

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sresta Natural Bioproducts Private Limited (formerly known as Sresta Natural Bioproducts Limited)**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sresta Natural Bioproducts Private Limited (formerly known as Sresta Natural Bioproducts Limited)** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.



- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i). The Company does not have any pending litigations which would impact its financial position.
 - ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv). Reporting on Rule 11(e) of Companies (Audit & Auditors) Rules, 2014 :
 - (1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person / entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person / entity, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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(3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.

v). The Company has neither declared nor paid any dividend during the year.

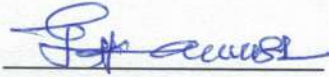
vi). As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors during the year, is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 23205226BGWEBM3253



Place: Hyderabad

Date: September 9, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SRESTA NATURAL BIOPRODUCTS PRIVATE LIMITED (formerly known as SRESTA NATURAL BIOPRODUCTS LIMITED)

Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

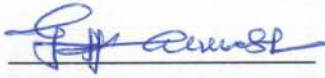
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No.205226

UDIN: 23205226BGWEBM3253



Place: Hyderabad

Date: September 9 ,2023

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SRESTA NATURAL BIOPRODUCTS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2023.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i.

- (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- B. The Company has no intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) of the Order are not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all these assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. Pursuant to above program, certain of these assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company and independent confirmations received from lenders in respect of title deeds pledged with them.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.



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(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks which are not in agreement with the books of account. Details of the same are as below:

Particulars	As per Books				As per Statements Submitted to Bank				Amount in ₹ Millions			
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-22	Sep-22	Dec-22	Mar-23	Jun-22	Sep-22	Dec-22	Mar-23
Inventory	1,048.23	1,020.82	874.42	829.89	1,048.10	1,020.80	874.22	769.04	0.13	0.02	0.20	60.85
Purchases	223.58	75.40	74.28	119.74	223.58	75.40	74.28	119.74	-	-	-	-
Sales	293.09	212.68	219.28	201.84	293.09	212.68	219.28	201.84	-	-	-	-
Debtors	509.07	369.41	416.50	396.51	509.07	369.39	416.53	417.37	-	0.02	(0.03)	(20.86)

Note: Management has provided reasons for the above variances (Refer Note 41).

iii.

(a) According to the information and explanations provided to us, the Company has not made any investments in, provided any security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(i) During the year, the Company has given guarantee to subsidiary's lender :

The details of such guarantees are as follows:

[Amounts in Rs. Million]	
Particulars	Guarantees
Aggregate amount of guarantee given during the year	
- Subsidiary	164.42
Balance Outstanding as at balance sheet date in respect of above cases	118.75
- Subsidiary	

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to guarantees provided are not prejudicial to the interest of the Company.



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- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to income Tax, Goods and Services Tax, Customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.



ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to lender except in the following cases :

Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date (Rs.in Million)	Whether principal or interest	No. of Days delay or unpaid	Remarks, if any
Working capital Loan	Kotak Mahindra Bank	₹ 42.01, ₹ 0.81 & ₹ 1.28	Principal, Interest & Additional Interest	22	Paid on Subsequent to reporting date and before issue of our audit report i.e April 11, 2023.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. Hence, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

x.

- (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.



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- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii.

The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

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

xiv.

- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3 (xv) of the Order are not applicable to the company.



xvi.

- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year amounting to Rs. (237.32) million but has not incurred any cash losses during the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

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



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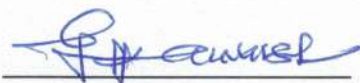
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- xx. The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such a transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-Section (5) of Section 135 of the Act, has not elapsed till the date of our report.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 23205226BGWEBM3253



Place: Hyderabad

Date: September 9, 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SRESTA NATURAL BIOPRODUCTS PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Sresta Natural Bioproducts Private Limited (formerly known as Sresta Natural Bioproducts Limited) on the Standalone Financial Statements for the year ended March 31, 2023]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Sresta Natural Bioproducts Private Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.



Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be 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 adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements.



