MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate,
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INDEPENDENT AUDITOR'S REPORT

To the Members of Sresta Natural Bioproducts Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sresta Natural Bioproducts Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and on the other financial statements of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of subsidiary located in Dubai, whose financial statements reflect total assets of Rs. 4.80 Million as at March 31, 2021, total revenues of Rs. 1.78 Million and net cash flows amounting to Rs. 0.61 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of this subsidiary located outside India is based on the unaudited financial statements furnished to us by the Management and the conversion adjustments prepared by the management of the Holding Company and audited by us. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

b. The consolidated financial statements of the Company for the year ended March 31, 2020, were audited by another auditor whose report dated August 27, 2020 expressed an unmodified opinion on those statements.

c. The comparative financial information of the Company for the year ended March 31, 2020 and the transition date opening balance sheet as at 1st April, 2019 included in these consolidated financial statements, are based on the previously issued statutory financial

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statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2020 and March 31, 2019 dated August 27, 2020 and August 20, 2019 respectively expressed an unmodified audit opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

d. On account of our appointment as auditor subsequent to March 31, 2021, it was impracticable for us to attend the physical verification of inventory carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items", which includes physical verification of inventory subsequent to the balance date, performing roll-back procedures, inspection of supporting documentation relating to purchases, results of cyclical count performed by the Management through the period and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence over the existence of inventory as at March 31, 2021.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

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

f. With respect to the adequacy of internal financial controls over financial reporting of the holding company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There were no pending litigations which would impact the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group as it is a private company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAHJ1292
Place: Hyderabad
Date: 7 September 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SRESTA NATURAL BIOPRODUCTS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2021.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has 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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

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

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAHJ1292
Place: Hyderabad
Date: 7 September 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SRESTA NATURAL BIOPRODUCTS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2021.

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sresta Natural Bioproducts Private Limited on the consolidated Financial Statements for the year ended March 31, 2021.]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Sresta Natural Bioproducts Private Limited (hereinafter referred to as "the Holding Company").

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 the respective 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 internal financial controls with reference to consolidated financial statements of the Holding company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 with reference to consolidated financial statements of the Holding company.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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Hyderabad
Chartered Accountants

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAHJ1292
Place: Hyderabad
Date: 7 September 2021

Sresta Natural Bioproducts Private Limited
(CIN: U01122TG2004PTC042837)
Consolidated Balance Sheet
(All amounts are Rs. in Millions, unless stated otherwise)

	Notes	31 March 2021	31 March 2020	1 April 2019
ASSETS				
Non-current assets				
Property, plant and equipment	3	168.79	163.85	167.89
Right-of-use assets	4	137.21	119.19	155.83
Financial assets				
(i) Investments	5	-	-	-
(ii) Other financial assets	7	13.41	15.89	12.72
Other non-current assets	8	1.03	0.27	0.06
Deferred tax assets (net)	9	97.49	117.20	154.04
Total non-current assets		**417.93**	**416.40**	**490.54**
Current assets				
Inventories	10	1,062.75	668.22	653.69
Financial assets				
(i) Trade receivables	11	312.48	432.36	261.26
(ii) Cash and cash equivalents	12	66.18	61.76	43.86
(iii) Bank balances other than (ii) above		24.50	45.23	58.86
(iv) Loans	6	0.68	0.16	0.09
(v) Other financial assets	7	0.89	2.37	3.90
Other current assets	8	50.33	68.82	82.55
Total current assets		**1,517.81**	**1,278.92**	**1,104.21**
Total assets		**1,935.74**	**1,695.32**	**1,594.75**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13	182.61	182.56	182.48
Other equity	14	581.11	482.58	390.70
Total equity		**763.72**	**665.14**	**573.18**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	112.94	76.28	85.17
(ii) Lease liablities	4	113.74	90.82	119.56
Provisions	17	8.48	8.03	6.94
Total non-current liabilities		**235.16**	**175.13**	**211.67**
Current liabilities				
Financial liabilities				
(i) Borrowings	18	378.39	254.63	293.41
(ii) Current lease liablities	4	36.67	35.94	36.22
(iii) Trade payables	19			
Total outstanding dues of micro and small enterprises		14.80	16.25	14.83
Total outstanding dues of creditors other than micro and small enterprises		369.68	335.20	275.20
(iv) Other financial liabilities	16	108.44	174.18	165.42
Provisions	17	6.24	5.69	3.36
Other liabilities	20	21.81	23.77	18.38
Current tax liabilities (Net)	21	0.83	9.39	3.08
Total current liabilities		**936.86**	**855.05**	**809.90**
Total liabilities		**1,172.02**	**1,030.18**	**1,021.57**
Total equity and liabilities		**1,935.74**	**1,695.32**	**1,594.75**

See accompanying notes forming part of the Consolidated financial statements.

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: September 7, 2021

For and on behalf of the Board of
Sresta Natural Bioproducts Private Limited
CIN: U01122TG2004PTC042837

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramaniyan Narayanan
Director
DIN : 03070468

Venkatesan Karaiyalan
Chief Financial Officer

Padmasri Samaleti
Company Secretary

Place: Hyderabad
Date: September 7, 2021

Sresta Natural Bioproducts Private Limited
(CIN: U01122TG2004PTC042837)
Consolidated Statement of Profit and Loss
(All amounts are Rs. in Millions, unless stated otherwise)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenues			
Revenue from operations	22	3,120.68	2,622.76
Other income	23	23.02	41.48
Total income		**3,143.70**	**2,664.24**
Expenses			
Cost of Material consumed	24	1,972.49	1,395.50
Purchase of Stock-in-trade		290.60	221.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(272.71)	28.76
Employee benefits expense	26	341.99	325.18
Finance costs	28	69.40	75.19
Depreciation and amortisation	29	65.30	62.50
Other expenses	27	539.23	414.63
Total expenses		**3,006.30**	**2,523.45**
Profit before tax		**137.40**	**140.79**
Tax expenses			
Current tax		19.90	8.99
MAT Credit utilised		-	1.81
Deferred tax		19.51	35.27
Tax pertaining to earlier years		(5.94)	0.12
Total tax expense		33.47	46.19
Profit after tax (PAT)		**103.93**	**94.60**
Other comprehensive income			
Items that will not be reclassified subsequently to profit			
Remeasurements of defined benefit liability		0.80	(0.82)
Income-tax relating to these items		(0.20)	0.24
Total comprehensive income for the year		**104.53**	**94.02**
Earnings per share (face value of Rs.10 per share)	33		
- Basic		5.69	5.18
- Diluted		5.67	5.17

See accompanying notes forming part of the consolidated financial statements.

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan G
Partner
Membership No: 205226

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Place: Hyderabad
Date: September 7, 2021

For and on behalf of the Board of
Sresta Natural Bioproducts Private Limited
CIN: U01122TG2004PTC042837

Sresta Natural Bioproducts Private Limited Hyderabad

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramaniyan Narayanan
Director
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Venkatesan Karaiyalan
Chief Financial Officer

Padmasri Samaleti
Company Secretary

Place: Hyderabad
Date: September 7, 2021

Sresta Natural Bioproducts Private Limited
(CIN: U01122TG2004PTC042837)
Consolidated Statement of Cash Flows
(All amounts are Rs. in Millions, unless stated otherwise)

		For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities			
Profit/(loss) before tax		137.40	140.79
Adjustments for :			
Depreciation and amortization expense		65.30	62.50
Interest expense		45.09	58.25
Interest expense on lease liabilities		13.23	13.54
Loss on discard / sale of fixed assets		2.41	0.18
Employee stock option expense		2.53	0.20
Foreign Exchange (Gain)/Loss (Net)		(8.63)	(2.54)
Bad debts written off		8.93	5.43
Provision for / (Reversal of) doubtful receivables		31.72	8.75
Interest income		(2.14)	(3.31)
Operating profit before working capital changes		**295.84**	**283.79**
Change in assets and liabilities			
(Increase) /Decrease in trade receivables		79.23	(185.28)
(Increase)/Decrease in inventories		(394.53)	(14.53)
(Increase) / Decrease in loans and other financial assets		1.96	(3.24)
(Increase)/Decrease in other assets		17.73	13.52
Increase / (Decrease) in trade payables and other financial liabilities		42.94	65.40
Increase / (Decrease) in provision		1.80	2.60
Increase/ (Decrease) in other liabilities		(1.96)	5.39
Cash generated from operations		**43.01**	**167.65**
Income taxes paid, (net of refund)		(22.52)	(2.80)
Net cash inflow from operating activities	**A**	**20.49**	**164.85**
B. Cash flows from investing activities			
Purchase of Property, Plant and Equipment and intangible assets		(25.66)	(12.60)
Proceeds from sale of Property, Plant and Equipment		0.02	-
Deposits placed having original maturity of more than 3 months, net		20.73	13.63
Interest received		3.62	4.84
Net cash used in investing activities	**B**	**(1.29)**	**5.87**
C. Cash flow from financing activities			
Proceeds from issue of shares		0.05	0.08
Proceeds from/(repayment) of long term borrowings (net)		(43.00)	(5.78)
Payment of lease liabilities		(48.86)	(50.32)
Proceeds from/(repayment) of short term borrowings (net)		123.76	(38.78)
Interest paid		(46.73)	(58.02)
Net cash used in financing activities	**C**	**(14.78)**	**(152.82)**
Net decrease in cash and cash equivalents	**A+B+C**	4.42	17.90
Cash and cash equivalents at the beginning of the financial period		61.76	43.86
Cash and cash equivalents at end of the period		**66.18**	**61.76**

