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Shah Gupta & Co.
Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

**To the Members of TCPL Innofilms Private Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **TCPL Innofilms Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss, (including the statement of other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

**Responsibilities of the Management and Board of directors for the Financial Statements**

The Company's Management and Board of Directors are is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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

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preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

2. As required by sub-section (3) of Section 143 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 the statement of other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

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

   g. The Company has not paid / not provided for managerial remuneration in the books of accounts. Accordingly, provisions of Section 197 of the Act are not applicable to the Company.

   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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position in the financial statements – Refer Note 35 of the financial statements;

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

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

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

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- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-cluse (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

**Parth P Patel**
Partner
M. No.172670
UDIN: 23172670BGXTNM7364
Place: Mumbai
Date: May 15, 2023

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TCPL Innofilms Private Limited of even date)**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property during the year. Accordingly, reporting under paragraph 3 (i) (c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by the Management, as compared to book records were not material and have been appropriately dealt with in the books of account. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

(iii) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Accordingly, reporting under paragraph 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to Section 76 of the Act and the Rules framed there under to the extent notified.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the products by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a year of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.

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viii) According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purpose for which it was raised.

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

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.

(f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the question of our commenting on whether the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise.

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

(b) 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. Accordingly, reporting under paragraph 3 (x) (b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under sub-clause (12) of Section 143 of the Act, in Form ADT-4, was not required to be filed. Accordingly, reporting under clause 3 (xi) (b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3 (xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and according to the information and explanation given to us, provisions of internal audit are not applicable to the Company.

(b) The Company did not have an internal audit system during the year. Accordingly, the reporting under clause 3 (xiv) (b) of the Order is not applicable to the Company.

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(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 any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.

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

(d) We have been informed by the management that as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and three CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.

(xvii) The Company has incurred cash losses of Rs.225.14 lakhs in the financial year and not incurred any cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Notes to the Financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a year of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a year of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of Order is not applicable for the year.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of Order is not applicable for the year.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

**Parth P Patel**
Partner
M. No.172670
UDIN: 23172670BGXTNM7364
Place: Mumbai
Date: May 15, 2023

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **TCPL Innofilms Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

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

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**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

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

**Opinion**

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

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. ★ MUMBAI FRN: 109574W ★ CHARTERED ACCOUNTANTS

**Parth P Patel**
Partner
M. No.172670
UDIN: 23172670BGXTNM7364
Place: Mumbai
Date: May 15, 2023

## TCPL INNOFILMS PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 1. Corporate Information

TCPL Innofilms Private Limited ("The Company") is registered Company under the provisions of the Companies Act, 2013 with CIN No. U25209MH2020PTC338202.

The Company's activity is in single segment of manufacturing of poly and MDO films with its registered office situated at Empire Mills Complex, 414 Senapati Bapat Marg, Lower Parel, Mumbai -400013.

The Board of Directors have approved the financial statements for the year ended 31st March, 2023 and issued the same on 15th May, 2023.

### 2.1 Statement of Compliances & Basis of Preparation

The financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except when stated otherwise.

The financial statements of the Company for the financial year ended 31st March 2023 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

- Derivative financial instruments,
- Defined Benefit Plans - planned assets

#### Current & non-current classification

Company has determined current and non-current classification of its assets and liabilities in the financial statements as per the requirement of Ind AS 1 - 'Presentation of Financial Statements', wherever applicable. Based on its assessment, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

### 2.2 Summary of Significant Accounting policy

#### (a) Revenue Recognition

##### i) Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, or other similar items in a contract when they are highly probable to be provided. Revenue excludes any amount collected as taxes on behalf of statutory authorities.

The Company recognizes revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer.

##### ii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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TCPL Innofilms Private Limited Mumbai

## TCPL INNOFILMS PRIVATE LIMITED
## BALANCE SHEET AS AT MARCH 31, 2023

(INR in lakhs)

| Particulars | Notes | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a)Property, Plant and Equipment | 4 | **3,721.93** | 4.23 |
| (b)Capital work in progress | 4 | **25.28** | 3,654.00 |
| (c)Right of Use | 4 | **122.36** | 137.82 |
| (d)Intangible Assets | 5 | **21.64** | - |
| (e)Intangible Assets Under Development | 5 | **3.76** | 15.99 |
| (d)Deferred Tax Asset (Net) | 6 | **67.79** | - |
| (f)Other Non-Current Assets | 7 | **4.63** | 13.28 |
| **Total Non-Current Assets** | | **3,967.39** | 3,825.32 |
| **Current assets** | | | |
| Inventories | 8 | **507.43** | 407.69 |
| (a)Financial Assets : | | | |
| (i)Trade Receivables | 9 | **16.07** | - |
| (ii)Cash and Cash Equivalents | 10 | **0.06** | 121.44 |
| (iii)Bank Balances other than (ii) above | 11 | **-** | 64.64 |
| (b)Other Current Assets | 12 | **322.28** | 219.30 |
| **Total Current Assets** | | **845.85** | 813.07 |
| **Total Assets** | | **4,813.24** | 4,638.39 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a)Equity Share capital | 13 | **1,400.00** | 900.00 |
| (b)Other Equity | 14 | **(401.15)** | (15.13) |
| **Total Equity** | | **998.85** | 884.87 |
| **Liabilities** | | | |
| **Non Current Liabilities** | | | |
| (a)Financial Liabilities | | | |
| (i) Borrowings | 15 | **1,383.91** | **1,822.38** |
| (ii) Lease Liabilities | 16 | **117.28** | 128.26 |
| (iii) Other Financial Liabilities Liabilities | 17 | **818.40** | 757.98 |
| (b)Provisions | 18 | **3.37** | 1.41 |
| **Total Non Current Liabilities** | | **2,322.96** | **2,710.03** |
| **Current Liabilities** | | | |
| (a)Financial Liabilities | | | |
| (i) Borrowings | 19 | **751.07** | 384.62 |
| (ii) Lease Liabilities | 16 | **10.98** | **10.05** |
| (iii)Trade Payables | 20 | | |
| Due to Micro Enterprise and Small Enterprise | | **-** | - |
| Due to Creditors other than above | | **157.08** | 214.79 |
| (iii)Other Financial Liabilities | 21 | **33.83** | 103.13 |
| (b)Provisions | 22 | **0.17** | 0.09 |
| (c)Other Current Liabilities | 23 | **538.30** | 330.81 |
| **Total Current Liabilities** | | **1,491.43** | **1,043.49** |
| **Total Equity and Liabilitites** | | **4,813.24** | 4,638.39 |
| Significant Accounting Policies and Notes forming part of the Financial Statements | 1 to 44 | | |

As per our Report of even date attached
**Shah Gupta & Co.**
Chartered Accountants
Firm Registration No. 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