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Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 23205226BGWEBM3253



Place: Hyderabad

Date: September 9, 2023

Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)
(CIN: U01122TG2004PTC042837)
Standalone Balance Sheet as at March 31, 2023
(All amounts are Rs. in Millions, unless stated otherwise)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	157.58	163.41
Right-of-use assets	4	38.98	61.43
Financial assets			
(i) Investments	5	51.95	51.95
(ii) Other financial assets	7	74.92	57.07
Other non-current assets	8	0.66	0.80
Deferred tax assets (net)	9	96.64	95.58
Total non-current assets		420.73	430.24
Current assets			
Inventories			
Financial assets	10	829.90	925.91
(i) Trade receivables	11	396.09	572.20
(ii) Cash and cash equivalents	12	3.26	8.62
(iii) Loans	6	0.66	0.19
(iv) Other financial assets	7	-	0.05
Other current assets	8	143.09	116.53
Total current assets		1,372.99	1,623.50
Total assets		1,793.72	2,053.74
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital			
Other equity	13	187.49	187.49
Total equity	14	324.35	610.85
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	128.03	124.01
(ii) Lease liabilities	4	28.74	52.01
Provisions	17	12.06	11.19
Total non-current liabilities		168.83	187.21
Current liabilities			
Financial liabilities			
(i) Borrowings	18	613.48	585.63
(ii) Lease liabilities	4	21.11	19.79
(iii) Trade payables	19	18.49	10.07
Total outstanding dues of micro and small enterprises		325.99	361.64
Total outstanding dues of creditors other than micro and small enterprises		104.50	60.39
(iv) Other financial liabilities	16	10.18	7.03
Provisions	17	19.30	23.64
Other liabilities	20		
Total current liabilities		1,113.05	1,068.19
Total liabilities		1,281.88	1,255.40
Total equity and liabilities		1,793.72	2,053.74

See accompanying notes forming part of the Standalone Financial Statements.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W
Anandha Krishnan G
Partner
Membership No: 205226



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

Rajashekar Reddy Seelam
Managing Director
DIN: 00278994

Karthyalan Venkatesan
Chief Financial Officer
PAN: AAWPV3209Q

Place: Hyderabad
Date: September 9, 2023

Balasubramanian Narayanan
Director
DIN: 03070468

Smita Manjal Sahu
Company Secretary
PAN: CVEPS2292B

Place: Hyderabad
Date: September 9, 2023

Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)
(CIN: U01122TG2004PTC042837)
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are Rs. in Millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenues			
Revenue from operations	21	2,410.05	2,573.07
Other income	22	38.91	13.93
Total income		2,448.95	2,587.00
Expenses			
Cost of materials Consumed	23	1,768.66	1,913.61
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	27.71	(121.03)
Employee benefits expense	24	266.87	249.51
Finance costs	26	96.78	71.64
Depreciation and amortisation	27	43.65	41.61
Other expenses	28	531.70	463.59
Total expenses		2,735.36	2,618.93
Profit/(Loss) before tax (PBT)		(286.41)	(31.93)
Tax expenses			
Current tax			
Deferred tax			
Total tax expense		(1.06)	(7.85)
Profit/(Loss) after tax (PAT)		(285.35)	(24.08)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of defined benefit liability		(1.54)	(1.36)
Income-tax relating to these items		0.39	0.34
Total Comprehensive Income for the period		(286.49)	(25.10)
Earnings per share (face value of Rs.10 per share)			
- Basic		(15.22)	(1.31)
- Diluted		(15.22)	(1.31)


See accompanying notes forming part of the Standalone Financial Statements.

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W


Ananthakrishnan G
Partner
Membership No: 205226




For and on behalf of the Board of Directors of


Sresta Natural Bioproducts Private Limited


CIN: U01122TG2004PTC042837


Rajashekar Reddy Seelam
Managing Director
DIN: 00278954


Karaiyalan Venkatesan
Chief Financial Officer
PAN: AAWPV3209Q

Place: Hyderabad
Date: September 9, 2023


Balasubramanian Narayanan
Director
DIN : 03070468


Smita Manja Sahu
Company Secretary
PAN: CVEPS2292B

Place: Hyderabad
Date: September 9, 2023

Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)
(CIN: U01122TG2004PTC042837)

Standalone Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are Rs. in Millions, unless stated otherwise)

A. Equity share capital

	Notes	No. of Shares	Amount
As at 1 April 2020			
Changes in equity share capital	13	1,82,56,380	182.56
As at 1 April 2021		5,000	0.05
Changes in equity share capital	13	1,82,61,380	182.61
As at 31 March 2022		4,87,478	4.88
Changes in equity share capital		1,87,48,858	187.49
As at 31 March 2023			
		1,87,48,858	187.49

B. Other equity

Particulars	Notes	Reserves and surplus			Other comprehensive income	Total
		Securities premium account	Retained earnings	Employee stock options outstanding	Remeasurement of defined benefit obligations	
Balance at 01 April 2021						
Profit / (Loss) for the year		974.97	(353.46)	2.80	(0.84)	623.47
Other comprehensive income		-	(24.08)	-	-	(24.08)
Additions on issue of shares during the year		-	-	-	(1.02)	(1.02)
Employee stock option expenditure for the year		14.82	-	(3.12)	-	11.70
Balance at 31 March 2022		-	-	0.78	-	0.78
Profit / (Loss) for the year		989.79	(377.54)	0.46	(1.86)	610.85
Other comprehensive income		-	(285.35)	-	-	(285.35)
Balance at 31 March 2023		-	-	-	(1.15)	(1.15)
		989.79	(662.89)	0.46	(3.01)	324.35