As per our report attached

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: September 7, 2021

For and on behalf of the Board of
Sresta Natural Bioproducts Private Limited
CIN: U01122TG2004PTC042837

Rajashekar Reddy Seelam
Managing Director
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Director
DIN : 03070468

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Chief Financial Officer

Padmasri Samaleti
Company Secretary

Place: Hyderabad
Date: September 7, 2021

Sresta Natural Bioproducts Private Limited
(CIN: U01122TG2004PTC042837)
Consolidated Statement of Changes in Equity
(All amounts are Rs. in Millions, unless stated otherwise)

A. Equity share capital

	Notes	No. of Shares	Amount
As at 1 April 2019	13	**1,82,48,380**	**182.48**
Changes in equity share capital		8,000	0.08
As at 31 March 2020		**1,82,56,380**	**182.56**
Changes in equity share capital	13	5,000	0.05
As at 31 March 2021		**1,82,61,380**	**182.61**

B. Other equity

	Notes	Reserves and surplus				Other comprehensive income	Total
		Securities premium account	Employee stock option outstanding	Retained earnings	Foreign exchange translation reserve	Remeasurement of defined benefit obligations	
Balance as at 1 April 2019	14	974.66	0.38	(590.26)	6.78	(0.86)	390.70
Profit for the year		-	-	94.60	-	-	94.60
Opening retained earnings Ind AS adjustments		-	-	-	-	-	-
Additions on issue of shares during the year		0.19	(0.19)	-	-	-	-
Employee stock option expenditure for the year		-	0.20	-	-	-	0.20
Change for the year		-	-	-	(2.34)	-	(2.34)
Other comprehensive income		-	-	-	-	(0.58)	(0.58)
Balance at 31 March 2020		**974.85**	**0.39**	**(495.66)**	**4.44**	**(1.44)**	**482.58**
Balance as at 1 April 2020	14	974.85	0.39	(495.66)	4.44	(1.44)	482.58
Profit for the year		-	-	103.93	-	-	103.93
Additions on issue of shares during the year		0.12	(0.12)	-	-	-	-
Employee stock option expenditure for the year		-	2.53	-	-	-	2.53
Change for the year		-	-	-	(8.53)	-	(8.53)
Other comprehensive income		-	-	-	-	0.60	0.60
Balance at 31 March 2021		**974.97**	**2.80**	**(391.73)**	**(4.09)**	**(0.84)**	**581.11**

As per our report attached

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

MSKA & ASSOCIATES ★ Hyderabad ★ Chartered Accountants

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: September 7, 2021

For and on behalf of the Board of

Sresta Natural Bioproducts Private Limited
CIN: U01122TG2004PTC042837

S.R. Reddy

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Venkatesan Karaiyalan
Chief Financial Officer
Place: Hyderabad
Date: September 7, 2021

Balasubramaniyan Narayanan
Director
DIN : 03070468

Padmasri Samaleti
Company Secretary

Sresta Natural Bioproducts Private Limited ★ Hyderabad

Sresta Natural Bioproducts Private Limited
(CIN: U01122TG2004PTC042837)
Notes to Consolidated financial statements for the year ended March 31, 2021.

1 Corporate Information

Sresta Natural Bioproducts Private Limited ('the Company') together with its subsidiaries (collectively, "the Group") is engaged in the business of providing comprehensive range of Organic Foods and related services.

The Company and its subsidiaries have been incorporated under the provisions of the Companies Act, 2013 for Holding company and under the US Regulations and UAE for subsidiaries. The holding company was incorporated on March 09, 2004 and is having its registered office at # 203, Pavani annexe road, No.2 Banjara Hills, Hyderabad - 500 034.

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

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

The Consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

These are the first Ind AS Financial Statements with transition date of 01 April 2019

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 07 September 2021.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest million except share data or as otherwise stated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities	: Measured at fair value
- Net defined benefit (asset)/ liability	: Fair value of plan assets less present value of defined benefit obligations
- Borrowings	: Amortised cost using effective interest rate method
- Equity settled share based payments at grant date	: Measured at fair value

(iv) Use of estimates and judgements

The preparation of the financial statemets in confirmity with Ind AS requieres management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application policies and reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are eflected in the financial statemnets in the period in which the changes are made and, if material, such effects are disclosed in the notes to financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 37 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 31 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 10 - Provision for slow moving and expired inventories;
- Note 11 - impairment of financial assets;
- Note 3 - determining an asset's expected useful life and the expected residual value at the end of its life.

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for both financial and non-financial assets.

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in the measuring fair values is included in the following notes:
- **Note 38** - Financial instruments

(vi) Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements;
(iii) The Group's voting rights and potential voting rights;
(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

b. Consolidation procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:
(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.
(v) Recognises the fair value of any investment retained.
(vi) Recognises any surplus or deficit in profit or loss.
(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the Consolidated financial statements:

S. No.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %		
				March 31, 2021	March 31, 2020	March 31, 2019
1	Fyve Elements LLC	Subsidiary	USA	100.00%	100.00%	100.00%
2	Sresta America Inc	Subsidiary	USA	100.00%	100.00%	100.00%
3	Sresta Global FZE	Subsidiary	Dubai	100.00%	100.00%	100.00%
4	Bhoomi Foods LLC	Step down subsidiary	USA	100.00%	100.00%	100.00%
5	GS2 Retail Ventures Private Limited*	Associates	India	24.46%	24.46%	24.46%

*GS2 Retail Ventures Private Limited is in the process of applying for liquidation.

(vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when it is:
- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

Liabilities

A liability is classified as a current when:
- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Summary of significant accounting policies

A. Revenue recognition

i) Income from sale of organic products

Revenue from sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by customer.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of actual and expected sales deductions resulting from sales returns, trade discounts, cash discounts, allowances and volume rebates, taxes and amounts collected on behalf of third parties.

The Company's products are mainly essential organic grocery products consumed by general public and the Company's customers are domestic and international distributors, e-commerce and modern trade retailers and the Company invoices the sale of products to them. As per the commercial practices in the market in which the Company operates, generally require the companies to accept the return of the goods unsold by the distributors upon expiry of the products.

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Therefore, a refund liability is recognised for the products to be returned. Accruals for estimated product returns are made based on historical experience of annual returns where the Company considers those to be reliable estimates of future returns. These estimates are further reviewed based on the actual product returns (pertaining to products sold during the reporting period) in the subsequent period until the financial statements are approved by the board. Any material differences in the estimates and the actual product returns are adjusted accordingly.

i) Income from sale of services

Revenue from service contracts is recognised based on the terms of the contract as and when services are rendered and no significant uncertainity exists regarding the collection of the consideration.

B. Recognition of dividend income, interest income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income is recognised using the effective interest rate method.

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

C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement: For the purpose of subsequent measurement, financial assets are categorised as under:
- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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Financial liabilities:

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

iii) Derecognition

Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is provided using the Straightline Method over the useful lives of the assets as estimated by the Management. Depreciation on additions and deletions are restricted to the period of use. Depreciation is charged to statement of profit and loss.

The Company, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Management estimate of useful life & Useful life as per Schedule II
Factory buildings	30 years
Plant and equipments	15 years
Electrical Equipment	10 years
Furniture and fixtures	10 years
Office equipments	5 years
Computers	
- Servers and networks	6 years
- End user devises such as laptops, etc.	3 years
Vehicles	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period inculding expected renewal period which ever is lower. Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

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F. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition after adjusting for recoverable taxes, if any. Raw Materials are valued on FIFO basis. Work-in-Progress and Finished Goods are valued on Weighted Average basis.

Cost of work-in-progress and finished goods include direct materials and labour and a portion of manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of finished products will exceed their net realisable value. The comparision of cost and net realisable value is made on an item-by-item basis.

G. Impairment of assets

***i)* Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:
i. Trade receivables
ii. Financial assets measured at amortised cost (other than trade receivables)
iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

***ii)* Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

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

H. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans

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

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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I. Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

The Company used the following practical expedients when applying Ind AS 116 :

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Right of use asset: The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-ofuse assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability: The Company measures the lease liability at present value of the future lease payments at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate as at the commencement of lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

J. Income-tax

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

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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(iii) Minimum Alternative Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 ("the IT Act") is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Group has opted to apply the provisions of section 115BAA from the Assessment year 2020-21 (year ended March 31, 2020) and accordingly, the Group has charged off the balance of MAT credit during the year ended March 31, 2020.