**Parth P Patel**
Partner
Membership No. 172670
UDIN: 23172670BGXTNM7364

Place : Mumbai
Date : May 15, 2023

**For and on behalf of Board of Directors**

**Saket Kanoria**
**Chairman**
**Din: 00040801**

**Vidur Kanoria**
**Director**
**Din: 08709462**

TCPL Innofilms Private Limited Mumbai

**S G Nanavati**
**Director**
**Din: 00023526**

**Pooja Soni**
**Company Secretary**
A68164

## TCPL INNOFILMS PRIVATE LIMITED
## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

| Particulars | Notes | 31-Mar-23 | 31-Mar-22 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from operations | 24 | **1,627.72** | - |
| Other Income | 25 | **5.11** | 57.37 |
| **Total Income** | | **1,632.83** | 57.37 |
| **EXPENSES** | | | |
| Cost of Materials consumed | 26 | **1,481.01** | - |
| Changes in Inventories of finished goods and work in progress | 27 | **(79.91)** | - |
| Employee benefits expense | 28 | **107.34** | - |
| Finance Cost | 29 | **205.00** | 11.41 |
| Depreciation and amortization expense | 30 | **102.01** | 1.41 |
| Other expenses | 31 | **267.37** | 44.10 |
| **Total Expenses** | | **2,082.82** | 56.92 |
| **Profit/(loss) before exceptional items and tax** | | **(449.99)** | 0.45 |
| **Tax expense:** | 32 | | |
| Current tax | | **-** | - |
| Deferred Tax (Asset)/Liability | | **(67.79)** | - |
| **Profit/(loss) for the year after tax** | | **(382.20)** | **0.45** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| **A. Other Comprehensive income not to be reclassified to profit and loss:** | | | |
| Remeasurement of gain/(loss) on defined benefit plans | | **0.02** | - |
| Income tax relating to items that will not be reclassified to profit or loss | | **-** | - |
| **B. Other Comprehensive income to be reclassified to profit and loss:** | | | |
| Effective portion of gain/(loss) on hedging instruments in a cash flow hedge | | | - |
| Income tax relating to items that will not be reclassified to profit or loss | | | - |
| **Total Other Comprehensive Income/(Loss) for the year, net of tax** | | **0.02** | - |
| **TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX** | | **(382.18)** | **0.45** |
| **Earnings per equity share of Rs. 10/- eachshareholders** | 33 | | |
| **Basic EPS (Rs.)** | | **(3.31)** | 0.01 |
| **Dilluted EPS (Rs.)** | | **(3.31)** | 0.01 |
| Significant Accounting Policies and Notes forming part of the Financial Statements | 1 to 44 | | |

As per our Report of even date attached
**Shah Gupta & Co.**
Chartered Accountants
Firm Registration No. 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

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Place : Mumbai
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**For and on behalf of Board of Directors**

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**Company Secretary**
A68164

**TCPL INNOFILMS PRIVATE LIMITED**
**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2023**

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **A. Cash Flow From Operating Activities** | | |
| **Profit/(Loss) before tax** | (382.18) | 0.45 |
| **Adjustments for :** | | |
| Unrealised Foreign Exchange Fluctuation Loss | 55.03 | (52.55) |
| Depreciation & Amortisation | 102.01 | 1.41 |
| Finance Cost | 205.00 | 11.41 |
| **Operating Profit/(Loss) before working capital changes** | **(20.14)** | (39.28) |
| **Changes in Operating Assets and Liabilities :** | | |
| Increase/(Decrease) in Trade Payables | (64.82) | 212.46 |
| Increase/(Decrease) in Other Non Current/Current Liabilities | 92.14 | 1,231.12 |
| Increase/(Decrease) in Provisions | 60.50 | 1.50 |
| (Increase)/Decrease in Inventories | (99.74) | (407.69) |
| (Increase)/Decrease in Trade Receivables | (15.99) | - |
| (Increase)/Decrease in Other Financial Assets | 64.64 | (64.64) |
| (Increase)/Decrease in Other Non Current/Current Assets | (162.12) | 156.33 |
| **Cash Generated from Operation** | **(145.53)** | 1,089.80 |
| Less: Income taxes paid | - | - |
| **Net Cash flow from Operating Activities (A)** | **(145.53)** | 1,089.80 |
| **B. Cash Flow from Investing Activities** | | |
| Purchase of PPE (including capital advance) | (184.94) | (3,674.25) |
| **Net Cash Flow from Investing Activities (B)** | **(184.94)** | (3,674.25) |
| **C. Cash Flow from Financing Activities** | | |
| Lease Liability paid | (21.00) | - |
| Proceeds from issue of equity shares | 500.00 | 500.00 |
| Share Issue Expenses | (3.84) | - |
| Proceeds from Long Term Borrowings | - | 2,107.00 |
| Repayment of Long Term Borrowings | (309.20) | - |
| Proceeds from Short Term Borrowings | 237.18 | 100.00 |
| Finance Cost | (194.05) | (10.46) |
| **Net Cash Flow from Financing Activities (C )** | **209.09** | 2,696.54 |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | **(121.38)** | 112.09 |
| **Cash and Cash Equivalents at the beginning of the year** | 121.44 | 9.35 |
| **Cash and Cash Equivalents at the end of the year** | **0.06** | 121.44 |

**Note:**
The statement of cash flows is prepared using the "indirect method" set out in Ind AS 7 "Statement of Cash Flows".

| Reconciliations part of Cash Flow | 2021-22 | Cash flows | 2022-23 |
|---|---|---|---|
| Long term borrowings | 1,822.38 | 438.47 | 1,383.91 |
| Short term borrowings | 384.62 | (366.45) | 751.07 |

See accompanying notes to the financial statements
As per our Report of even date attached
**Shah Gupta & Co.**
Chartered Accountants
Firm Registration No. 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

**Parth P Patel**
Partner
Membership No. 172670
UDIN: 23172670BGXTNM7364

Place : Mumbai
Date : May 15, 2023

**For and on behalf of Board of Directors**

**Saket Kanoria**
**Director**
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TCPL Innofilms Private Limited Mumbai

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**Company Secretary**
A68164

## TCPL INNOFILMS PRIVATE LIMITED
### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

**A Equity Share Capital :**

| Particulars | Balance at the Beginning of the period | Changes in Equity share capital during the year | Balance at the end of the period |
|---|---|---|---|
| **Balance as at March 31, 2022** | | | |
| Numbers | 40,00,000 | 50,00,000 | **90,00,000** |
| Amount in lakhs | 400.00 | 500.00 | **900** |
| **Balance as at March 31, 2023** | | | |
| Numbers | 90,00,000 | 50,00,000 | **1,40,00,000** |
| Amount in lakhs | **900.00** | 500.00 | **1,400** |

**B Other Equity :** **(INR in lakhs)**

| Particulars | Reserves and Surplus |
|---|---|
| | Retained Earnings |
| **As at March 31, 2021** | **(15.58)** |
| Profit/(loss) for the year | 0.45 |
| **As at March 31, 2022** | **(15.13)** |
| Share Issue Expenses | (3.84) |
| Profit/(loss) for the year | (382.20) |
| Other Comprehensive Income | 0.02 |
| **As at March 31, 2023** | **(401.15)** |

As per our Report of even date attached
**Shah Gupta & Co.**
Chartered Accountants
Firm Registration No. 109574W

**Parth P Patel**
Partner
Membership No. 172670
UDIN:23172670BGXTNM7364

Place : Mumbai
Date : May 15, 2023

**For and on behalf of Board of Directors**

**Saket Kanoria**
**Director**
**Din: 00040801**

**Vidur Kanoria**
**Director**
**Din: 08709462**

**S G Nanavati**
**Director**
**Din: 00023526**

**Pooja Soni**
**Company Secretary**
A68164

iii) **Rental income**

Rental income arising from operating leases is accounted over the lease period and is included in revenue in the statement of profit or loss.

iv) **Insurance Claim**

Insurance Claims are accounted on receipt basis.

**(b) Property Plant & Equipment**

Freehold land is carried at historical cost.
All other items of property, plant and equipment are stated at historical cost less recoverable tax and accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant, and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been taken as prescribed in Schedule II to the Companies Act, 2013 except in case of plant and machinery, in which case it has been 25 years, based on a technical evaluation.

The residual value is not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

**(c) Intangible assets**

Intangible assets purchased are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible Assets (software) are amortized in 3-8 years based on straight-line method.