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

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

S.R. Reddy
Rajashakar Reddy Seelam
Managing Director
DIN: 00276954

Balasubramanian Narayanan
Director
DIN: 03070468

Karalyalan Venkatesan
Chief Financial Officer
PAN: AAWPV3209Q

Manjula
Smita Manjal Gahu
Company Secretary
PAN: CYPES2292B

Place: Hyderabad
Date: September 9, 2023

Place: Hyderabad
Date: September 9, 2023

Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)
(CIN: U01122TG2004PTC042837)

Standalone Statement of Cash Flows for the year ended March 31, 2023

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Loss before tax		
Adjustments for :	(286.41)	(31.93)
Depreciation and amortization expense		
Gain on Termination of Lease	43.65	41.61
Interest expense	(1.37)	-
Interest expense on lease liabilities	78.11	61.48
Profit on sale of fixed assets	10.18	8.81
Employee stock option expense	0.03	-
Provision for doubtful receivables	-	0.78
Interest income	5.44	9.85
Operating profit before working capital changes	(4.13)	(1.86)
	(154.52)	88.74
Adjustments for working capital :		
(Increase) / Decrease in trade receivables		
(Increase) / Decrease in inventories	170.67	25.14
(Increase) / Decrease in loans and other financial assets	96.01	(154.38)
(Increase) / Decrease in other assets	(0.32)	(0.16)
Increase / (Decrease) in trade payables and other financial liabilities	(26.42)	(70.47)
Increase / (Decrease) in provision	16.74	(0.86)
Increase / (Decrease) in other liabilities	2.49	2.14
Cash generated from operations	(4.01)	(1.71)
Income taxes paid, (net of refund)	100.65	(111.56)
Net cash (used in) / inflow from operating activities	A	
	100.65	(111.56)
B. Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(13.47)	(21.10)
Proceeds from sale of Property, Plant and Equipment	(0.03)	-
Deposits placed having original maturity of more than 3 months, net		
Interest received	(17.61)	(21.66)
Net cash used in investing activities	4.14	2.70
	B	
	(26.96)	(40.06)
C. Cash flow from financing activities		
Proceeds from issue of shares		16.58
Proceeds from/(repayment) of long term borrowings (net)	(13.04)	91.59
Payment of lease liabilities	(32.80)	(28.85)
Proceeds from short term borrowings (net)	44.91	98.55
Interest paid	(78.11)	(61.89)
Net cash inflow from / (used in) financing activities	(79.04)	115.98
	C	
Net Increase / (decrease) in cash and cash equivalents	A+B+C	
Cash and cash equivalents at the beginning of the year	(5.36)	(35.64)
Cash and cash equivalents at end of the year	8.62	44.26
	3.26	8.62

In terms of our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

Ananthakrishnan G

Partner

Membership No: 205226



For and on behalf of the Board of Directors of

Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Rajashekar Reddy

Managing Director

DIN: 00278954

Karaiyalan Venk

Chief Financial Officer

PAN: AAWPV3205

Balasubramanian Narayanan

Director

DIN: 03070468

Smita Manjil Sahu

Company Secretary

PAN: CVEPS2292B

Place: Hyderabad

Date: September 9, 2023

Place: Hyderabad

Date: September 9, 2023

1 Corporate Information

Sresta Natural Bioproducts Private Limited ('the Company') is engaged in the business of providing comprehensive range of Organic Foods and related services.

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

The Company was converted into a public limited company under the Companies Act, 2013 on December 13, 2021 and consequently, the name was changed to "Sresta Natural Bioproducts Limited".

Later, the Company received Regional Director Approval for company conversion on July 18, 2023, the new certification of incorporation was received on August 18, 2023 and now the company shall be named as "Sresta Natural Bioproducts Private Limited".

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

The Standalone 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 Standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Standalone 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.

The Company has prepared the first Ind AS Financial Statements in the year March 31, 2021 with transition date of 01 April 2019.

The Standalone financial statements were approved by the Board of Directors and authorised for issue on September 9, 2023

(ii) Functional and presentation currency

These Standalone 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 Standalone 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

(iv) Use of estimates and judgements

The preparation of the financial statements is in conformity with Ind AS requires 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 effected in the financial statements 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 35 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 29 - 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.