K. Share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.The cost of equity-settled transactions is determined by the fair value at the date when the grant is made. The grant date fair value of options granted to employees is recognised as employee expense with a corresponding increase in employee stock options reserve, over the period in which the eligibility conditions are fulfilled and the employees unconditionally become entitled to awards. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

M. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

N. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

O. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

P. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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Q. Recent accounting pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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3 Property, plant and equipment

Description	Land	Buildings	Leasehold Improvement	Plant and Machinery	Electrical Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
Cost as at April 1, 2019	36.46		24.99	127.83	14.68	17.42	4.71	14.84	5.71	246.64
Additions	-	-	1.12	3.01	1.39	0.91	0.09	6.08	-	12.60
Disposals	-	-	-	(0.64)	-	-	-	(0.09)	-	(0.73)
Cost as at March 31, 2020	36.46		26.11	130.20	16.07	18.33	4.80	20.83	5.71	258.51
Additions	-	0.86	0.11	18.62	1.64	0.68	0.12	3.63	-	25.66
Disposals	-	-	(0.19)	(1.26)	(0.01)	(0.81)	(0.90)	(5.09)	-	(8.26)
Cost as at March 31, 2021	36.46	0.86	26.03	147.56	17.70	18.20	4.02	19.37	5.71	275.91
Accumulated depreciation as at April 1, 2019	-	-	10.08	38.43	4.85	6.78	3.45	11.52	3.64	78.75
Depreciation for the year	-	-	2.91	8.50	1.41	1.65	0.47	1.40	0.64	16.98
Disposals/adjustments	-	-	-	(0.51)	-	-	-	(0.04)	-	(0.55)
Forex restatement adjustment	-	-	-	(0.44)	(0.02)	-	(0.02)	(0.01)	(0.03)	(0.52)
Accumulated depreciation as at March 31, 2020	-	-	12.99	45.98	6.24	8.43	3.90	12.87	4.25	94.66
Depreciation for the year	-	-	3.04	8.74	1.59	1.73	0.35	2.25	0.57	18.27
Disposals/adjustments	-	-	(0.15)	(0.86)	(0.01)	(0.74)	(0.86)	(3.24)	-	(5.86)
Forex restatement adjustment	-	-	-	0.05	-	-	-	(0.01)	0.01	0.05
Accumulated depreciation as at March 31, 2021	-	-	15.88	53.91	7.82	9.42	3.39	11.87	4.83	107.12
Net carrying amount as at April 1, 2019	36.46	-	14.91	89.40	9.83	10.64	1.26	3.32	2.07	167.89
Net carrying amount as at March 31, 2020	36.46	-	13.12	84.22	9.83	9.90	0.90	7.96	1.46	163.85
Net carrying amount as at March 31, 2021	36.46	0.86	10.15	93.65	9.88	8.78	0.63	7.50	0.88	168.79

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4. Right of use assets and Lease Liabilities

The Group has lease contracts for various items of building for factory, warehouse and office units. Leases of building generally have lease terms between 1 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, under modified retrospective transition method.

The Group has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(i) Movement in Right of use assets and Lease liabilities is given below:

Description	Right of use assets (Buildings)
Cost as at April 01, 2019	155.83
Additions	0.23
Disposals during the current year	-
Cost as at March 31, 2020	**156.06**
Additions	62.22
Disposals	-
Cost as at March 31, 2021	**218.28**
Accumulated depreciation as at April 1, 2019	
Depreciation for the year	44.09
Disposals	-
Forex restatement adjustment	(7.22)
Accumulated depreciation as at March 31, 2020	**36.87**
Depreciation for the year	41.42
Disposals	-
Forex restatement adjustment	2.78
Accumulated depreciation as at March 31, 2021	**81.07**
Net carrying amount as at April 1, 2019	**155.83**
Net carrying amount as at March 31, 2020	**119.19**
Net carrying amount as at March 31, 2021	**137.21**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2021	As at 31 March 2020
Opening balance	126.76	155.78
Additions during the year	62.22	0.23
Disposal during the year	-	-
Accretion of interest	13.23	13.54
Payment of lease liabilities	(48.86)	(50.32)
Forex restatement	(2.94)	7.53
Closing balance	**150.41**	**126.76**
Less: Current Lease liabilities	36.67	35.94
Non Current Lease liabilities	**113.74**	**90.82**

(ii) Payments recognised as expenses and income

	For the year ended	
	March 31, 2021	March 31, 2020
Short term leases and low value assets	28.44	22.08
	28.44	**22.08**

(iii) Contractual maturities of lease liabilities on undiscounted basis

	As at 31 March 2021	As at 31 March 2020
Less than one year	50.98	42.31
One to five years	127.32	114.72
More than five years	-	-
	178.30	157.03

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5 Investments

	31 March 2021	31 March 2020	1 April 2019
Investments in unlisted equity instruments [At amortised cost]			
- Investments in Associates			
GS2 Retail Ventures Private Limited*			
1,02,000 (31 March 2020 and 1 April 2019: 1,02,000) shares of equity shares of Rs. 10 each	1.02	1.02	1.02
1,89,769 (31 March 2020 and 1 April 2019: 1,89,769) shares of 8% non-cumulative	1.90	1.90	1.90
Less: Provision made for other than temporary diminution in the value and Company's share of losses	(2.92)	(2.92)	(2.92)
	-	-	-

*GS2 Retail Ventures Private Limited is in the process of applying for liquidation.

6 Loans (at amortised cost)

	31 March 2021	31 March 2020	1 April 2019
A. Current			
Loans to employees	0.68	0.16	0.09
	0.68	**0.16**	**0.09**

7. Other financial assets (at amortised cost)
(Unsecured considered good)

	31 March 2021	31 March 2020	1 April 2019
A. Non-current			
Security deposits	13.41	15.89	12.72
	13.41	**15.89**	**12.72**

	31 March 2021	31 March 2020	1 April 2019
B. Current			
Interest accrued on bank deposits	0.89	2.37	3.90
	0.89	**2.37**	**3.90**

8. Other assets
(Unsecured, Considered good)

	31 March 2021	31 March 2020	1 April 2019
A. Non-current			
Loans to employees	0.20	0.19	0.06
Capital advances	0.83	0.08	-
	1.03	**0.27**	**0.06**

	31 March 2021	31 March 2020	1 April 2019
B. Current			
Prepaid expenses	2.41	4.51	5.10
Balances with government authorities	39.60	44.04	59.53
Advance recoverable in cash or in kind	8.32	20.27	17.92
	50.33	**68.82**	**82.55**

9. Deferred tax assets (net)

	31 March 2021	31 March 2020	1 April 2019
Depreciation/amortisation of Property, plant and equipment	(5.23)	(5.23)	(9.22)
Provision for employee benefits	6.66	7.72	3.91
Provision for doubtful receivables	16.71	8.85	5.72
Provision for others	2.52	1.85	1.60
Right of use assets (net of lease liability)	0.96	0.83	1.17
MAT credit entitlement	-	-	1.81
Unabsorbed depreciation and business losses	64.84	102.37	146.17
Others	11.03	0.81	2.88
	97.49	**117.20**	**154.04**

10. Inventories

	31 March 2021	31 March 2020	1 April 2019
Raw material	283.02	170.41	157.15
Finished goods	541.31	397.43	350.05
Stock in transit	181.99	56.83	111.20
Packing material	56.43	43.55	35.29
	1,062.75	**668.22**	**653.69**

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11. Trade receivables

	31 March 2021	31 March 2020	1 April 2019
Trade receivables			
Unsecured considered good			
Trade receivables	312.48	432.36	261.26
Trade receivables - Credit impaired	85.96	60.20	49.50
Total receivables	**398.44**	**492.56**	**310.76**
Less: Expected credit loss for trade receivables	(85.96)	(60.20)	(49.50)
Net trade receivables	**312.48**	**432.36**	**261.26**

No trade or other receivable are due from directors or other officers of the Company.
Trade receivables due from private companies in which any director is a director or a member, refer note no. 32
Trade receivable from related parties refer note no. 32
Trade receivables are non-interest bearing and generally on terms of 30 to 90 days

12. Cash and cash equivalents

	31 March 2021	31 March 2020	1 April 2019
(a) Cash and cash equivalents			
Cash on hand	0.56	0.69	0.46
Balances with banks			
- in current accounts	65.62	61.07	43.40
	66.18	**61.76**	**43.86**
(b) Other bank balances - deposits with remaining maturity less than 12 months	24.50	45.23	58.86
	24.50	**45.23**	**58.86**
Total	**90.68**	**106.99**	**102.72**

13. Share capital

Authorized equity share capital	31 March 2021	31 March 2020	1 April 2019
22,000,000 (31 March 2020 and 1 April 2019: 22,000,000) equity shares of Rs. 10/- each	220.00	220.00	220.00
4,200,000 (31 March 2020 and 1 April 2019: 4,200,000) Preference shares of Rs. 10/- each	42.00	42.00	42.00
Issued, subscribed and paid-up			
1,82,61,380 (31 March 2020: 18,256,380 and 1 April 2019: 18,248,380) equity shares of Rs. 10/- each	182.61	182.56	182.48
	182.61	**182.56**	**182.48**

(i) Movements in equity share capital	No. of Shares	Amount
As at 1 April 2019	1,82,48,380	182.48
Issue of shares during the year	8,000	0.08
As at 31 March 2020	**1,82,56,380**	**182.56**
Issue of shares during the year	5,000	0.05
As at 31 March 2021	**1,82,61,380**	**182.61**

Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the Company

	31 March 2021		31 March 2020		1 April 2019	
Name of the shareholder	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
Rajashekar Reddy Seelam	31,05,607	17%	31,05,607	17%	31,05,607	17%
Ventureast Trustee Company Pvt. Ltd.	48,60,762	27%	48,60,762	27%	48,60,762	27%
Ventureast Life Fund III LLC	22,75,001	12%	22,75,001	12%	22,75,001	12%
Peepul Capital Fund III LLC	65,83,125	36%	65,83,125	36%	65,83,125	36%
Total	**1,68,24,495**	**92%**	**1,68,24,495**	**92%**	**1,68,24,495**	**92%**

As per the records of the Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial interest.

(iii) i) For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer Note 35.

ii) there are no bonus shares issued or shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date.