**(d) Lease**

The Company identifies whether any transaction is a lease or have any embedded lease component. The determination of whether an arrangement is a lease is based on the substance of the agreement. The agreement is a lease if fulfilment of it is dependent on the use of a specific asset(s) and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in an agreement.

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TCPL Innofilms Private Limited Mumbai

**As a lessor:**
Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**As a lessee:**
In case the Company has entered in any agreement as a lessee, it recognises the right to use of the asset conferred under the arrangement as "Right of Use "as part of Property, Plant & equipment. The discounted cash flows of the all the lease considerations including lease premium, which Company expects to pay during entire non-cancellable period of lease arrangement is taken as initial recognition of asset with corresponding amount as 'lease liabilities. Lease liabilities and Right of use is remeasured or impaired annually based on available variables.

**Right of Use:** Useful life
The assets under 'right of use' are depreciated using straight line method over the lease term. Similarly interest as per incremental rate of borrowing is charged to lease liabilities. Lease payments are appropriated towards the lease liabilities.

Lease transactions of low value and of short duration are not recognised and thus rentals paid are charged off to Statement of Profit & Loss.

Lease liabilities are classified as non-current and current based on their due dates of discharging.

**(e) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. [When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs]. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(f) Financial Assets & Liabilities**

**i) Financial Assets**

**Initial recognition and measurement**
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**
For purposes of subsequent measurement, financial assets are classified in three categories:
- Debt instruments at amortised cost
- Debt / equity instruments at fair value through other comprehensive income (FVTOCI)

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

TCPL Innofilms Private Limited Mumbai

- Debt instruments, derivatives, and equity instruments at fair value through profit or loss (FVTPL)

**Impairment of financial assets**

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**ii) Financial Liabilities**

**Equity Instruments:**
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Initial recognition and measurement**

All the financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

**Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
  Financial liabilities are measured at fair value through profit or loss.
- Loans and borrowings
  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.
  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are material and an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**(g) Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**
The Company uses derivative financial instruments, such as forward currency contracts, currency swaps, interest rate swaps, to hedge its foreign currency risks, interest rate risks and to reduce interest cost. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

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TCPL Innofilms Private Limited Mumbai

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

**(h) Foreign currency transactions**

**i) Functional and presentation currency**

Items included in the financial statements of the Company are measured in Indian Rupee which is functional and presentation currency

**ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gain and loss resulting from the settlement of such transactions and from the translation of monetary assets and liabilities foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other equity if they relate to qualifying cash flow hedges.

Foreign exchange differences arising on borrowings other than above are regarded as an adjustment to borrowing costs and are presented in the statement of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(i) Inventories**

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

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

**Raw materials, Consumables Stores:**

Raw materials /Consumables Stores are valued at cost after providing for cost of obsolescence / depletion. Cost is determined on first in, first out basis.

**Finished goods and work in progress**

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

**(j) Cash & Cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash on hand, bank balances and short-term deposits in banks with original maturity of 3 months or less, which are subject to insignificant risks of changes in value.

**(k) Income Taxes**

**Current income tax**

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

TCPL Innofilms Private Limited Mumbai

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

**(l) Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets is substantially ready for their intended use. The Company considers a period of twelve months or more as a substantial period. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method.

All other borrowing costs are expensed in the period in which they are incurred.

**(m) Employee Benefit**

**Short Term and other long-term Employee Benefits**

The contractual amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Liabilities recognised in respect of other long-term employee benefits such as annual leave is valued by Independent Actuaries using Project Unit Credit Method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

TCPL Innofilms Private Limited Mumbai

Post-Employment Benefits

- **Defined Contribution Plans**

  A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to Provident Fund and Pension Scheme authorities. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

- **Defined Benefit Plans**

  The Company pays gratuity to the employees whoever has completed specified period of service with the Company as per the Payment of Gratuity Act, 1972, at the time of resignation/retirement from the employment. Annual gratuity provision is made based on an actuarial valuation.

  The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

  Re-measurement of defined benefit plans in respect of post-employment is charged to the Other Comprehensive Income.

**(n) Earning per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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

**(o) Provisions and Contingent Liabilities/Assets**

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

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised or accounted.

**(p) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with

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CHARTERED ACCOUNTANTS

TCPL Innofilms Private Limited
Mumbai

profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

## 3. Significant accounting judgements, estimates and assumptions

1. The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

   The estimates and judgements involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

   Key source of estimation uncertainty & Critical estimates and judgements
   The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life of intangible asset
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables and other financial assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i. **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in financial statements.

ii. **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

iii. **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

TCPL Innofilms Private Limited Mumbai

## TCPL INNOFILMS PRIVATE LIMITED
## NOTES TO THE FINANCIAL STATEMENTS FOR ..IE YEAR ENDED MARCH 31, 2023

**4 PROPERTY, PLANT AND EQUIPMENT**

(INR Lakhs)

| Particulars | Owned Assets | | | | | | Leased Assets | | Grand Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| | Plant and Equipments | Furniture and Fixtures | Office Equipment | Lease Hold Improvement | Computer Hardwares | Sub Total | Right to Use asset | Sub Total | | |
| **COST/ DEEMED COST** | | | | | | | | | | |
| As at April 1 ,2021 | - | - | - | - | - | - | - | - | - | 0.09 |
| Additions | - | 2.91 | - | - | 1.44 | 4.35 | 139.11 | 139.11 | 143.46 | 3,653.91 |
| Disposals/ Decapitalised | - | - | - | - | - | - | - | - | - | - |
| **As at March 31 ,2022** | - | 2.91 | - | - | 1.44 | 4.35 | 139.11 | 139.11 | 143.46 | 3,654.00 |
| As at April 1 ,2022 | - | 2.91 | - | - | 1.44 | 4.35 | 139.11 | 139.11 | 143.46 | 3,654.00 |
| Additions | 3,753.53 | 16.22 | 13.17 | 4.57 | 13.76 | 3,801.25 | - | - | 3,801.25 | |
| Disposals/ Decapitalised | - | - | - | - | - | - | - | - | - | 3,628.72 |
| **As At March 31, 2023** | 3,753.53 | 19.13 | 13.17 | 4.57 | 15.20 | 3,805.60 | 139.11 | 139.11 | 3,944.71 | 25.28 |
| **ACCUMULATED DEPRECIATION AND IMPAIRMENT** | | | | | | | | | | |
| As at April 1 ,2021 | - | - | - | - | - | - | - | - | - | - |
| Depreciation for the year | - | 0.01 | - | - | 0.11 | 0.12 | 1.29 | 1.29 | 1.41 | - |
| Deductions\Adjustments during the period | - | - | - | - | - | - | - | - | - | - |
| **As at March 31 ,2022** | - | 0.01 | - | - | 0.11 | 0.12 | 1.29 | 1.29 | 1.41 | - |
| As at April 1 ,2022 | - | 0.01 | - | - | 0.11 | 0.12 | 1.29 | 1.29 | 1.41 | - |
| Depreciation for the year | 78.18 | 1.33 | 1.41 | 0.42 | 2.21 | 83.55 | 15.46 | 15.46 | 99.01 | - |
| Deductions\Adjustments during the period | - | - | - | - | - | - | - | - | - | - |
| **AS at As At March 31, 2023** | 78.18 | 1.34 | 1.41 | 0.42 | 2.32 | 83.67 | 16.75 | 16.75 | 100.42 | - |
| **Net Carrying value as at March 31, 2023** | 3,675.35 | 17.79 | 11.76 | 4.15 | 12.88 | 3,721.93 | 122.36 | 122.36 | 3,844.29 | 25.28 |
| **Net Carrying value as at March 31,2022** | - | 2.90 | - | - | 1.33 | 4.23 | 137.82 | 137.82 | 142.05 | 3,654.00 |

Note:

1. The Company started its trail run production on 23-03-2022 and commercial production effective from 08-07-2022. All the cost which are directly attributable to production activity between these dates are capitalised to Plant and Machinery.
2. Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 15 and Note 19.