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S.R. Reddy

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(v) Measurement of fair values

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

The Company 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

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

The Company 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 36 - Financial Instruments

(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 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
 - it 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.

M. Mayat

S.R. Reddy

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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.

ii) 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 uncertainty 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.

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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.

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 equipment's	15 years
Furniture and fixtures	10 years
Office equipment's	5 years
Electrical equipment's	10 years
Computers	
- Servers and networks	6 years
- End user devices such as laptops, etc.	3 years
Vehicles	8 years

S.R.Reddy

S.R.Reddy

S.R.Reddy

S.R.Reddy



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 including 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.

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 comparison 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.

S.R. Reddy

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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.

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.

S.R. Reddy









I. Leases

Lease contracts entered by the Company majority 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-of-use 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.

S.R. Reddy









(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 Company 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.

(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 Company has opted to apply the provisions of section 115BAA from the Assessment year 2020-21 (year ended March 31, 2020) and accordingly, the Company 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.

During the year, the outstanding options as at April 01, 2022, are forfeited per the terms of ESOP Plan. (refer Note no.33 to the Financial Statements)

S.R. Reddy









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. Investments in subsidiaries

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Q. 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.

R. Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the statement of profit and loss.

S. Recent accounting pronouncements:

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

Ind AS 1-Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

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

Ind AS 12 Income Taxes This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also, there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

S.R. Reddy

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Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)
(CIN: U01122TG2004PTC042837)

Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2023
(All amounts are Rs. in Millions, unless stated otherwise)

3 Property, plant and equipment

3 (a). Description	Land	Buildings	Leasehold Improvement	Plant and Machinery	Electrical Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
Cost as at April 01, 2021	36.46	0.86	26.03	132.10	17.42	18.02	3.45	18.03	4.33	256.70
Additions	-	-	2.37	8.21	2.03	2.42	1.49	4.58	-	21.10
Disposals	-	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2022	36.46	0.86	28.40	140.31	19.45	20.44	4.94	22.61	4.33	277.80
Additions	-	-	-	10.17	0.19	0.48	0.26	2.37	-	13.47
Disposals	-	-	-	-	-	-	-	(0.14)	-	(0.14)
Cost as at March 31, 2023	36.46	0.86	28.40	150.48	19.64	20.92	5.20	24.84	4.33	291.13
Accumulated depreciation as at April 01, 2021	-	-	15.88	45.04	7.69	9.21	2.97	10.90	3.59	95.28
Depreciation for the year	-	0.03	3.47	8.76	1.75	1.83	0.30	2.57	0.40	19.11
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	-	0.03	19.35	53.80	9.44	11.04	3.27	13.47	3.99	114.39
Depreciation for the year	-	0.03	2.72	9.17	1.73	1.59	0.40	3.53	0.13	19.30
Disposals/adjustments	-	-	-	-	-	-	-	(0.14)	-	(0.14)
Accumulated depreciation as at March 31, 2023	-	0.06	22.07	62.97	11.17	12.63	3.67	16.86	4.12	133.55
Net carrying amount as at April 01, 2021	36.46	0.86	10.15	87.06	9.73	8.81	0.48	7.13	0.74	161.42
Net carrying amount as at March 31, 2022	36.46	0.83	9.05	86.51	10.01	9.40	1.67	9.14	0.34	163.41
Net carrying amount as at March 31, 2023	36.46	0.80	6.33	87.51	8.47	8.29	1.53	7.98	0.21	157.58

3 (b). Refer to Note 15 & 18 for information on property, plant and equipment pledged as security by the Company to the lenders.

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

3 (d). Title deeds of Immovable Properties not held in name of the Company:

Description	31 March 2023	31 March 2022
Title deeds held in the name of	Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA	NA
Reason for not being held in the name of the Company	NA	NA

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4 Right of use assets and Lease Liabilities

The Company 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 Company'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 Company has adopted Ind AS-116 for leases.

The Company 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 Company 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 Company'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, 2021	
Additions	73.29
Disposals	43.55
Cost as at March 31, 2022	
Additions	116.84
Disposals	19.56
Cost as at March 31, 2023	(17.52)
	118.88
Accumulated depreciation as at April 01, 2021	
Depreciation for the year	32.91
Disposals	22.50
Accumulated depreciation as at March 31, 2022	
Depreciation for the year	55.41
Disposals	24.49
Accumulated depreciation as at March 31, 2023	-
	79.90
Net carrying amount as at April 01, 2021	
	40.38
Net carrying amount as at March 31, 2022	
	61.43
Net carrying amount as at March 31, 2023	
	38.98