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14 Other equity

	31 March 2021	31 March 2020	1 April 2019
Securities premium account (refer note i)	974.97	974.85	974.66
Capital reserve (refer note ii)	-	-	-
Retained earnings (refer note iii)	(391.73)	(495.66)	(590.26)
Foreign Exchange Translation Reserve) (refer note iv)	(4.09)	4.44	6.78
Other comprehensive income (refer note v)	(0.84)	(1.44)	(0.86)
Employee stock option outstanding (refer note vi)	2.80	0.39	0.38
Total other equity	**581.11**	**482.58**	**390.70**

i) Securities Premium account

	31 March 2021	31 March 2020	1 April 2019
Balance at the beginning of the year	974.85	974.66	968.18
Add: Additions during the year	0.12	0.19	6.48
Less: Deductions during the year	-	-	-
Balance at the end of the year	**974.97**	**974.85**	**974.66**

ii) Retained earnings

	31 March 2021	31 March 2020	1 April 2019
Balance at the beginning of the year	(495.66)	(590.26)	(561.04)
Add: Profit /(loss) for the year	103.93	94.60	(29.22)
Balance at the end of the year	**(391.73)**	**(495.66)**	**(590.26)**

iii) Foreign Exchange Translation Reserve

	31 March 2021	31 March 2020	1 April 2019
Balance at the beginning of the year	4.44	6.78	31.96
Transalation as per Non Integral Foreign Operations	(8.53)	(2.34)	(25.18)
On elimination of inter company transactions	(6.50)	(7.40)	(3.45)
On account of Share capital and investments	(1.70)	5.61	10.51
Transalation as per Non Integral Foreign Operations	(0.33)	(0.55)	(32.24)
Balance at the end of the year	**(4.09)**	**4.44**	**6.78**

iv) Other comprehensive income (OCI)
Other items of OCI

	31 March 2021	31 March 2020	1 April 2019
Remeasurement of defined benefit obligations (liability net of tax)	(1.44)	(0.86)	-
Add: Changes during the year	0.60	(0.58)	(0.86)
Balance at the end of the year	**(0.84)**	**(1.44)**	**(0.86)**

v) Employee Stock Option Outsanding

	31 March 2021	31 March 2020	1 April 2019
Balance at the commencement of the year	0.39	0.38	0.29
Add : share option expense for the year	2.53	0.20	0.09
	(0.12)	(0.19)	-
Balance as at the end of the year	**2.80**	**0.39**	**0.38**

1. Securities Premium account

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

2. Retained earnings
Retained earnings are the profit/losses (net of appropriation) of the company earned till date, including items of other comprehensive income.

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15. Borrowings (at amortised cost)

	Non-current 31 March 2021	Current* 31 March 2021	Non-current 31 March 2020	Current* 31 March 2020	Non-current 1 April 2019	Current* 1 April 2019
Secured						
Term loans						
- from Banks (refer note (i) and (ii))	39.40	8.10	-	-	-	0.12
- from Financial Institutions (refer note (iii))	-		-	1.89	1.89	-
Working Capital loans						
- from Financial Institutions (refer note (iv))	26.81	26.81	36.28	44.83	21.02	73.30
- from Others (refer note (vi))	6.73	-	-	67.85	62.26	38.04
	72.94	34.91	36.28	114.57	85.17	111.46
Unsecured						
- from Others (refer note (v))	40.00	-	40.00	-	-	-
	112.94	34.91	76.28	114.57	85.17	111.46

Notes:
*Refer current maturities of long term borrowings under note 17

Security and other details for Long-term loans:

i) Term loan from Banks amounting to Rs. 47.50 million (March 31, 2020 and April 1, 2019: Rs. Nil) carries interest rate of 8.25% which is repayable in 48 equated monthly instalments. During the year, the Company has obtained 12 months moratorium under MSME Scheme. The loan is secured on paripassu basis as given below:

a) First paripassu charge and mortgage on Immovable Property being Industrial Property Land (18 acres- 27 guntas) situated at Elikatta village, Admfarooq nagar.
b) First charge on immovable property belonging to Mr. Rajashekar Reddy Seelam being Open Land situated at kondapur village, serilingampally.
c) First charge on immovable property belonging to Mrs. Renuka Seelam, being commercial Property situated at Banjarahills.
d) First charge on the Stocks including Stock for export, Debtors including Export debtors and Fixed deposits.
e) Charge on Fixed deposits of Rs. 17.20 million.
e) Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing Director Sresta Natural Bioproducts Private Limited.

ii) Term loan from banks amounting to Rs. Nil (March 31, 2020: Rs. Nil and April 1, 2019: Rs. 0.12 million) is a vehicle finance loan is secured against the asset purchased. The loan carries interest at 10.25% and is payable in monthly equated instalments.

iii) Term loans from financial institutions amounting to Rs. Nil (March 31, 2020 and April 1, 2019: Rs. 1.89 million) carries interest at 14.5% and is repayable in equated monthly instalments. The loan is secured against the assets purchased from the loan amount.

iv) Working capital loans from financial institutions amounting to Rs. 53.65 million (March 31, 2020: Rs. 81.11 million and April 1, 2019: Rs. 94.32 million) carries interest at 14.5% and is repayable in 28 to 36 equated monthly instalments. During the year, the Company has obtained 12 months moratorium under MSME Scheme. The loan is secured on paripassu basis as given below:

a. Second charge on all current assets of the Borrower, so as to provide a security cover of at least 1.25 times on the outstanding Credit Facility.
b. Personal Guarantee by MR. Rajashekar Reddy seelam Managing Director of Sresta Natural BioProducts Private Limited.

v) Unsecured loan from others amounting to Rs. 40.00 million (March 31, 2020: Rs. 40.00 million and April 1, 2019: Rs. Nil) carries interest at 18% and is repayable after 3 years from the date of disbursement. The loan is unsecured.

vi) Secured loan from others amounting to Rs. 6.73 Million (March 31, 2020: Rs. 67.85 million and April 1, 2019: Rs. 100.30 million) relates to below subsidiaries - Bhumi Foods LLC and FYVE Elements LLC :

In Case US Subsidiary - Bhumi Foods LLC :

A. for - CIT - Short Term Loans - balance as at March 31, 2021 : Nil (March 31, 2020 : Nil and April 1, 2019 : USD 22,146) for Equipment Purchase.
Terms:
(i) The short term loans from Banks carries an interest rate of 9.11% taken for purchase of Asset (Fork Lift) and the same is given as security.
B. Term loans - from Small Businees Administration (SBA) for Working Capital Requirements received in the FY20-21
- balance as at March 31, 2021 : USD 91,500 (March 31, 2020 : Nil and April 1, 2019 : Nil)
Terms:
(i) The loans from SBA is obtained to alleviate economic injury caused by the disaster which carryies an interest rate of 3.75%. The loans are payable in 30 years which is converted into 360 equated Monthly installments and it will begin from 12 months from the date of the promissory note.
(ii) Borrower hereby grants to SBA, the secured party hereunder, a continuing security interest in and to any and all "Collateral". The Collateral includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to:
(a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code.

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In Case US Subsidiary - FYVE Elements LLC :
For Term Loans for Working Capital Requirements from Responsiblity Fair Agriculture Fund balance as at March 31, 2021 : USD Nil (March 31, 2020 : USD 900,000, April 1, 2019 : USD 1,450,000). Initially 3 Term Loans were obtained total amounting to USD 1,700,000 @ 12.75% and these were subsumed as one term loan in FY2019-20 @ 13.21%.
Terms:
(i) These loans are from "Responsibility Fair Agriculture Fund", a financial institution carrying an interest rate of 13.21% on above USD loan taken for working capital requirement and payable in 7 Unequated Monthly Installments.
(ii) The Facility from Responsibility Fair Agriculutre Fund is secured by the following :
a. Corporate Guarantee issued by Holding Company, vide contract dated 22-02-2019 to the tune of USD 2 Million for working capital loan.
b. Security interest in all assets of above mentioned US Entity, and including but not limited to, all Accounts, Inventory and Equipment, goods, deposits accounts, instruments, documents, commercial tort claims, letter of credit rights, investment property, and chattel paper(as all such terms are used herein and in the uniform commercial code). Without limiting the foregoing, the term " Collateral" shall include all the Owner's rights, title and interest in, to and under (i) any interest rate hedge agreeement or other derivative transaction agreeement and (ii) any schedule or confirmation realting to such interest rate hedge agreement or derivative transaction agreeement.