**A Capital WIP**

**Aging of Capital WIP as on 31-03-2023**

(INR Lakhs)

| Sr. No. | Particulars | Less than One Year | One to Two years | Two to Three years | More than Three years | Total |
|---|---|---|---|---|---|---|
| 1 | Project in Progress | 25.28 | | - | - | 25.28 |
| 2 | Projects temporarily suspended | - | - | - | - | - |
| 3 | Whose completion is over due | - | - | - | - | - |
| 4 | Has exceed its cost compare to its Original Plan | - | - | - | - | - |

**Capital WIP as on 31-03-2022**

(INR Lakhs)

| Sr. No. | Particulars | Less than One Year | One to Two years | Two to Three years | More than Three years | Total |
|---|---|---|---|---|---|---|
| 1 | Project in Progress | - | - | - | - | - |
| 2 | Projects temporarily suspended | - | - | - | - | - |
| 3 | Whose completion is over due * | 3,653.91 | 0.09 | - | - | 3,654.00 |
| 4 | Has exceed its cost compare to its Original Plan | - | - | - | - | - |

The project is yet to complete as on 31-03-2022 and the delay is mainly because of Covid-19 pandemic situation in year- 2021-22. There was delay in supply of machines and in visit of engineer to India for installation of machines.

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5 **INTANGIBLE ASSETS**

(INR Lakhs)

| Particulars | Computer Software | Intangible Asset Under Development | Total |
|---|---|---|---|
| **GROSS BLOCK** | | | |
| **As at April 1,2021** | - | - | - |
| Additions | - | 15.99 | 15.99 |
| Deletions | - | - | - |
| **As at March 31 ,2022** | - | 15.99 | 15.99 |
| **As at April 1,2022** | - | 15.99 | 15.99 |
| Additions | 24.64 | 8.34 | 32.98 |
| Deletions | - | 20.57 | 20.57 |
| **As at March 31 ,2023** | 24.64 | 3.76 | 28.40 |
| **ACCUMULATED AMORTISATION AND IMPAIRMENT** | | | |
| **As at April 1,2021** | - | - | - |
| Amortisation for the year | - | - | - |
| Deductions\Adjustments during the period | - | - | - |
| **As at March 31 ,2022** | - | - | - |
| **As at April 1,2022** | - | - | - |
| Amortisation for the year | 3.00 | - | 3.00 |
| Deductions\Adjustments during the period | - | - | - |
| **As at March 31 ,2023** | 3.00 | - | 3.00 |
| | | | |
| **Net Carrying value as at March 31,2023** | 21.64 | 3.76 | 25.40 |
| | | | |
| **Net Carrying value as at March 31,2022** | - | 15.99 | 15.99 |

i. Significant Estimate : Useful life of Intangible Assets is considered to be 3-8 years

A **Intangible Assets under development**

**Aging of Intangible Assets under development as on 31-03-2023**

(INR Lakhs)

| Sr. No. | Particulars | Less than One Year | One to Two years | Two to Three years | More than Three years | Total |
|---|---|---|---|---|---|---|
| 1 | Project in Progress | - | 3.76 | - | - | 3.76 |
| 2 | Projects temporarily suspended | - | - | - | - | - |
| 3 | Whose completion is over due | - | - | - | - | - |
| 4 | Has exceed its cost compare to its Original Plan | - | - | - | - | - |

**Aging of Intangible Assets under development as on 31-03-2022**

(INR Lakhs)

| Sr. No. | Particulars | Less than One Year | One to Two years | Two to Three years | More than Three years | Total |
|---|---|---|---|---|---|---|
| 1 | Project in Progress | 15.99 | | - | - | 15.99 |
| 2 | Projects temporarily suspended | - | - | - | - | - |
| 3 | Whose completion is over due | - | - | - | - | - |
| 4 | Has exceed its cost compare to its Original Plan | - | - | - | - | - |

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**6.DEFERRED TAX ASSET/(LIABILITIES) (NET)** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Depreciation on Property , plant , equipment and intangible asset | (80.50) | - |
| Employees benefits and other allowable expenses on payment basis | 0.93 | - |
| Lease Liabilities | 0.84 | - |
| Carryforward Business Losses | 146.51 | - |
| Total | 67.79 | - |

**Movement in deferred tax liabilities/assets :**

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Opening balance | - | - |
| Depreciation on Property , plant , equipment and intangible asset | (80.50) | - |
| Employees benefits and other allowable expenses on payment basis | 0.93 | - |
| Lease Liabilities | 0.84 | - |
| Carryforward Business Losses | 146.51 | - |
| Closing balance | 67.79 | - |

**7. OTHER NON CURRENT ASSETS** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Considered good | | |
| Capital Advances | 4.63 | 13.28 |
| Total | 4.63 | 13.28 |

**8. INVENTORIES** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Raw Materials (at Cost) | 419.33 | 372.33 |
| Work-In-Progress (Valued at lower of Cost and Net Realisable Value) | 57.63 | 22.22 |
| Finished Goods (Valued at lower of Cost and Net Realisable Value) | 22.28 | 13.14 |
| Stores, Consumables and Packaging Material (Valued at lower of Cost and Net Realisable Value) | 8.19 | - |
| Total | 507.43 | 407.69 |

**9. TRADE RECEIVABLES** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Unsecured - considered good | 16.07 | - |
| Unsecured - credit impaired | - | - |
| Total | 16.07 | - |

**Trade Receivables aging** (INR Lakhs)

| Particulars | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Undisputed Trade Receivables , considered good | 16.06 | 0.01 | - | - | - | 16.07 |
| Undisputed Trade receivables, considered doubtful | - | - | - | - | - | - |
| Total | 16.06 | 0.01 | - | - | - | 16.07 |

**Notes:**

The credit period on sales of goods ranges from 30 to 90 days with or without security.
Trade receivables have been given as collateral towards borrowings details relating to which has been described in note 19.
Credit risk management regarding trade receivables has been described in note no 34.
Trade receivables from related parties' details has been described in note no 37.
Trade receivables does not include any receivables from directors and officers of the company.

**10. CASH AND CASH EQUIVALENTS** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Balances with banks | | |
| - In current accounts | - | 121.43 |
| Cash in Hand | 0.06 | 0.01 |
| Total | 0.06 | 121.44 |

**11. OTHER BANK BALANCES** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Deposit with Bank* | - | 64.64 |
| Total | - | 64.64 |

Deposits of Rs. Nil (PY Rs. 64.64) is lien marked against Letter of Credits

**12. OTHER CURRENT ASSETS** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Advance to Suppliers | 0.01 | 6.33 |
| Interest accrued but not due | - | 0.22 |
| Balances with Government Authorities | 315.61 | 211.85 |
| Prepaid Expenses | 6.61 | 0.90 |
| Others | 0.05 | |
| Total | 322.28 | 219.30 |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

### 13.SHARE CAPITAL

**i. Equity Share Capital**

| Particulars | Authorised Capital | | Issued & Subscribed | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **As at March 31 ,2021** | **1,00,00,000** | **1,000** | 40,00,000 | 400 |
| Increase during the year | - | - | 50,00,000 | 500.00 |
| **As at March 31 ,2022** | **1,00,00,000** | **1,000.00** | **90,00,000** | **900.00** |
| Increase during the year | 40,00,000 | 400 | 50,00,000 | 500.00 |
| **As at March 31 ,2023** | **1,40,00,000** | **1,400.00** | **1,40,00,000** | **1,400.00** |

**ii.Reconciliation of Issued Capital**

(INR in lakhs)

| Particulars | Number | Amount |
|---|---|---|
| **Equity shares of INR 10 each issued, subscribed and fully paid** | | |
| **At March 31 , 2021** | 40,00,000 | 400.00 |
| Issued during the Year | 50,00,000 | 500.00 |
| **At March 31 , 2022** | **90,00,000** | **900.00** |
| Increase during the year | 50,00,000 | 500.00 |
| **As at March 31 ,2023** | **1,40,00,000** | **1,400.00** |

Equity Shares issued without payment being received in cash or as fully paid up bonus shares in a period of five years immediately preceding the date as at which the balance sheet is prepared : Nil (PY - Nil).

