by ₹ 2.14 lakhs as at 31st March 2020. The reversal of amortization during the FY 2019-20 was ₹ 2.14 lakhs.

Trade Receivables - Expected Credit Loss: Under previous GAAP, allowance for doubtful debts was made as per management policy based on ageing of debtors. Under Ind AS, the Company applies expected credit loss (ECL) model for recognising impairment loss on these financial assets on the transition date. The resultant changes in provision for doubtful debts are recognised in profit or loss. On transition to Ind AS, allowance for doubtful debts is remeasured as per ECL model, resulting in net increase in carrying amount of allowance for doubtful debts as at 31st March 2020 by 49.58 lakhs and decrease as at 1st April 2019 by 25.93 lakhs. The impact in Profit & Loss Account on account of remeasurement for the year ended 31st March 2020 was ₹ 75.51 lakhs.

Deferred Tax impact: Deferred tax impacts for the above adjustments, are a net increase in Deferred Tax Liabilities as at 31st March 2020 by 11.94 lakhs and reduction in Deferred Tax Liability as at 1st April 2019 by 6.52 lakhs. The impact on Profit & Loss account for the year ended 31st March 2021 was ₹ 18.46 lakhs.

Other Comprehensive Income: Under previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

Statement of cash flows: The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

45 Note on Discontinuing Operation needs to be included

During the year the company with the intention to expand and grow the operations in the Retail Segment, has decided to discontinued the business related to the Industrial segment and focus more on the retail chains and operations. The discontinuation of Industrial segment business has not been separately presented or disclosed in financial statements due to following reasons:

- The Company was operating with the common goods for both the Industrial and Retail segments.
- The common inputs and the expenses were not segregated by the management historically between Industrial and Retail segments.
- The Segregation of Industrial and Retail segments were purely based on the customer base and distribution network.
- Considering the complexity involved in summarizing the segment data and information for discontinued business, the company has not presented the discontinued operations details in the financial statements.

46 COVID 19 Impact

Covid 19 was declared as a pandemic by the World Health Organisation in March, 2020. Covid 19 pandemic is an unforeseen and rare event for the world economy. Pursuant to the imposition of National Lockdown, the Company had suspended operations from 25 March 2020 to 17th May 2020. However, under the current screnario the company is operating at its available capacity.

On the basis of the assessment done by the management and internal / external sources of information up to the date of approval of these financial statements, the carrying amounts of assets are recoverable. The impact of pandemic may be different from that estimated as at the date of these financial statements and the Company will closely monitor any material changes to the future economic conditions.

47 Approval of financial statements: The financial statements were approved for issue by the board of directors on 29th April 2021.

48 The amounts and disclosures included in the financial statements of the previous year have been reclassified and regrouped whereever necessary.

The accompanying notes are forming part of the financial statements.

In terms of our Report attached
For Maheshwari & Associates
Chartered Accountants
Firm Reg.No:311008E

SUNIL KUMAR BIRLA
Digitally signed by SUNIL KUMAR BIRLA
Date: 2021.04.29 18:22:30 +05'30'

Sunil Birla
Partner
Membership No. 202226

Place: Bengaluru
Date: 29th April 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PRABHAKAR JAIN
Digitally signed by PRABHAKAR JAIN
Date: 2021.04.29 18:03:43 +05'30'

PRABHAKAR JAIN
Director
DIN: 02017091

SANJAY BAHADUR
Digitally signed by SANJAY BAHADUR
Date: 2021.04.29 17:53:58 +05'30'

SANJAY BAHADUR
Director
DIN: 00032590

Place: Mumbai
Date: 29th April 2021

1. Corporate Information

Tenax Pidilite India Private Limited **(Formerly Known as Tenax India Stone Products Private Limited)**
(Referred to as "The company") is engaged in the business of manufacture and trading of granite and marble processing products, surface processing products, smoothing and polishing products, resins, mastics, abrasives, polishes etc.

On 28th May 2020, Pidilite Industries Limited has acquired 70% of shares of the company from Tenax SPA and consequently the company has become a subsidiary company of Pidilite Industries Limited.

The company has changed its name from **Tenax India Stone Products Private Limited to Tenax Pidilite India Private Limited with effect from 25th March 2021.**

2. Significant Accounting Policies

2.1 Basis of preparation and presentation

(a) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2020, the company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Indian GAAP). These financial statements for the year ended 31st March 2021 are the first the company has prepared in accordance with Ind AS. Refer to note 44 for information on how the Company adopted Ind AS and relevant impacts on the prior period financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and

ii. Defined benefit and other long-term employee benefits.

iii. The intangible assets and the right to use of an assets.

(c) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID -19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(e) 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.