16. Other financial liabilities (at amortised cost)

	31 March 2021	31 March 2020	1 April 2019
Current			
Current maturities of long term borrowings (refer note 15)	34.91	114.57	111.46
Expenses payable to employees	2.80	2.55	2.37
Employee benefits payable	7.08	6.67	4.76
Interest accrued but not due on borrowings	0.41	2.05	1.81
Other expenses payable	63.24	48.34	45.02
	108.44	**174.18**	**165.42**

17. Provisions

	31 March 2021	31 March 2020	1 April 2019
Provisions for employee benefits			
Non Current			
Provision for gratuity (refer note 37)	8.48	8.03	6.94
	8.48	8.03	6.94
Current			
Provision for gratuity (refer note 37)	6.24	5.69	3.36
	6.24	5.69	3.36
	14.72	**13.72**	**10.30**

18. Short-term borrowings

	31 March 2021	31 March 2020	1 April 2019
Secured			
Working capital loans			
- from banks (refer note (a) & (b))	348.39	224.63	293.41
Unsecured			
- from others (refer note (c))	30.00	30.00	-
	378.39	**254.63**	**293.41**

Working Capital Loans
From banks
a) Cash credit and packing credit
The short-term borrowings are repayable on demand taken for Working Capital requirement,
1. Facilities from HDFC Bank being Cash Credit Facility amounting to Rs. 208.96 million (March 31, 2020: Rs. 128.24 million and April 1, 2019: Rs. 179.81 million) carrying a rate of interest of 11% p.a. and Export Packing Credit Facility amounting to Rs. 133.12 million (March 31, 2020: Rs. 63.94 million and April 1, 2019: Rs. 64.78 million) carrying interest rate of 6.1%-6.27% which are secured on paripassu basis as given below:
a) First paripassu charge and mortgage on Immovable Property being Industrial Property Land (18 acres- 27 guntas) situated at Elikatta village, Admfarooq nagar.
b) First charge on immovable property belonging to Mr. Rajashekar Reddy Seelam being Open Land situated at kondapur village, serilingampally.
c) First charge on immovable property belonging to Mrs. Renuka Seelam, being commercial Property situated at Banjarahills.
d) First charge on the Stocks including Stock for export, Debtors including Export debtors and Fixed deposits.
e) Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing Director, Mrs. Renuka Seelam, MR. Balasubramanian Narayanan CEO and all the directors of Sresta Natural Bioproducts Private Limited.

b) Agricultural Produce Loan
Secured loan from bank amounting to Rs. 6.30 million (March 31, 2020: Rs. 32.44 million and April 1, 2019: Rs. 47.28 million) being Line of credit for short term loan against agricultural commodities stored in an approved wareshouse carrying an interest rate of 10.5% which is secured by way of:
a) Pledge of Stock in the designated warehouses.
b) Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing director, Mr. Balasubramanian Narayanan CEO.
c) Unsecured loan from Pravesa Holding Private Limited carrying an interest rate of 16% to meet working capital requirement. Repayable on demand of 60 days.

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19. Trade payables (at amortised cost)

	31 March 2021	31 March 2020	1 April 2019
Trade payables			
- Total outstanding dues of micro and small enterprises (refer note 36)	14.80	16.25	14.83
- Total outstanding dues of creditors other than micro and small enterprises	369.68	335.20	275.20
	384.48	**351.45**	**290.03**

The above includes payable to related party. For details refer note 32
Trade payables are non-interest bearing and are normally settled in 30-90 days terms.

20. Other liabilities

	31 March 2021	31 March 2020	1 April 2019
Current			
Advance received from customers	12.44	10.98	7.70
Deposits received	0.20	0.20	0.20
Statutory dues payable	9.17	12.59	10.48
	21.81	**23.77**	**18.38**

21. Current tax liabilities (Net)

	31 March 2021	31 March 2020	1 April 2019
A. Current			
Advance taxes (net of provision for tax)	0.83	9.39	3.08
	0.83	**9.39**	**3.08**

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Notes to Consolidated financial statements for the year ended March 31, 2021.
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22	Revenue from operations	31 March 2021	31 March 2020
A	**Sale of Products**		
	Domestic	2,892.49	2,420.64
	Exports	228.19	188.55
	Total	**3,120.68**	**2,609.19**
B	**Service Income**		
	Income from Services	-	13.57
	Total	-	**13.57**
	Total revenue from operations (A+B)	**3,120.68**	**2,622.76**

23	Other income	31 March 2021	31 March 2020
	Customs duty credit entitlement	6.24	5.80
	Duty drawback claim	1.05	0.68
	Foreign exchange fluctuation gains	-	30.52
	Interest on deposits	2.14	3.31
	Miscellaneous income	13.59	1.17
	Total	**23.02**	**41.48**

24	Cost of Material consumed	31 March 2021	31 March 2020
	Opening stock of raw material	213.96	192.44
	Add: Purchase during the year	1,787.69	1,205.07
	Less: Closing stock of raw material	(315.97)	(213.96)
	Material consumed	**1,685.68**	**1,183.55**
	Other direct costs	286.81	211.95
		1,972.49	**1,395.50**

25	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	31 March 2021	31 March 2020
	Opening Stock of Finished goods	450.32	468.03
	Less: Closing Stock of Finished Goods	(723.03)	(439.27)
	Increase / (decrease) in inventory	**(272.71)**	**28.76**

26	Employee benefit Expenses	31 March 2021	31 March 2020
	Salaries, wages and bonus	321.82	308.14
	Contribution to provident and other funds	12.12	12.05
	Employee stock option plan	2.53	0.20
	Gratuity expenses	2.87	2.87
	Staff welfare expenses	2.65	1.92
		341.99	**325.18**

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27	**Other expenses**	**31 March 2021**	**31 March 2020**
	Certification Fee	8.40	7.90
	Rental Expense	28.44	22.08
	Advertisement Charges	35.92	15.68
	Bad debts	8.93	5.43
	Provision for doubtful debts	31.72	8.75
	Business Promotion Expenses	43.50	52.11
	C & F charges and secondary freight	149.50	113.87
	Freight, Forwarding & Clearing - Exports	49.00	33.60
	Legal and consultancy charges*	35.87	22.70
	Freight outwards - Domestic	25.42	19.83
	Rates and taxes	24.08	19.79
	Travel Expenses - Domestic	18.42	32.71
	Loss on discard / sale of fixed assets	2.41	0.18
	Courier Charges & Postage Charges	1.06	1.35
	Insurance	13.37	7.65
	Communication	2.46	1.93
	Printing & Stationery	1.00	1.41
	Repairs and maintenance		
	Plant and machinery	4.80	2.29
	Others	8.56	5.22
	Security Charges	2.46	1.84
	Testing Charges	4.65	3.41
	Foreign Exchange fluctuation loss	11.56	-
	Miscellaneous Expenses	27.70	34.90
		539.23	**414.63**

* Note : The following is the break-up of Auditors remuneration (execlusive of indirect taxes)

(i) Payments to auditors	**31 March 2021**	**31 March 2020**
As auditor		
- Statutory audit	3.16	0.70
In other capacity		
-Tax audit	0.65	0.35
-Other matters	5.25	0.45
	9.06	**1.50**

28	**Finance cost**	**31 March 2021**	**31 March 2020**
	Interest on Loans	45.09	58.25
	Interest on Lease laibilities	13.23	13.54
	Processing Fees	4.88	0.91
	Bank Charges	5.35	1.38
	Bank Commisssion	0.85	1.11
		69.40	**75.19**

29	**Depreciation and amortisation expense**	**31 March 2021**	**31 March 2020**
	Depreciation of tangible assets	23.88	18.41
	Amortisation on ROU Assets	41.42	44.09
		65.30	**62.50**

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(All amounts are Rs. in Millions, unless stated otherwise)

30 Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries

	31 March 2021		31 March 2020		1 April 2019	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
A. Parent Company						
Sresta Naturals Private Limited	105.98%	809.36	99.62%	662.61	115.60%	662.61
B. Subsidiaries incorporate in India						
Fyve Elements LLC	5.89%	44.98	2.73%	18.16	3.17%	18.16
Bhumi Foods LLC	9.08%	69.31	1.48%	9.86	1.72%	9.86
Sresta America Inc	1.84%	14.08	2.00%	13.30	2.32%	13.30
Sresta Global FZE	0.56%	4.31	0.54%	3.61	0.63%	3.61
C. Consolidation adjustments	-23.35%	(178.32)	-6.37%	(42.40)	-23.44%	(134.36)
		763.72		**665.14**		**573.18**

	31 March 2021		31 March 2020	
	Share in profit/(loss)		Share in profit/(loss)	
	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount
A. Parent Company				
Sresta Naturals Private Limited	83.79%	87.59	55.53%	52.21
B. Subsidiaries incorporate in India				
Fyve Elements LLC	18.58%	19.42	6.24%	5.87
Bhumi Foods LLC	27.55%	28.80	30.01%	28.22
Sresta America Inc	-0.02%	(0.02)	-0.03%	(0.03)
Sresta Global FZE	0.98%	1.02	-0.77%	(0.72)
C. Consolidation adjustments	-30.88%	(32.28)	9.01%	8.47
		104.53		**94.02**

31 Contingent liabilities and commitments

(a) Capital and other commitments

Particulars	31 March 2021	31 March 2020	1 April 2019
A.Bank Guarantee			
Guarantee given to Agricultural Produce Market Committee	1.30	1.20	0.50
Guarantee given to Assistant commissioner of customs	0.19	0.19	0.19
Guarantee given to Krishi Upaj Mandi Samiti	-	0.30	0.30
Guarantee given to Agricultural and processed food	1.10	1.10	1.10
Guarantee given to Spices Board	3.63	-	-
B.	-	0.91	
i). Dispute Value Added Tax (Stay petetion filed with commercial taxes department telangana)			-
ii) Dispute Sales Tax - Rajasthan for FY2015-16 and FY2016-17 (proceedings are in progress)	19.00	-	-
C. Service Tax Refund (Appeal filed by Service Tax Department is pending before the Service Tax Appellate Tribunal)	-	-	0.81
D. Corporate guarantees given on behalf of a wholly owned US Subsidiary Responsibility Fair Trade Fund	-	180.93	166.01

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

(b) The Company received the Draft Assessment Order under section 143(3) r.w.s 144C of the Incomet Tax Act, proposing for transfer pricing and other adjustments resulting in reduction of the brought froward losses, for AY 2017-18. The Company has filed its objections against the Draft Assessment Order and the assessment is yet to be completed.