**iii Rights, preferences and restrictions attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

**iv. Details of shareholders holding more than 5% shares in the company**

| Name of the shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number | % holding | Number | % holding |
| TCPL Packaging Limited (including nominee shareholders) | 1,40,00,000 | 100% | 90,00,000 | 100% |
| | **1,40,00,000** | **100%** | **90,00,000** | **100%** |

**v. Details of Promotors shareholding**

| Name of the Promotor | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number | % holding | Number | % holding |
| TCPL Packaging Limited (including nominee shareholders) | 1,40,00,000 | 100% | 90,00,000 | 100% |
| | **1,40,00,000** | **100%** | 90,00,000 | 100% |

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## 14. OTHER EQUITY

**Retained Earnings** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| (i) Retained Earnings | (401.17) | (15.13) |
| (ii) Component of Other Comprehensive Income | 0.02 | |
| Closing balance | (401.15) | (15.13) |

**(i) Retained Earnings** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Retained Earnings | | |
| Opening Balance | (15.13) | (15.58) |
| Net Profit/(Loss) for the period/year | (382.20) | 0.45 |
| Share Issue Expenses | (3.84) | - |
| Closing balance | (401.17) | (15.13) |

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

**(ii) Component of Other Comprehensive Income** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Opening Balance | - | - |
| Remeasurement of gain/(loss) on defined benefit plans | 0.02 | - |
| Closing balance | 0.02 | - |

## 15. LONG TERM BORROWINGS (at amortised cost)

(INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Non Current Borrowings | | |
| Secured | | |
| Term Loan from Bank | 1,530.00 | 1,800.00 |
| Term Loan from Others | 267.80 | 307.00 |
| | 1,797.80 | 2,107.00 |
| Less : Current Maturity of Long Term Debts (refer note no. 19) | | |
| Term Loan from Bank | 360.00 | 270.00 |
| Term Loan from Others | 53.89 | 14.62 |
| Total | 1,383.91 | 1,822.38 |

Non Current Borrowing referred above are secured by First pari passu charge by hypothecation of all movable Property Plant & Equipment of the Company situated at Silvassa, both present & future and second pari passu charge by way of hypothecation of the Company's entire stock and other movables including book debts, bills, outstanding monies, receivables both present and future.

**Maturity Profile of Secured Term Loans are set out below :** (INR in lakhs)

| Particulars | Interest Rate | Maturity Profile | | Non Current | Current |
|---|---|---|---|---|---|
| | Range | 1 - 3 years | 3 - 6 years | | |
| Rupee Term Loan - form Banks/FI | 8.30% - 11.63% p.a. | 1,240.85 | 556.95 | 1,383.91 | 413.89 |
| Total | | 1,240.85 | 556.95 | 1,383.91 | 413.89 |

**2. Repayment Schedule of Term Loan:**

| | (INR in lakhs) |
|---|---|
| Term Loan from Bank - EBLR plus 1.15% - 20 equal quarterly instalments, commencing from September 2022 | 1,530 |
| Term Loan from others - 8.75% - 72 equal monthly instalments, commencing from December 2022 | 268 |
| Total Borrowings | 1,798 |

## 16. LEASE LIABILITIES

(INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Non Current | | |
| Financial Liabilities at amortised cost | | |
| Lease Liabilities | 138.31 | - |
| Addition | - | 139.11 |
| Finance cost for the period | 10.95 | 0.95 |
| Repayment | (21.00) | (1.75) |
| Total Lease Liabilities | 128.26 | 138.31 |
| Less Current portion | (10.98) | (10.05) |
| Total | 117.28 | 128.26 |

**Note:**
The Company has entered into lease agreement with its holding company for factory premises in Dapada for period of 9 years starting from 2022.
The amount reconginsed as short term is Rs. 10.98 lakhs (PY 10.05 Lakhs)

## 17. OTHER NON CURRENT FINANCIAL LIABILITIES

(INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Payables for capital projects | 818.40 | 757.98 |
| Total | 818.40 | 757.98 |

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**18.PROVISIONS** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Provision for Employee Benefit (refer note no. 39) | | |
| Gratuity | 1.61 | 0.43 |
| Leave Encashment | 1.76 | 0.98 |
| **Total** | **3.37** | **1.41** |

**19. SHORT TERM BORROWINGS** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| **Current Borrowings** | | |
| **Secured** | | |
| Loans repayable on demand | | |
| From Banks | 337.18 | 100.00 |
| **Current Maturities of Long term borrowings (refer note no. 15)** | | |
| Term Loan from Bank | 360.00 | 270.00 |
| Term Loan from Others | 53.89 | 14.62 |
| **Total** | **751.07** | **384.62** |

Current Borrowings are secured by exclusive charge by way of Hypothecation on Current Assets and first pari passu charge by way of hypothecation movable Property Plant & Equipments .
From Bank - @ Repo rate + 2.25% spread for Less than one year

**20.TRADE PAYABLES** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Total outstanding due of micro enterprise and small enterprise | - | - |
| Total outstanding due of creditors other than micro and small enterprise | 157.08 | 214.79 |
| **Total** | **157.08** | **214.79** |

Note:
For Payable to related parties refer note no. 34
The credit period on purchase of goods ranges from 30 to 120 days with or without security.
There is no Principal/Interest due payable to MSME.

**Aging of Trade Payables as on 31-Mar-2023** (INR in lakhs)

| Particulars | Less than One Year | One to Two years | Two to Three years | More than Three years | Total |
|---|---|---|---|---|---|
| MSME | - | - | - | - | - |
| Others | 142.20 | - | - | - | 142.20 |
| Disputed Dues to MSME | - | - | - | - | - |
| Disputed Dues to others | - | - | - | - | - |
| Unbilled dues | 14.88 | - | | | 14.88 |
| **Total** | **157.08** | **-** | **-** | **-** | **157.08** |

**Aging of Trade Payables as on 31-Mar-2022** (INR in lakhs)

| Particulars | Less than One Year | One to Two years | Two to Three years | More than Three years | Total |
|---|---|---|---|---|---|
| MSME | - | - | - | - | - |
| Others | 204.29 | - | - | - | 204.29 |
| Disputed Dues to MSME | - | - | - | - | - |
| Disputed Dues to others | - | - | - | - | - |
| Unbilled dues | 10.25 | 0.25 | | | 10.50 |
| **Total** | **214.54** | **0.25** | **-** | **-** | **214.79** |

**21.Other Current Financial Liabilities**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Interest accrued but not due on borrowings | 17.66 | 15.65 |
| Payables for capital projects | 16.17 | 87.48 |
| **Total** | **33.83** | **103.13** |

**22. CURRENT PROVISIONS** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Provision for Employee Benefits | | |
| Leave Encashment | 0.17 | 0.09 |
| **Total** | **0.17** | **0.09** |