(f) Going Concern Concept and its impact on the company

Considering the unprecedented global pandemic of Covid-19 and the slowdown of business during the 25th March 2020 to 17th May 2020, the management had made the assessment of going concern ability of the company. Based on the management assessment on its business impact during the lock down, which was common across the industry and had no specific impact to the company's operation as such. However post removal of National Lock down by the Government, the company had resumed the business and able to establish the profitable operations and continued to expand its business as planned. Hence management concluded that there is no significant doubt on the going concern concept for the company. Accordingly the financial statements of the company have been prepared on the concept of going concern.

(g) These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest lakhs (up to two decimals), except when indicated otherwise.

2.2 Revenue recognition

a) Sale of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

(b) Service income

Revenue from services is recognised at the fair value of the consideration received or receivable for services rendered in the periods in which the services are rendered on a prorated basis over the period or as per the terms of the contract.

(c) Interest income

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

(d) Other Income

Scrap sales (i.e. Palates, drums and other packing material) is accounted for as and when it is sold.

2.3 Foreign Currencies

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

2.4 Taxation

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

(a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

(c) Current and deferred tax for the year

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

2.5 Fair value measurement

The Company measures financial instruments, such as, 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. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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:

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

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

The Company's board determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External Valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external Valuers is decided upon annually by the board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The board decides, after discussions with the Company's external Valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the board analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the board verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The board, in conjunction with the Company's external Valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the board and the Company's external Valuers present the valuation results to the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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.

2.6 Property, plant and equipment

(a) Property, plant and equipment acquired separately

Freehold land is stated at cost and not depreciated.

Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of such self-constructed item includes professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss in the year of occurrence.

(b) Depreciation

Depreciation is provided so as to write off the cost of assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

Depreciation on Property, Plant and Equipment is provided, based on the estimated economic lives or using the rates specified in Schedule II to the Companies Act, 2013.

Consequent to change in holding company, to align the accounting policy of the company with that of the Holding Company, during the year the company has changed its method of depreciation from Written down Value (WDV) to the Straight line Method (SLM). However there was no impact on the statement of profit and loss and carrying value of Property, Plant and Equipment due to this change.

2.7 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the Intangible assets are as follows:

Type of Assets	Useful Life
Trade Mark	Indefinite Life
Computer Software	3-6 Years
Technical Knowhow	10 Years

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Recoverable amount is the higher of fair value less costs of disposal and value in use

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.9 Inventories

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

Cost of inventories is determined on weighted average basis. Cost for this purpose includes cost of direct materials, direct labour, excise duty and appropriate share of overheads.

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

Consequent to change in holding company, to align the accounting policy of the company with that of the Holding Company, during the year the company has changed its basis of determination of cost of inventory from First in First out (FIFO) to the Weighted Average Cost (WAC). However in the opinion of the management there is no material impact on the statement of profit and loss due to this change.

2.10 Provisions

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

Provisions (excluding retirement benefits & Earn out Compensation) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed in the Notes to the Financial Statements, where an inflow of economic benefits is probable.

2.11 Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.

All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

(b) Impairment of financial assets

The Company applies expected credit loss model for recognizing impairment loss on financial assets like trade receivables, financial assets measured at amortised cost, lease receivables and other contractual rights to receive cash or other financial assets. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(c) Financial Liabilities

All financial liabilities are measured at amortised cost using effective interest method at the end of subsequent reporting periods. Interest expense is included in the Finance costs line item.

(d) Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when the Company’s obligations are discharges, cancelled or have expired.

(e) Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.12 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short- term investments net of bank overdrafts with an original maturity of three months or less.

2.13 Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Employee Medical Insurance and Anniversary Awards.

(a) Defined contribution plans

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(b) Defined benefit plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

(c) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.14 Segment Reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company performance based on appropriate segment classifications and allocates resources based on an analysis of various performance indicators by business segments.

The Company is primarily engaged in the business of trading marble chemicals. As per the Company's Chief Operating Decision Maker ("CODM"), the risks and returns from its sales do not vary materially. Accordingly, there are no other reportable segments as required to be reported under Ind AS 108 - 'Operating Segments.

2.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.16 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.17 Borrowings and Borrowing Cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

'Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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.

2.18 Share based payment

Share-based payment transactions of the Company Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.19 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.20 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognised prospectively in the period of change, if the change affects that period only or in the period of the change and future periods if the change affects both current and future periods.

2.21 Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements: In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions: The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets: Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company.

Taxes: Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions and contingent liabilities: The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

Provisions and contingent liabilities: The Company has ongoing litigations with regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

2.22 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) issues the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018. There are no new amendments have been issued which will be effective 1st April 2021.