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

	As at 31 March 2023	As at 31 March 2022
Opening balance		
Additions during the year	71.80	48.29
Disposal during the year	19.56	43.55
Accretion of interest	(18.89)	-
Payment of lease liabilities	10.18	8.81
Closing balance	(32.80)	(28.85)
Less: Current Lease liabilities	49.85	71.80
Non Current Lease liabilities	21.11	19.79
	28.74	52.01

(ii) Payments recognised as expenses and income

	For the Year 31 March 2023	For the Year 31 March 2022
Short term leases and low value assets	17.52	13.15
	17.52	13.15

(iii) Contractual maturities of lease liabilities on undiscounted basis

	As at 31 March 2023	As at 31 March 2022
Less than one year	26.28	28.20
One to five years	28.58	66.50
More than five years	-	-
	54.86	94.70

5 Investments (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Investments in Unlisted Equity Instruments		
- Investments in Foreign Subsidiaries		
Fyve Elements LLC *		
100% membership interest	48.29	48.29
Sresta Global FZE		
100% membership interest	3.66	3.66
Sresta America Inc		
Nil (31 March 2021: 200) shares of common stock	-	-
	51.95	51.95
Aggregate Book Value of:		
Quoted Investments	-	-
Unquoted Investments	51.95	51.95
	51.95	51.95

*With effect from July 31, 2021, Sresta America Inc. & Bhumi Foods LLC were merged with Fyve Elements LLC vide Letter of acceptance of Articles of Merger by the Maryland Department of Assessment and Taxation dated July 7, 2021 which was filed by FYVE Elements LLC and also the Certificate of Merger issued by Secretary First State of Delaware dated July 14, 2021 which was filed by Sresta America Inc. Fyve Elements LLC is in the process of issuing shares to the Company pending approval from Reserve Bank of India.

6 Loans (at amortised cost)
(Unsecured considered good)

	As at 31 March 2023	As at 31 March 2022
A. Current		
Loans to employees	0.66	0.19
	0.66	0.19

* The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

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

	As at 31 March 2023	As at 31 March 2022
A. Non-current		
Security deposit		
In deposit accounts with maturity more than 12 months*	11.15	10.91
	63.77	46.16
	74.92	57.07

* earmarked fixed deposits placed as security margin against borrowings and bank guarantees obtained by the Company.

	As at 31 March 2023	As at 31 March 2022
B. Current		
Interest accrued on bank deposits	-	0.05
	-	0.05

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8 Other assets

(Unsecured, Considered good)

	As at 31 March 2023	As at 31 March 2022
A. Non-current		
Loans to employees	0.24	0.42
Capital advances	0.42	0.38
	0.66	0.80

	As at 31 March 2023	As at 31 March 2022
B. Current		
Prepaid expenses	2.54	1.27
Advance recoverable in cash or in kind	68.51	60.14
Balances with government authorities	72.04	55.12
	143.09	116.53

9 Deferred tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Depreciation/amortisation of Property, plant and equipment	(4.67)	(4.85)
Provision for employee benefits	8.00	6.93
Provision for doubtful receivables	20.56	19.19
Provision for others	4.73	2.52
Right of use assets (net of lease liability)	2.74	2.61
Unabsorbed depreciation and business losses	65.28	69.18
	96.64	95.58

10 Inventories

(Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials	243.80	314.85
Finished goods	475.99	509.73
Stock in transit - finished goods	49.42	43.38
Packing material	60.69	57.95
	829.90	925.91

11 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Trade receivables		
Unsecured Trade receivables - Considered good	396.09	572.20
Trade receivables - Credit impaired	81.68	76.24
Total receivables	477.77	648.44
Less: Expected credit loss for trade receivables	(81.68)	(76.24)
Net trade receivables	396.09	572.20

No trade or other receivable are due from directors or other officers of the Company.

Trade receivable from related parties refer note 30

Trade receivables due from private companies in which any director is a director or a member, refer note 30.

Trade receivables are non-interest bearing and generally on terms varying between 30 to 90 days.

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Trade Receivables ageing schedule:
As at 31 March 2023

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	360.72	26.38	3.95	1.20	3.84	396.09
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	17.92	14.87	21.51	6.51	20.88	81.69
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	378.64	41.25	25.46	7.71	24.72	477.78

As at 31 March 2022

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	517.09	53.93	1.18	-	-	572.20
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	19.75	19.44	0.05	5.40	31.60	76.24
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	536.84	73.37	1.23	5.40	31.60	648.44

12 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
(a) Cash and cash equivalents		
Cash on hand	0.19	0.35
Balances with banks		
- in current accounts	3.07	8.27
Total	3.26	8.62