(c) Capital Commitments

Particulars	31 March 2021	31 March 2020	1 April 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-

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32 Related party disclosures

(a) Names of related parties and related party relationship

Name of the Related Party	Nature of Relationship
GS2 Retail Ventures Private Limited	Associate Company (is in process of applying for liquidation)
Hita Life Ventures Private Limited	One Person Company (OPC) Owned by director
Hita Farms LLP	LLP In which director is partner
Rajashekar Reddy Seelam	Managing Director
N. Balasubramaniyan	Chief Executive Officer
K. Venkatesan	Chief Financial Officer [w.e.f Oct'2017]
S. Padmasri	Company Secretary [w.e.f Sep'2019]
Renuka Seelam	Relative of key managerial personnel
Gayatri Khatri	Company Secretary [upto Sep'2019]

(b) Transactions with related parties

Particulars	31 March 2021	31 March 2020
Hita Life Ventures Private Limited		
Sale of goods	51.41	38.94
Hita Farms LLP		
Sale of Goods	0.14	0.31
Renuka Seelam		
Office Rent	0.40	0.38
Key management person		
Remuneration	35.68	27.92

(c) Balance receivable/(payable) at year end

	31 March 2021	31 March 2020	1 April 2019
Receivable from			
Hita Life Ventures Private Limitded	31.12	28.80	19.49
Hita Farms LLP	0.14	0.31	0.32
Personnel guarantee provided			
Rajashekar Reddy Seelam	444.43	277.83	379.88
Renuka Seelam	-	192.18	244.72
N.Balasubramaniyan	-	196.06	292.00

33 Earnings per share (EPS)

	31 March 2021	31 March 2020
Earnings		
Profit after tax for the year attribuatble to equity shareholders	103.93	94.60
Shares		
Number of Shares outstanding at the beginning of the year	1,82,56,380	1,82,48,380
Add : Shares Issued during the year	5,000	8,000
Number of Shares outstanding at the end of the year	1,82,61,380	1,82,56,380
Weighted Average Number of Equity Shares		
For calculating Basic EPS	1,82,56,503	1,82,53,312
Effect of dilution:		
- On account of Outstanding employee share based options	64,617	54,770
Weighted average number of equity shares for Diluted EPS (C)	1,83,21,120	1,83,08,082
Earnings Per Share Before and After Extraordinary Items		
(Face Value Rs. 10 per share)		
Basic (Rs.)	5.69	5.18
Diluted (Rs.)	5.67	5.17

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34 Segment Reporting

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

The Chief Operating Decision Maker ("CODM") which is Board of Directors evaluates the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the company is presented. The Company's operations fall within a single business segment "Sale of organic products".

Geographical Segment reporting is as under

The geographic information analyses the company's revenues and non-current assets by subsidiary country domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets

Revenue from Customers	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Particulars		
India	1,626.67	1,327.67
USA	1,265.82	1,106.54
Rest of the World	228.19	188.55
Total	**3,120.68**	**2,622.76**

Non-current assets (other than financial instruments and deferred tax assets)	**As at 31 March 2021**	**As at 31 March 2020**	**As at 1 April 2019**
Particulars			
India	217.09	205.78	221.65
USA	103.34	93.45	109.41
Rest of the World	-	-	-
Total	**320.43**	**299.23**	**331.06**

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35 Employee Stock Option's (ESOP's)

The stock option scheme may be called the Sresta Employees Stock Option Scheme - 2008 "Scheme". Pursuant to the scheme, the Employee may be granted an option to purchase Equity Shares of the company. The vesting schedule in relation to the options and the lock in period with respect to vesting, if any, shall be governed by the terms of the Option Agreement. However, there should be a minimum one year lock-in period for vesting of options from the date of grant unless the committee allows for earlier exercise.

The Plan consists of six schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

The fair value of equity share options is estimated at the date of grant using Discounted Cash Flow (DCF) model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 100% of stock options are expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is Rs. 2.41 million (March 31, 2020: Rs. 0.01 million).

(A) Details of options granted under ESOP 2018 are as below

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
FY 2016-17 commitments (4 years vesting)	10-Mar-17	1,00,000	1,00,000	10.00	23.83
FY 2019-20 commitments (2 years graded vesting)	09-Dec-19	25,000	25,000	10.00	36.05
FY 2020-21 commitments (1 year vesting)	27-Aug-20	30,000	30,000	10.00	54.39
		1,55,000	**1,55,000**		

(B) The movement of stock options during the year (in No's) :

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	1,30,000	1,13,000
Granted during the year	30,000	25,000
Vested/exercisable during the year	-	-
Forfeited during the year	-	-
Exercised during the year	(5,000)	(8,000)
Balance at the end of the year	**1,55,000**	**1,30,000**

(c) Disclosures as per IND AS 102 for outstanding options * :

	Year ended 31 March 2021	**Year ended 31 March 2020**
Weighted average exercise price for outstanding options at year end (in INR)	10.00	10.00
Weighted average remaining contractual life for outstanding options at year end	0.59 Years	1.42 Years
Range of exercise prices for outstanding options at year end (in INR)	10.00	10.00

36 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006"

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March 2021 has been made in the consolidated financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

	As at 31 March 2021	**As at 31 March 2020**	**As at 1 April 2019**
The amounts remaining unpaid to micro and small supplies as at end of the year			
- Principal	14.8	16.25	14.83
- Interest			
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information requested by the management and responded by its vendors to the Company.

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37. Employee benefits

a) Defined Contribution Plan

Provident Fund:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

b) Defined Benefit Plan

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 employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs.

The Company does not fund the liability.

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

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to Rs. 9.24 million (March 31, 2020: Rs. 9.13 million) has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 2.87 million for year ended 31 March 2021 (Rs. 2.87 million for 31 March 2020) has been included in Note 26 under Contribution to Provident and Other Funds.

d) Amounts recognised in the Financial statements as at year end for Gratuity provision are as under:

		As at 31 March 2021	As at 31 March 2020
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	13.73	10.30
	Current Service Cost	1.97	2.06
	Past Service Cost		
	Interest Cost	0.90	0.81
	Actuarial (Gain)/Loss on Obligation- Due to Change in Demographic Assumptions	(0.03)	(0.84)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	(0.03)	0.51
	Actuarial (Gain) / Loss on Obligation- Due to Experience	(0.75)	1.15
	Benefits Paid	(1.08)	(0.26)
	Present value of the obligation at the end of the year	**14.71**	**13.73**
ii)	**Change in Plan Assets**		
	Contributions by the Employer	1.08	0.26
	Benefits Paid	(1.08)	(0.26)
	Fair value of Plan Assets at the end of the year	-	-
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	14.72	13.73
	Fair value of Plan Assets at the end of the year	-	-
	Funded status - Deficit	14.72	137.27
	Net Liability recognised in the Balance Sheet	**14.72**	**13.73**
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	1.97	2.06
	Interest Cost on Obligation	0.90	0.81
	Past Service Cost	-	-
	Expected return on Plan Assets	-	-
	Net Actuarial (Gain) / Loss recognised in the year	-	-
	Net Cost Included in Personnel Expenses	**2.87**	**2.87**

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		As at 31 March 2021	As at 31 March 2020
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	(0.80)	0.82
	Return on plan assets excluding interest income	-	-
	Recognised in other comprehensive income	(0.80)	0.82
vi)	**Weighted average duration of Present Benefit Obligation**	2.66	2.75
vii)	**Major categories of Plan Assets as a % of total Plan Assets**	NA	NA
viii)	**Actuarial Assumptions**		
	i) Discount Rate	6.90%	6.79%
	ii) Salary Escalation Rate	8.00%	8.00%

ix) **Maturity Analysis of Projected Benefit Obligation: From the Fund**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Projected Benefits Payable in Future Years From the Date of Reporting			
Within the next 12 months	6.24	5.69	3.36
2nd Following Year	4.13	3.34	1.85
3rd Following Year	2.53	2.62	1.85
4th Following Year	1.33	1.63	1.92
5th Following Year	0.96	0.84	1.36
Sum of Years 6 To 10	1.49	1.45	2.06

x) **Sensitivity analysis**

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

	As at31 March 2021		As at31 March 2020		As at1 April 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	14.49	14.96	13.48	13.94	10.05	10.56
Withdrawal rate (1% movement)	14.68	14.75	13.66	13.74	10.27	10.33
Salary escalation rate (1% movement)	14.99	14.45	13.96	13.45	10.60	9.98

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

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38 Financial instruments

A. Financial instruments by category	Note No.	Fair value level	31 March 2021	31 March 2020	1 April 2019
			Amortized Cost	Amortized Cost	Amortized Cost
Financial assets					
Non current					
(ii) Other financial assets	7	-	13.41	15.89	12.72
Current					
(i) Trade receivables	11	-	312.48	432.36	261.26
(ii) Cash and cash equivalents	12	-	66.18	61.76	43.86
(iii) Bank balances other than	12	-	24.50	45.23	58.86
(iv) Loans	6	-	0.68	0.16	0.09
(v) Other financial assets	7	-	0.89	2.37	3.90
Total financial assets			**418.14**	**557.77**	**380.69**
Financial liabilities					
Non current					
(i) Borrowings	15	-	112.94	76.28	85.17
(ii) Lease liablities	4	-	113.74	90.82	119.56
Current					
(i) Borrowings	18	-	378.39	254.63	293.41
(ii) Current lease liablities	4	-	36.67	35.94	36.22
(iii) Trade payables	19	-	384.48	351.45	290.03
(iv) Other financial liabilities	16	-	108.44	174.18	165.42
Total financial liabilities			**1,134.66**	**983.30**	**989.81**