**23.OTHER CURRENT LIABILITIES** (INR in lakhs)

| Particulars | 31-Mar-2023 | 31-Mar-2022 |
|---|---|---|
| Advances from Customers | 482.36 | 308.76 |
| Statutory Liabilities | 34.13 | 1.66 |
| Other Liabilities | 21.81 | 20.39 |
| **Total** | **538.30** | **330.81** |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 24.REVENUE FROM OPERATIONS

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Sale of Product | 1,620.86 | - |
| **Other Operating Revenue** | | |
| Scrap Sales | 6.26 | - |
| Export Benefit Received | 0.60 | |
| **Total** | 1,627.72 | - |

### 25.OTHER INCOME

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Interest Income on** | | |
| Fixed Deposits with Bank | 0.69 | 2.89 |
| **Other Non Operating Income** | | |
| Foreign Exchange Fluctuation Gain | - | 52.55 |
| Miscellaneous Income | 4.42 | 1.93 |
| **Total** | 5.11 | 57.37 |

### 26.COST OF MATERIAL CONSUMED

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Stock at the beginning of the year | - | - |
| Add: Purchases | 1,900.34 | - |
| Less: Stock at the end of the year | (419.33) | - |
| **Total** | 1,481.01 | - |

### 27.CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Inventory as at the beginning of the year** | | |
| Work in Progress | - | |
| Finished Goods | - | |
| **Total** | - | |
| **Less: Inventory as at the end of the year** | | |
| Work in Progress | 57.63 | |
| Finished Goods | 22.28 | |
| **Total** | 79.91 | |
| **Net Decrease/(Increase) in Stock** | (79.91) | - |

### 28.EMPLOYEE BENEFITS EXPENSE

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Salaries & wages | 102.34 | - |
| Contribution to provident and other funds (refer note no. 39) | 5.00 | - |
| Staff welfare expenses | - | - |
| **Total** | 107.34 | - |

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**29.FINANCE COST** (INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Interest expenses | 179.10 | 0.01 |
| Bank Charges | 2.24 | 0.63 |
| Other borrowing cost | 12.71 | 9.82 |
| Interest on Lease Liability | 10.95 | 0.95 |
| **Total** | **205.00** | **11.41** |

**30.DEPRECIATION** (INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Depreciation on Owned assets | 83.55 | 0.12 |
| Depreciation on Intangible assets | 3.00 | - |
| Depreciation on Right to Use assets | 15.46 | 1.29 |
| **Total** | **102.01** | **1.41** |

**31.OTHER EXPENSES** (INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Carriage Inward | 1.51 | - |
| Labour charges | 1.63 | - |
| Electric power, fuel and water | 96.21 | - |
| Repairs and maintenance | | |
| Plant and Machinery | 14.36 | - |
| Others | 0.10 | - |
| Stores, consumables and packing material | 37.25 | - |
| **Selling, Administration and Other Expenses** | | |
| Payments to auditors (Refer note (a)below) | 2.92 | 1.50 |
| Commission | 4.54 | - |
| Carriage Outward | 5.50 | - |
| Insurance | 4.23 | - |
| Legal and professional fees | 1.90 | 11.64 |
| Travelling & conveyance expenses | 3.21 | 0.40 |
| Foreign Exchange Fluctuation Loss (net) | 55.03 | - |
| Miscellaneous expenses | 38.99 | 30.56 |
| **Total** | **267.37** | **44.10** |

**(a) Details of Payments to auditors** (INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **As auditor** | | |
| Audit Fee | 1.25 | 1.25 |
| Tax audit fee | 0.50 | - |
| Limited review fee | 0.75 | - |
| **In other capacity** | | |
| Taxation matters | 0.25 | 0.25 |
| Company law matters | - | - |
| Other services | 0.17 | - |
| Re-imbursement of expenses | - | - |
| | **2.92** | **1.50** |

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

Innofilms Private Limited Mumbai

## TCPL INNOFILMS PRIVATE LIMITED
### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**32.INCOME TAX**

Deferred tax asset on losses has been recognised considering that the Company will generate sufficent future taxable business income.

**33.EARNING PER SHARE**

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Net loss for the year (A) (INR in Lakhs) attributable to Equity shareholders | (382.20) | 0.45 |
| Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (B) | 1,15,34,247 | 75,94,520 |
| **Earnings per share** | | |
| Basic (Face value of Rs. 10/- each) (A/B) | (3.31) | 0.01 |
| Diluted (Face value of Rs. 10/- each) (A/B) | (3.31) | 0.01 |

**34.RELATED PARTY DISCLOSURE**

**A. Relationships**

**1. Holding Company**

TCPL Packaging Limited

**2. Key Management Personnel**

| | |
|---|---|
| Mr. Saket Kanoria | Chairman |
| Mr. Vidur Kanoria | Director |
| Mr. S G Nanavati | Director |
| Ms. Pooja Soni | Company Secretary |

**B. Transactions with related parties**

**The following transactions occurred with related parties** **(INR in lakhs)**

| Name | Nature of Transaction | 31-Mar-23 | 31-Mar-22 |
|---|---|---|---|
| **TCPL Packaging Limited** | Purchase of MEIS Licenses | 31.16 | 17.37 |
| | Lease interest Cost | 10.95 | 0.95 |
| | Lease Liabilities repayment | 21.00 | 1.75 |
| | Sale of Goods | 1,318.25 | - |
| | Purchases of Goods | 6.91 | - |
| | Purchases of PPE | 1.13 | - |
| | Commission on Corporate Guarantee | 9.85 | 3.29 |
| | Advance received (net) | 482.29 | 297.45 |
| | Remuneration to KMP | 3.18 | - |
| | Release of Pledge of Fixed Deposits | 463.00 | 903.50 |
| | Corporate Guarantee received | 1,000.00 | 2,610.00 |
| | Proceeds from issue of equity shares | 500.00 | 500.00 |

Note:

1 - The above transactions are excluding taxes wherever applicable

Terms and Conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

Guarantees from Holding company:

Guarantees provided to the lenders of the subsidiaries/joint venture are for availing term loans and working capital facilities from the lender banks.
The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

**C. Balances with related parties** **(INR in lakhs)**

| Particulars | | 31-Mar-23 | 31-Mar-22 |
|---|---|---|---|
| **TCPL Packaging Limited** | Advance Received | 482.29 | 308.76 |
| | Trade Payable | 8.79 | 4.88 |
| | Lease Liabilities | 128.26 | 138.31 |
| | Outstanding Remuneration to KMP's | 0.71 | - |
| | Pledge of Fixed Deposits | 463.00 | 903.50 |
| | Corporate Guarantee received | 3,197.80 | 2,610.00 |

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TCPL Innofilms Private Limited Mumbai

**35.CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

**(a) Capital Commitments**

(INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Property, Plant and Equipment (Net of Advances) | - | 3.35 |
| Intangible Assets | 20.61 | 45.25 |

Other Commitments (INR in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Export Obigation under EPCG scheme/Advance Licenses | 4,808.74 | 4,823.66 |
| Bank Guarantees | 903.50 | 903.50 |

**(b) Contigent Liabilities - Nil**

**36.FINANCIAL INSTRUMENTS**

The fair value of financial instruments in the table below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds, bonds and debentures, that have quoted price / NAV. The fair value of all equity instruments, mutual funds, bonds and debentures are valued using the closing price / NAV as at the reporting period. None of the financial assets or financial liabilities qualifies for Level 1 classification.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. Foreign exchange forward contracts are being classified as Level 2 financial assets and financial liabilities.