S.R. Reddy   



13 Share capital

Authorized share capital

	As at 31 March 2023	As at 31 March 2022
22,000,000 equity shares of Rs. 10/- each	220.00	220.00
4,200,000 Preference shares of Rs. 10/- each	42.00	42.00
Issued, subscribed and paid-up		
18,748,858 (31 March 2022: 18,261,380)		
equity shares of Rs. 10/- each	187.49	187.49
	187.49	187.49

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year :

Particulars	31 March 2023		31 March 2022	
	Number of Shares	Amount in ₹ Million	Number of Shares	Amount in ₹ Million
Balance at the beginning of the reporting year	1,87,48,858	187.49	1,82,61,380	182.61
Shares issued during the year- Rights issue	-	-	3,65,478	3.65
Shares issued during the year- Employee Stock Option	-	-	1,22,000	1.22
Shares outstanding at the end of the year	1,87,48,858	187.49	1,87,48,858	187.49

ii) 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 shareholder is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

iii) Shares held by shareholders holding more than 5% in the Company

Name of the shareholder	31 March 2023		31 March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Rajashekar Reddy Seelam	34,12,000	18%	34,12,000	18%
Ventureast Trustee Company Pvt Ltd	48,60,762	26%	48,60,762	26%
Ventureast Life Fund III LLC	22,75,001	12%	22,75,001	12%
Peepul Capital Fund III LLC	65,83,125	35%	65,83,125	35%
Total	1,71,30,888	91%	1,71,30,888	91%

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.

iv) Shareholding of promoters

Particulars	31 March 2023			31 March 2022		
	Number of shares	% Holding	% of change	Number of shares	% Holding	% of change
Rajasekhar Reddy Seelam	34,12,000	18.20%	0.00%	34,12,000	18.20%	1.19%
Renuka Seelam	6,57,970	3.51%	0.00%	6,57,970	3.51%	0.23%
	40,69,970	21.71%	0.00%	40,69,970	21.71%	1.42%

(v) i) For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer Note 33.

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.

S.R. Reddy



14 Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium account (refer note i)	989.79	989.79
Retained earnings (refer note ii)	(662.89)	(377.54)
Other comprehensive income (refer note iii)	(3.01)	(1.86)
Employee stock options outstanding (refer note iv)	0.46	0.46
Total other equity	324.35	610.85

i) Securities premium account

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	989.79	974.97
Add: Additions during the year	-	14.82
Balance at the end of the year	989.79	989.79

ii) Retained earnings

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	(377.54)	(353.46)
Add: loss for the year	(285.35)	(24.08)
Balance at the end of the year	(662.89)	(377.54)

iii) Other comprehensive income (OCI)

Other items of OCI

	As at 31 March 2023	As at 31 March 2022
Remeasurement of defined benefit obligations (liability net of tax)		
Balance at the beginning of the year	(1.86)	(0.84)
Add: Changes during the year	(1.15)	(1.02)
Balance at the end of the year	(3.01)	(1.86)

iv) Employee stock options outstanding

	As at 31 March 2023	As at 31 March 2022
Balance at the commencement of the year	0.46	2.80
Add : Share option expense for the year	-	0.78
Less: Shares issued during the year	-	(3.12)
Balance as at the end of the year	0.46	0.46

Note:

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.

S.R.Reddy







15 Borrowings (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans		
- from Banks (refer note (i)(a) & (i)(b))		
Working Capital loans	78.83	93.29
- from Financial Institutions (refer note (ii)(a) & (ii)(b))	94.20	96.11
- from others (refer note (iv))	6.63	3.30
	179.66	192.70
Unsecured		
- from Others (refer note (iii))	40.00	40.00
Less: Current Maturities of Long term borrowings *	(91.63)	(108.69)
Notes:	128.03	124.01

*Refer current maturities of long term borrowings under note 18

Security and other details for Long-term loans:

- (i)(a) ECLGS Term loan - from Bank amounting to Rs. 23.83 Mn (March 31, 2022: 38.29 Mn) carries interest rate of 8.25% which is repayable in 48 equated monthly instalments. The loan is secured on paripassu basis as given below:
- First paripassu charge and mortgage on Immovable Property being Industrial Property Land (18 acres- 27 guntas) situated at Elikatta village, Admfarooq nagar.
 - First charge on immovable property belonging to Mr. Rajashekar Reddy Seelam being open land situated at Kondapur village, Serilingampally.
 - First charge on the Stocks including Stock for export, debtors including Export debtors and Fixed deposits.
 - Charge on Fixed deposits of Rs. 17.2 Mn.
 - Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing Director Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited).