Note: The Group has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The Group's board of directors have overall responsibility for the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management policies. The board of directors monitors the compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's risk management policies are to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

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ii. Provision for Expected credit loss

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 85.08 million as on 31 March 2021 (Rs. 65.48 million as on 31 March 2020 and Rs. 49.50 million as on 1 April 2019). The movement in allowance for credit loss in respect of trade receivables during the period was as follows:

Allowance for credit losses	As at 31 March 2021	As at 31 March 2020
Opening balance	60.20	49.50
Credit loss added / (reversed)	40.65	14.18
Written off during the year	(14.89)	(3.48)
Closing balance	**85.96**	**60.20**

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

ii. Liquidity risk

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021

	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	112.94	-	112.94	-	112.94
Lease liabilities	150.41	50.98	127.32	-	178.30
Short-term borrowings	378.39	378.39	-	-	378.39
Trade payables	369.68	369.68	-	-	369.68
Other financial liabilities	108.44	108.44	-	-	108.44
Total	**1,119.86**	**907.49**	**240.26**	**-**	**1,147.75**

As at 31 March 2020

	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	76.28	-	76.28	-	76.28
Lease liabilities	126.76	42.31	114.72	-	157.03
Short-term borrowings	254.63	254.63	-	-	254.63
Trade payables	335.20	335.20	-	-	335.20
Other financial liabilities	174.18	174.18	-	-	174.18
Total	**967.05**	**806.32**	**191.00**	**-**	**997.32**

As at 1 April 2019

	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	85.17	-	85.17	-	85.17
Lease liabilities	155.78	49.47	138.56	11.99	200.02
Short-term borrowings	293.41	293.41	-	-	293.41
Trade payables	275.20	275.20	-	-	275.20
Other financial liabilities	165.42	165.42	-	-	165.42
Total	**974.98**	**783.50**	**223.73**	**11.99**	**1,019.22**

The Group has secured loans from bank that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table.

C. Market risk

i. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

	31 March 2021	31 March 2020
Variable rate borrowings	402.62	212.82
Fixed rate borrowings	123.62	153.00

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(ii) Sensitivity

Particulars	Impact on profit and loss	
	For the year 31 March 2021	For the year 31 March 2020
Sensitivity		
1% increase in MCLR	4.03	2.13
1% decrease in MCLR	4.03	2.13

D. Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the company. The company is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses. Considering the countries and economic environment in which the company operates, its operations are subject to risks arising from the fluctuiations in exchange rates in those countries. The risks primariliy relate to fluctuation in US Dollar against the fluctuational currency of the Company.

	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
Particulars	**Foreign currency**	**Rs. in million**	**Foreign currency**	**Rs. in million**	**Foreign currency**	**Rs. in million**
Financial Assets						
Trade Receivable	USD 9,59,649	70.54	USD 9,96,805	75.15	USD 7,36,391	50.94
Trade Receivable	GBP 2,956	0.30	GBP 2,956	0.28	GBP 2,956	0.27
Trade Receivable	EURO 5,160	0.44	-	-	-	-
Cash and bank balances	USD 1,285	0.09	-	-	-	-
Cash and bank balances	EURO 8	0.00	-	-	-	-
Cash and bank balances	Dirhams 8	0.00	-	-	-	-
Financial liabilities						
Packing credit	USD 18,11,082	133.12	USD 8,48,200	63.94	USD 9,36,581	64.78
Trade payables	USD 29,248	2.15	-	-	-	-
Net Exposure in financial assets		**(63.90)**		**11.49**		**(13.57)**

39 **Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows:

	31 March 2021	31 March 2020	1 April 2019
Total liabilities	1,172.02	1,030.18	1,021.57
Less : cash and cash equivalents	66.18	61.76	43.86
Adjusted net debt	1,105.84	968.42	977.71
Total equity	763.72	665.14	573.18
Adjusted net debt to adjusted equity	1.45	1.46	1.71

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40 Income Taxes

Components of Income Tax Expense

		For the year 31 March 2021	For the year 31 March 2020
	Tax expense recognised in the Statement of Profit and Loss		
A.	**Current Tax**		
	Current year	19.90	8.99
	Net adjustments related to previous years	(5.94)	0.12
	Total	**13.96**	**9.11**
B.	**Deferred Tax**		
	Origination and reversal of temporary differences	19.51	37.08
	Total	**19.51**	**37.08**
	Total	**33.47**	**46.19**
C.	**Tax on Other Comprehensive Income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	(0.20)	0.24
	Total	**(0.20)**	**0.24**

Current tax assets / liabilities (net)

		As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
D.	Advance tax (net of provision for tax)	-	-	-
E.	Provision for tax (net of advance payment of taxes)	0.83	9.39	3.08
		(0.83)	**(9.39)**	**(3.08)**

Deferred tax assets / liabilities (net)

		As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
F.	Deferred tax asset	97.49	117.20	154.04
G.	Deferred tax liability	-	-	-
	Deferred tax asset (net)	**97.49**	**117.20**	**154.04**

H. Reconciliation of tax expense and the Accounting Profit

The Income tax expense for the period can be reconciled to the accounting profit as follows:

	For the year 31 March 2021	For the year 31 March 2020
Profit before income taxes	137.40	140.79
indian statutory income tax rate	25.17%	25.17%
Expected Income Tax Expense	35.00	35.00
Tax effect of losses incurred by entities in the group on which no deferred tax asset is recognised	-	0.19
Taxes effect of differential rate applied to subsidiaries in the group	3.63	-
Tax effect of losses of earlier years set off against profits	-	1.00
Taxes for earlier years	(5.94)	0.12
Tax effect of change in the income tax rate	-	12.20
Others	0.78	(2.32)
Total income tax expense	**33.47**	**46.19**

I. Movement in Deferred tax Assets and Liabilities

Movement during the year ended 31 March 2020	**As at 1 April 2019**	**Credit/(charge) in the Statement of Profit and Loss**	**Credit/(charge) in Other Comprehensive Income**	**As at 31 March 2020**
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(9.22)	3.99	-	(5.23)
Provision for employee benefits	3.91	3.57	0.24	7.72
Provision for doubtful receivables	5.72	3.13	-	8.85
Provision for others	1.60	0.25	-	1.85
Right of use assets (net of lease liability)	1.17	(0.34)	-	0.83
MAT Credit Entitlement	1.81	(1.81)	-	-
Unabsorbed depreciation and business losses	146.17	(43.80)	-	102.37
Others	2.88	(2.07)	-	0.81
Total	**154.04**	**(37.08)**	**0.24**	**117.20**

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Movement during the year ended 31 March 2021	As at 1 April 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2021
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(5.23)	-	-	**(5.23)**
Provision for employee benefits	7.72	(0.86)	(0.20)	**6.66**
Provision for doubtful receivables	8.85	7.86	-	**16.71**
Provision for others	1.85	0.67	-	**2.52**
Right of use assets (net of lease liability)	0.83	0.13	-	**0.96**
Unabsorbed depreciation and business losses	102.37	(37.53)	-	**64.84**
Others	0.81	10.22	-	**11.03**
Total	**117.20**	**(19.51)**	**(0.20)**	**97.49**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

41 Revenue from contract with customers

Disaggregated revenue information

Set out below is the disagreegation of the Company's revenue from contract with customers:

Particulars	**For the year 31 March 2021**	**For the year 31 March 2020**
Income from Sale of products	3,120.68	2,609.19
Income from sale of services	-	13.57
	3,120.68	**2,622.76**
India	2,892.49	2,434.21
Outside India	228.19	188.55
	3,120.68	**2,622.76**
Timing of revenue recognition		
Services transferred over time	-	13.57
Goods transferred at a point of time	3,120.68	2,609.19
Total revenue from contracts with customers	**3,120.68**	**2,622.76**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	3,318.61	2,775.79
Less: Discounts and disallowances	197.93	153.03
Total revenue from contracts with customers	**3,120.68**	**2,622.76**

Contract balances

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 1 April 2019**
Trade receivables	312.48	432.36	261.26
Contract assets	-	-	-
Contract liabilities	-	-	-

42 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeble losses. The Group does not have any unhedged foreign currency exposure as at 31 March 2021.

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43 Impact of COVID-19

In March 2020, The World Health Organisation declared COVID-19 to be a pandemic. The threats posed by the coronavirus outbreak are multifold. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Government of India imposed lockdown from 25 March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of various industries due to non-availability of labour, transportation and supply chain disruptions.

However, the Government classified food business as "Essential Commodity" and granted certain relaxations and guidelines to so that procurement, processing and distribution of food products will not be effected. The Company's procurement, processing and supply chain facilities remain operational during lockdown period, following safety measures as per guidelines issued by government. Thus, the impact of COVID-19 on the company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments and other financial assets considering the available internal and external information upto the date of approval of financial statements and there has been no adjustments. Considering the nature of these assets, the Company expects to recover carrying amount of these assets.

The actual impact of global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements as the business of the company is into essential services. Accordingly, no adjustments have been made to the financial statements.