Level 3: The fair value of financial instruments that are measured on the basis of company specific valuations using inputs that are not based on observable market data (unobservable inputs). Financial assets and financial liabilities like security deposits, trade receivables, cash and bank balances, loans given, borrowings, trade payables and other financial liabilities are classified as Level 3 financial assets and financial liabilities.

Categories of Financial Instruments (INR Lakhs)

| Particulars | March 31, 2023 | | | March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | |
| Amortized Cost | | | | | | |
| Trade Receivables | - | - | 16.07 | - | - | - |
| Cash and Cash Equivalents | - | - | 0.06 | - | - | 121.44 |
| Other Bank Balances | - | - | - | - | - | 64.64 |
| **Total Financial Assets** | - | - | 16.14 | - | - | 186.08 |
| **Financial Liabilities** | | | | | | |
| Amortized Cost | | | | | | |
| Long term Borrowings | - | - | 1,383.91 | - | - | 1,822.38 |
| Short term Borrowings | - | - | 751.07 | | | 384.62 |
| Trade Payables | - | - | 157.08 | - | - | 214.79 |
| Lease Liabilities | - | - | 128.26 | - | - | 138.31 |
| Other NonCurrent Financial Liabilities | - | - | 818.40 | - | - | 757.98 |
| Other Financial Liabilities | - | - | 33.83 | - | - | 103.13 |
| **Total Financial Liabilities** | - | - | 3,272.55 | - | - | 3,421.21 |

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### 37.FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Trade receivables , Payables and derivatives measured at fair value . | Ageing analysis<br>Credit ratings | Credit limits for Accounts receivables and letters of credit for payables |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing |
| Market risk – foreign exchange | Import Payables. | Cash flow forecasting<br>Sensitivity analysis | Foreign currency options. |
| Market risk – interest rate | Long-term borrowings at fixed and variable rates | Sensitivity analysis | Interest rate swaps. Loan Swapping. |

**(A) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from credit exposures to customers including outstanding receivables.

i. Credit risk management

The company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed on a group basis for each class of customers. The company assigns credit limits to each class of accounts receivables, based on the assumptions, inputs and factors specific to those customers. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

**(a) Expected credit loss for trade receivables**

| Ageing | Not Due | 0-180 days | 181 -360 days | 361-540 days | above 540 days | Total |
|---|---|---|---|---|---|---|
| **March 31, 2023** | | | | | | |
| Gross Carrying amount | - | 16.06 | 0.01 | - | - | **16.07** |
| Expected credit loss (Loss allowance provision) | - | - | - | - | - | - |
| **Carrying amount of trade receivables (net of impairment)** | - | **16.06** | **0.01** | - | - | **16.07** |
| **March 31, 2022** | | | | | | |
| Gross Carrying amount | - | - | - | - | - | - |
| Expected credit loss (Loss allowance provision) | - | - | - | - | - | - |
| **Carrying amount of trade receivables (net of impairment)** | - | - | - | - | - | - |

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and bank balance and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due . Due to the dynamic nature of the underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these against internal and external regulatory requirements and maintaining debt financing plans.
There are certain Property Plant & Equipment are pledge against long term borrowings also refer note no. 4.
Debtors and Inventories are pledger against my short term borrowing.

**(i) Financing arrangements** **(INR Lakhs)**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| - Expiring within one year (bank overdraft and other facilities) | - | 300.00 |
| - Expiring beyond one year (other facilities) | - | - |
| | - | **300.00** |

**(ii) Maturities of Financial Liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
Maturity profile of the financial liabilities as on March 31, 2023

**(INR Lakhs)**

| Particulars | Upto 1 year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|
| Long Term Borrowings | 413.89 | 1,383.91 | - | 1,797.80 |
| Short term Borrowings | 337.18 | - | - | 337.18 |
| Trade Payables | 157.08 | - | - | 157.08 |
| Lease Liabilities | 10.98 | 67.49 | 49.79 | 128.26 |
| Other Financial Liabilities | - | 818.40 | - | 818.40 |
| Total | 919.13 | 2,269.80 | 49.79 | 3,238.72 |

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Maturity profile of the financial liabilities as on March 31, 2022

| Particulars | Upto 1 year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|
| Long Term Borrowings | 284.62 | 1,822.38 | - | 2,107.00 |
| Short term Borrowings | 100.00 | - | - | 100.00 |
| Trade Payables | 214.79 | - | - | 214.79 |
| Lease Liabilities | 10.05 | 51.29 | 76.97 | 138.31 |
| Other Financial Liabilities | - | 757.98 | - | 757.98 |
| Total | 609.46 | 2,631.65 | 76.97 | 3,318.08 |

The amounts disclosed in the table are the contractual undiscounted cash flows.

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

**(i) Foreign currency risk**

The Company functional currency is INR. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign

**(a) Foreign currency risk exposure**

**Net exposure to foreign currency risk**

**March 31, 2023**

**(Amount in Lakhs)**

| Particulars | Currency | USD | EURO | Total (LC) |
|---|---|---|---|---|
| Trade Payables | Local | 101.69 | - | 101.69 |
| | Foreign | $1.24 | | |
| Other Payables | Local | - | 827.99 | 827.99 |
| | Foreign | | €9.26 | |
| Trade Receivables | Local | 6.54 | | 6.54 |
| | Foreign | $0.08 | - | |
| **Total of Local Currency (LC)** | | **109.55** | **837.25** | **936.22** |

**Net exposure to foreign currency risk**

**March 31, 2022**

**(Amount in Lakhs)**

| Particulars | Currency | USD | EURO | Total (LC) |
|---|---|---|---|---|
| Trade Payables | Local | 136.94 | - | 136.94 |
| | Foreign | $1.81 | - | |
| Other Payables | Local | | 789.98 | 789.98 |
| | Foreign | - | €9.38 | |
| **Total of Local Currency (LC)** | | **138.75** | **799.36** | **926.92** |

**Sensitivity Analysis :**

Sensitivity of profit on a possible change in foreign exchange rates of +/-5% :

**(INR Lakhs)**

| | **Impact on Profit or Loss** | |
|---|---|---|
| | **31-Mar-23** | **31-Mar-22** |
| Foreign exchange rate increased by 5% | **46.48** | 46.35 |
| Foreign exchange rate decreased by 5% | **(46.48)** | (46.35) |

**(ii) Interest rate risk**

The Company's interest rate risk arises on borrowings with variable rates, which exposes the Company 's cash flow to interest rate risk. During March 31, 2023 and March 31, 2022 the Company's borrowings at variable rates were mainly denominated in INR.

**Sensitivity Analysis :**

Sensitivity of profit and equity on a possible change in interest rate upto 50 bps on variable rate borrowing outstanding is as under :

**(INR Lakhs)**

| | **Impact on Profit or Loss** | |
|---|---|---|
| | **31-Mar-23** | **31-Mar-22** |
| Interest rate increased by 50 basis points | **10.21** | * |
| Interest rate decreased by 50 basis points | **(10.21)** | * |

Note:

The Company had not commenced it commercial produciton in pervious year, hence sensitivity analysis on Profit/Loss on a posible change in interest rate on borrowing outstanding was not determined.

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# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 38.CAPITAL RISK MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders . The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(INR Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Borrowings (Long term & Short term) | 2,134.98 | 2,207.00 |
| Less: cash and cash equivalents | (0.06) | (121.44) |
| **Net Debt** | **2,134.91** | **2,085.56** |
| Equity | 998.85 | 884.87 |
| **Total Capital** | **998.85** | **884.87** |
| **Capital and net debt** | 3,133.76 | 2,970.43 |
| **Gearing ratio** | **2.14:1** | **2.36:1** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements as follows.