- (i)(b) Working capital loan (ECLGS) from Bank amounting to Rs. 55 Mn (March 31, 2022: Rs.55 Mn) carries interest rate of Repo rate + 4.25% which is repayable in 36 equated monthly instalments with 2 years of Moratorium from date of disbursement. The loan is secured on paripassu basis along with above Term loan from the Bank.

- (ii)(a) Working capital loans from financial institutions amounting to Rs.54.20 Mn (March 31, 2022: Rs.96.11 Mn) carries interest at 13.75% to 14.5% and is repayable in 36 to 48 equated monthly instalments. During the year 2020-21, the Company has obtained 12 months moratorium under MSME Scheme. The loan is secured on paripassu basis as given below:

- Second charge on all current assets of the Borrower, so as to provide a security cover of at least 1.20 to 1.25 times on the outstanding Credit Facility.
- Personal Guarantee by Mr. Rajashekar Reddy Seelam -Managing Director of Sresta Natural Bioproducts Private Limited (formally known as Sresta Natural Bioproducts Limited).

- (ii)(b) Working capital loans from financial institutions amounting to Rs. 40.00 Mn (March 31, 2022: Rs.Nil) carries interest at 15.15% and is repayable in 24 equated monthly instalments. The loan is secured on paripassu basis along with above loan with the Financial Institution.

- iii) Unsecured Loan from others amounting to Rs. 40.00 Mn (March 31, 2022: 40 Mn) carries interest at 15% P.a and is repayable after 3 years from the date of disbursement.

- iv) Secured loan from others amounting to Rs. 6.63 Mn (March 31, 2022 Rs. 3.30 Mn) : Interest free promotion scheme assistance/loan from Spices Board India and is repayable in four equal annual instalments, commencing from the fourth year and ending in the seventh year from the date of receipt of 1st disbursement of loans and loan is secured against bank guarantee.

S.R.Reddy









16 Other financial liabilities (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Current		
Employee benefits payable		
Expenses payable to employees	25.61	12.03
Other expenses payable	6.16	-
	72.73	48.36
	104.50	60.39

17 Provisions

	As at 31 March 2023	As at 31 March 2022
Provisions for employee benefits - Non Current		
Provision for gratuity (refer note 35)	12.06	11.19
Provisions for employee benefits - Current		
Provision for gratuity (refer note 35)	10.18	7.03
	22.24	18.22

18 Short-term borrowings

	As at 31 March 2023	As at 31 March 2022
Secured		
Working Capital Loan		
- from banks (refer note (a) & (b))	491.85	446.94
Unsecured		
- from others (refer note (c))	30.00	30.00
	521.85	476.94
Current maturities of long term borrowings	91.63	108.69
	613.48	585.63

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 Bank being Cash Credit Facility amounting to Rs.237.99 million (March 31, 2022: Rs. 318.00 million) carrying a rate of interest of 8.45% p.a. and Export Packing Credit Facility amounting to Rs. 208.02 million (March 31, 2022: Rs. 128.94 million) carrying interest rate of LIBOR+2.5% which are secured on paripassu basis as given below:

- First paripassu charge and mortgage on Immovable Property being Industrial Property Land (18 acres- 27 guntas) situated at Elikatta village, Admfarooq nagar.
- First charge on immovable property belonging to Mr. Rajashekar Reddy Seelam being Open Land situated at kondapur village, serilingampally.
- First charge on the Stocks including Stock for export, Debtors including Export debtors and Fixed deposits.
- 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 (formerly known as Sresta Natural Bioproducts Limited).

b) Agricultural Produce Loan

- Secured loan from banks amounting to Rs. 45.84 million (March 31, 2022: Rs. Nil) being Line of credit for short term loan against agricultural commodities stored in an approved warehouses carrying interest rate of 9.4% to 10.5% which is secured by way of:
 - Pledge of Stock in the designated warehouses.
 - Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing director, Mr. Balasubramanian Narayanan CEO.

c) Unsecured loan from Others:

- from Pravesa Holding Private Limited carrying an Interest rate of 15% p.a to meet working capital requirement. Repayable on demand of 60 days.

S.R.Reddy   



19 Trade payables (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Trade payables		
- Total outstanding dues of micro and small enterprises (refer note 34)	18.49	10.07
- Total outstanding dues of creditors other than micro and small enterprises	325.99	361.64
	344.48	371.71

The above includes payable to related party. For details refer note no 30.

Trade payables are non-interest bearing and are normally settled in 30-90 days terms.