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44 First time adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2021 and in the preparation of an opening Ind AS balance sheet at 1 April 2019 (transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, profit and loss and cash flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

Deemed Cost : As per para D7AA of Ind AS 101 an entity may elect to:

measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to carry the previous GAAP carrying values as deemed cost for all of the items of property, plant and equipment and capital work-in-progress.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the previous GAAP are listed below:

a) Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.

b) Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

A.2.3 Deemed cost

As per para D7AA of Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

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(All amounts are Rs. in Millions, unless stated otherwise)

B.3 Reconciliation of equity as at 1 April 2019

	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	I	169.85	(1.96)	167.89
Right-of-use assets	II	5.46	150.37	155.83
Financial assets				
Other Financial Assets		12.72	-	12.72
Other non-current assets	I	282.93	(282.87)	0.06
Deferred tax assets (net)	V	60.85	93.19	154.04
Total non-current assets		**531.81**	**(41.27)**	**490.54**
Current assets				
Inventories	I	643.95	9.74	653.69
Financial Assets				
Trade receivables	I & III	332.45	(71.19)	261.26
Cash and Cash Equivalents		102.72	-	102.72
Loans		0.09	-	0.09
Others		3.90	-	3.90
Other current assets		82.55	-	82.55
Total current assets		**1,165.66**	**(61.45)**	**1,104.21**
Total assets		**1,697.47**	**(102.72)**	**1,594.75**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		182.48	-	182.48
Other equity				
Retained earnings	VI	648.71	(258.01)	390.70
Total equity		**831.19**	**(258.01)**	**573.18**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Long-term borrowings	IV	85.66	(0.49)	85.17
Lease liabilities	II	-	119.56	119.56
Long-term provisions		6.94	-	6.94
Total non-current liabilities		**92.60**	**119.07**	**211.67**
Current liabilities				
Financial Liabilities				
Borrowings		293.41	-	293.41
Currrent lease liabilities		-	36.22	36.22
Trade payables		290.03	-	290.03
Other financial liabilities		165.42	-	165.42
Other current liabilities		18.38	-	18.38
Short-term provisions		3.36	-	3.36
Current tax liabilities		3.08	-	3.08
Total current liabilities		**773.68**	**36.22**	**809.90**
Total liabilities		**866.28**	**155.29**	**1,021.57**
Total equity and liabilities		**1,697.47**	**(102.72)**	**1,594.75**

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(All amounts are Rs. in Millions, unless stated otherwise)

B.3 Reconciliation of equity as at 31 March 2020

	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	I	165.81	(1.96)	163.85
Right-of-use assets	II	-	119.19	119.19
Financial assets				
Other Financial Assets		15.89	-	15.89
Other non-current assets	I	262.78	(262.51)	0.27
Deffered tax assets	V	48.28	68.92	117.20
Total non-current assets		**492.76**	**(76.36)**	**416.40**
Current assets				
Inventories	I	651.39	16.83	668.22
Financial Assets				
Trade receivables	I & III	472.05	(39.69)	432.36
Cash and Cash Equivalents		106.99	-	106.99
Loans		0.16	-	0.16
Others		2.37	-	2.37
Other current assets		68.82	-	68.82
Total current assets		**1,301.78**	**(22.86)**	**1,278.92**
Total assets		**1,794.54**	**(99.22)**	**1,695.32**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		182.56	-	182.56
Other equity				
Retained earnings	VI	707.89	(225.31)	482.58
Total equity		**890.45**	**(225.31)**	**665.14**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Long-term borrowings	IV	76.95	(0.67)	76.28
Lease liabilities	II	-	90.82	90.82
Long-term provisions		8.03	-	8.03
Total non-current liabilities		**84.98**	**90.15**	**175.13**
Current liabilities				
Financial Liabilities				
Borrowings		254.63	-	254.63
Current lease liabilities		-	35.94	35.94
Trade payables		351.45	-	351.45
Other financial liabilities		174.18	-	174.18
Other current liabilities		23.77	-	23.77
Short-term provisions		5.69	-	5.69
Current tax liabilities		9.39	-	9.39
Total current liabilities		**819.11**	**35.94**	**855.05**
Total liabilities		**904.09**	**126.09**	**1,030.18**
Total equity and liabilities		**1,794.54**	**(99.22)**	**1,695.32**

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(All amounts are Rs. in Millions, unless stated otherwise)

B.5 Reconciliation of total comprehensive income for the year ended 31 March 2020

	Notes to first-time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
Revenue from operations	I & VII	2,749.37	(126.61)	2,622.76
Other income		41.48	-	41.48
Total income		**2,790.85**	**(126.61)**	**2,664.24**
Expenses				
Cost of materials consumed	I	1,420.65	(25.15)	1,395.50
Purchase of Stock in Trade		221.69	-	221.69
Changes in inventories of finished goods and work-in-progress	I	10.70	18.06	28.76
Employee benefits expense	I & VIII	247.67	77.51	325.18
Finance costs	II & IV	61.84	13.35	75.19
Depreciation and amortisation	I & II	157.33	(94.83)	62.50
Other expenses	I & VII	584.73	(170.10)	414.63
Total expenses		**2,704.61**	**(181.16)**	**2,523.45**
Profit before tax		**86.24**	**54.55**	**140.79**
Tax expense				
Current tax		0.12	-	9.11
Deferred tax (credit)/ charge	V	9.74	24.52	37.08
Total tax expense		**9.86**	**24.52**	**46.19**
Profit / (Loss) for the year		**76.38**	**30.03**	**94.60**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gains/losses on gratuity	VIII	-	(0.58)	(0.58)
Other comprehensive income for the year, net of tax		-	(0.58)	(0.58)
Total comprehensive income for the year		**76.38**	**29.45**	**94.02**

C. Notes to first-time adoption

Note I - Prior period errors

The Company has made certain errors in the adoption on accounting policies, accrual of revenue for miscellaneous expenditure to the extent not written offand timing of cost of sales and measurement of depreciation, employee stock option scheme. During the current year, on transition to Ind AS, the Company has rectified these errors by restating the transition date balance sheet and balance sheet as at 1 April 2019. Refer note VI(a).

Note II - Recognition of Right of use assets

Under the previous GAAP, rental expenditure for operating leases were recognised as expenditure on a straight-line basis over the lease period. During the current year, on transition to Ind AS, the Company has applied the principles of Ind AS 116 and recognised a right of use assets with a corresponding lease liability in the balance sheet by using the modified retrospective method effective from the transition date. Accordingly, the rental expenditure has been reversed and an amortisation charge on Right of use asset and interest on lease liability is recognised in the statement of profit and loss.

Note III - Expected credit loss

Under previous GAAP, the Company measured financial assets at cost. As at the transition date, the Company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101.

Note IV - Effective interest rate

Under previous GAAP, processing fees on loans obtained is charged to the statement of profit and loss in the year in which it is incurred, except if the loan is obtained for the purpose of acquiring a qualifying asset in which case the processing fees is capitalised in the cost of property, plant and equipment. During the current year, on transition to Ind AS, the Company has carried the loans using effective interest rate.

Note V - Deferred tax assets (net)

The Company has recognised deferred tax assets (net) on unabsorbed depreciation and business losses, other temporary difference on account of rectification of prior period erros and on account of adjustments made on transition to Ind AS.

Note VI - Retained earnings

Retained earnings as at 1 April 2019 has been adjusted consequent to below Ind AS transition adjustments.

Ind AS Impact	Note No.	31 March 2020	1 April 2019
Total Equity as per previous GAAP		890.45	831.19
Correction on account of prior period adjustment	(a)	(193.99)	(223.58)
Provision for Expected credit loss	III	(24.42)	(29.50)
Recognition of depreciation on right of use assets, recogntion of interest on lease liability net of rental expenditure	II	(7.57)	(5.41)
Effective interest rate adjustment on borrowings	IV	0.67	0.48
Equity as per Ind AS		**665.14**	**573.18**

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(All amounts are Rs. in Millions, unless stated otherwise)

(a) Prior period adjustment

The Company has made certain errors in the adoption on accounting policies, accrual of revenue for miscellaneous expenditure to the extent not written offand timing of cost of sales and measurement of depreciation, employee stock option scheme. During the current year, on transition to Ind AS, the Company has rectified these errors by restating the transition date balance sheet and balance sheet as at April 1, 2019.

	31 March 2020	1 April 2019
Miscellaneous expenditure to the extent not written off	(262.51)	(282.87)
Timing of recognition of revenue	(15.27)	(41.69)
Timing of recognition of COGS on above revenue	10.71	28.77
Valuation of inventories	6.12	(19.03)
Measurement of depreciation	(1.96)	(1.95)
Deferred tax impact of above changes	68.92	93.19
Total	**(193.99)**	**(223.58)**

Note VII - Discount on revenue contracts

The Company provides various discounts to its customer on revenue contracts. Under previous GAAP, discount (other than trade discounts) were charged to other expenses in the statement of profit and loss. During the current year, on transition to Ind AS, the Company has netted off other discounts from the revenue from operations by applying the principles of Ind AS 115.

Note VIII - Defined benefit obligation

Both under Indian GAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are to be recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Whereas, the Company has recognised all the remeasurements to the Statement of profit and loss and decided to follow the same consistently.

45 Previous year figures have been reclassified/regrouped wherever necessary to correspondend with the current year's classification/disclosures.

In terms of our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan G
Partner
Membership No: 205226

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Place: Hyderabad
Date: September 7, 2021

For and on behalf of the Board of
Sresta Natural Bioproducts Private Limited
CIN: U01122TG2004PTC042837

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Venkatesan Karaiyalan
Chief Financial Officer

Place: Hyderabad
Date: September 7, 2021

Sresta Natural Bioproducts Private Limited Hyderabad

Balasubramaniyan Narayanan
Director
DIN : 03070468

Padmasri Samaleti
Company Secretary