-Optimal use of available capital

- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

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## 39.EMPLOYEE BENEFITS

Defined contgribution Plan : The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs. Company's contribution to provident fund recognised in statement of profit and loss of Rs 5 lakhs (PY Rs. Nil) (included in note 27).

Defined benefit plan:

The expenses of monthly salary, allowances and perquisite values have been charged to statement of profit and Loss for the respective period . Further following benefit also accrue to the employees.

The company has following benefits plan for the employees:

a. Leave encashment: Every employee is entitled to earned and casual leave as per the policy of the company. These leaves may be availed or encashed at the option of the employee. The company has valued the liability on actuarial and the expense has been charged off to statement of profit and loss.

b. Gratuity: The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The following table shows the expense and liability of funded gratuity liabilities:

(INR Lakhs)

**GRATUITY (FUNDED)**

| | | 2022-23 | 2021-22 |
|---|---|---|---|
| i) | **Amount Recognized in the Balance Sheet** | | |
| | Present value of funded defined benefit obligation | - | - |
| | Fair value of plan assets | 1.61 | 0.43 |
| | Net funding obligations | (1.61) | (0.43) |
| ii) | **Amount Recognised in the Statement of Profit and Loss** | **2022-23** | 2021-22 |
| | Current service cost | 1.17 | 0.43 |
| | Past Service Cost | - | - |
| | Net interest on net defined benefit liability / asset | 0.03 | - |
| | **Amount recognised in the statement of Profit and Loss** | 1.20 | 0.43 |
| iii) | **Amount Recorded in Other Comprehensive Income** | **2022-23** | 2021-22 |
| | Actuarial (loss) / Gain from change in financial assumptions | 0.02 | - |
| | Actuarial (loss) / Gain from experience | - | - |
| | Actuarial Gain/ loss from change in financial assumptions | - | - |
| | Return on plan asset | - | - |
| | **Amount recognised in OCI** | 0.02 | - |
| iv) | **Movement of defined Benefits Obligations** | **2022-23** | 2021-22 |
| | Present value of obligation at beginning of the year | 0.43 | - |
| | Interest cost | 0.03 | - |
| | Current service cost | 1.17 | 0.43 |
| | Benefits paid | - | - |
| | Actuarial (gains) / losses on obligation | (0.02) | - |
| | Present value of obligation at the end of year | 1.61 | 0.43 |
| v) | **Movement of Fair value of Plan Asset** | **2022-23** | 2021-22 |
| | Fair value of plan assets at the beginning of the year | - | - |
| | Expected return | - | - |
| | Contributions by employer | - | - |
| | Contributions by benefit payment | - | - |
| | Actuarial Gain/ loss from change in financial assumptions | - | - |
| | Actuarial gains / (losses) | - | - |
| | Benefits paid | - | - |
| | Fair value of plan assets at the end of the year | - | - |
| vi) | **Actual return on plan assets** | - | - |
| vii) | **The major categories of plan assets as a percentage of the fair value of total plan assets are as follows** | | |
| | Investments with Insurer | 0% | 0% |
| viii) | **Principal actuarial assumptions** | | |
| | Discount rate | 7.20% | 7.10% |
| | Expected rate of return on Plan assets | 0.00% | 0.00% |
| | Salary Escalation Rate | 5.00% | 5.00% |

| | | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|---|
| ix) | **Sensitivity Analysis** | increase | decrease | increase | decrease |
| | Change in Salary growth rate by 1% ( Delta impact of 1 % +/-) | 21.00 | 18.00 | 6.00 | 5.00 |
| | Change in Discount Rate by 1% ( Delta impact of 1 % +/-) | 18.00 | 21.00 | 5.00 | 6.00 |
| | Change in Withdrawal rate by 1% ( Delta impact of 1 % +/-) | 4.00 | 3.00 | 1.00 | 1.00 |

x) Experience Adjustment on Plan Liabilities: (Gain)/ Loss : NIL

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**40. Additional Reporting requirement as per amendment in Schedule III of the Company's Act 2013 :**

**i.) Details of Benami Property held**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**ii.) Title deeds of immovable properties not held in name of the company**

There are no immovable properties which are not held in name of the company.

**iii.) Valuation of Property, Plant & Equipment, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

**iv.) Borrowings from Banks or Financial institution on the basis of Security of Current Assets**

The quarterly statement of current assets filed by the Company with Banks/Financial Institutions are in agreement with the books of accounts.

**v.) Wilful Defaulter**

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

**vi.) Relationship with struck off Companies**

The Company has no transactions with the companies struck off under the Companies Act, 2013.

**vii.) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**viii.) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**ix.) Details of cypto currency of virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**x.) Utilisation of Borrowed funds and share premium**

The Company has utilised borrowed fund for the purpose as specified in the terms of sanctions.

**xi.) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

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# TCPL INNOFILMS PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**41.Ratio Analysis**

| Sr. No. | Particulars | Formulas | 31-Mar-23 | 31-Mar-22 |
|---|---|---|---|---|
| 1 | Current Ratio | Current Asset / Current Liability | 0.57 | 0.78 |
| 2 | Debt Equity Ratio | Total Borrowings / Total Equity | 2.14 | 2.49 |
| 3 | Debt Service Coverage Ratio | Earnings available for debt service / Debt Service (int & Lease payment, Principal repayment | (0.18) | - |
| 4 | Return on Equity Ratio | Profit after tax / Average Shareholders equity | -40.58% | - |
| 5 | Inventory Turnover Ratio | COGS + Purchase of Stock in Trade + Changes in Inventory + Power & Fuel + Repairs and Maintenace + Job work + Labour Charges / Average Inventory | 3.06 | - |
| 6 | Trade Receivable Turnover Ratio | Sale of product / Average Trade Receivables | 202.53 | - |
| 7 | Trade Payable Turnover Ratio | Cost of Material consumed / Average Trade Payables | 10.22 | - |
| 8 | Net Capital Turnover Ratio | Total Sales / Share Capital + Free Reserves | 172.82% | - |
| 9 | Net Profit Ratio | Net Profit after tax / Net Sales | -23.48% | - |
| 10 | Return on Capital Employed | Earning before interest & Tax / Tangible Net Worth + Total Debt + Deferred Tax Liability | -8.29% | - |
| 10 | Return on Investment | Profit on sale of Investments / Cost of Investments | NA | NA |

**Note:**

In previous year the Company had note yet started ites comercial operation. Hence only Current Ratio & Debt Equity Ratio were disclosed in the previous year. The Company has started its commercial operations during the year & accordingly the ratios are not comparable with previous year.

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# TCPL INNOFILMS PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**42.SEGMENT REPORTING**

Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of IND AS 108 Segment Reporting.
During the year one customer contributed more than 10% of Sale amouting to Rs. 1318.25 Lakhs.

**43.SUBSEQUENT EVENTS**

There are no significant subsequent events that would require adjustments or disclosures in the financial statements.

44. Referring to foot note of Schedule no 4, since the effective production activity started from mid year, the previous year figures are not comparable..

Shah Gupta & Co.
**Shah Gupta & Co.**
Chartered Accountants
Firm Registration No. 109574W

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

**Parth P Patel**
Partner
Membership No. 172670
UDIN : 23172670BGXTNM7364

Place : Mumbai
Date : May 15, 2023

TCPL Innofilms Private Limited Mumbai

**For and on behalf of Board of Directors**

**Saket Kanoria**
**Director**
**Din: 00040801**

**Vidur Kanoria**
**Director**
**Din: 08709462**

**S G Nanavati**
**Director**
**Din: 00023526**

**Pooja Soni**
**Company Secretary**