Trade payables ageing schedule

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	18.49	-	-	-	18.49
(ii) Others	305.28	-	12.85	7.86	325.99
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-
Total	323.77	-	12.85	7.86	344.48

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	10.07	-	-	-	10.07
(ii) Others	352.75	3.79	3.09	1.74	361.37
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	0.27	0.27
(v) Unbilled dues	-	-	-	-	-
Total	362.82	3.79	3.09	2.01	371.71

20 Other liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Advance received from customers	8.47	11.70
Deposits received	0.20	0.20
Statutory dues payable	10.63	11.74
	19.30	23.64

S.R. Reddy   



	Year ended 31 March 2023	Year ended 31 March 2022
21 Revenue from operations		
A Income from Sale of Products		
Domestic	1,699.75	1805.50
Export	709.97	766.02
Total	2,409.72	2,571.52
B Other operating revenue		
Income from services	0.33	1.55
Total	0.33	1.55
Total revenue from operations	2,410.05	2,573.07
22 Other income	Year ended 31 March 2023	Year ended 31 March 2022
Interest on deposits	4.13	1.86
Duty drawback claim	13.84	0.79
Foreign exchange fluctuation gains	11.35	10.99
Miscellaneous income	9.56	0.29
Profit on sale of fixed assets	0.03	-
Total	38.91	13.93
23 Cost of Materials consumed	Year ended 31 March 2023	Year ended 31 March 2022
Opening Stock	330.64	315.97
Add: Purchase during the year	1,491.94	1,713.28
Less: Closing stock	(271.68)	(330.64)
Material consumed during the year	1,550.90	1,698.61
Other direct costs	217.76	215.00
	1,768.66	1,913.61
24 Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Opening Stock of Finished Goods	553.11	432.08
Less: Closing Stock of Finished Goods	525.40	553.11
Increase / (decrease) in inventory	27.71	(121.03)
25 Employee benefits expense	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	246.94	230.29
Contribution to provident and other funds	13.26	12.22
Gratuity expenses	4.29	3.49
Employee stock option plan (refer note 33)	-	0.77
Staff welfare expenses	2.38	2.74
	266.87	249.51

S.R.Reddy









	Year ended 31 March 2023	Year ended 31 March 2022
26 Finance costs		
Interest expense on loans		
- term and working capital loans	78.11	61.48
- lease liabilities	10.18	8.81
Bank and processing charges	8.46	0.66
Bank commission	0.03	0.69
	96.78	71.64
27 Depreciation and amortisation expense	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of tangible assets	19.16	19.11
Amortization of right-to-use assets	24.49	22.50
	43.65	41.61
28 Other expenses	Year ended 31 March 2023	Year ended 31 March 2022
Certification fee	14.80	10.00
Rental expense	17.52	13.15
Advertisement charges	60.40	50.32
Provision for doubtful debts	5.44	9.85
Business promotion expenses	113.14	63.58
C & F charges and secondary freight	153.23	152.28
Freight, forwarding & clearing - exports	36.62	48.51
Legal and professional charges*	17.35	22.22
Rates and taxes	29.55	33.65
Travel expenses - domestic	29.49	18.66
Courier and postage charges	0.89	1.28
Insurance	6.06	6.40
Communication	1.53	1.69
Printing and stationery	0.57	0.65
Plant and machinery	6.79	4.45
Others	9.89	8.80
Security Charges	6.34	3.42
Testing charges	7.53	9.28
Expenditure on Corporate Social Responsibility [Refer Note (ii) below]	0.85	0.95
Director's Sitting fee & Commission	2.00	0.88
Miscellaneous Expenses	11.71	3.57
	531.70	463.59

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

S.R. Reddy   



	Year ended 31 March 2023	Year ended 31 March 2022
(i) Payments to auditors		
As auditor		
- Statutory audit	3.55	3.55
In other capacity		
- Other matters	0.08	1.00
Out of pocket expenses	0.20	0.43
	3.83	4.98
ii) Details of Corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Company during the period	0.85	0.95
(ii) Amount approved by the Board to be spent during the period	0.85	0.95
(iii) Amount spent during the period (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	-	-
(iv) (Shortfall) / Excess at the end of the period/year	0.85	0.95
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions	-	-
(vii) Where a provision is made with respect to a liability incurred by entering into	-	-
Opening provision	0.95	-
Addition during the period/year	0.85	0.95
Utilisation	0.95	-
Closing provision	0.85	0.95
(viii) Reason for shortfall:		

The Company is in the process of identifying prospective project as per schedule VII of the Companies Act, 2013

S.R. Reddy



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29 Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
A. Bank Guarantee		
Guarantee given to Agricultural Produce Market Committee	1.70	1.30
Guarantee given to Agricultural and Processed Food	0.20	0.60
Guarantee given to Spices Board, Sugandha Bhawan	7.29	3.63
Guarantee given to General Manager, Canteen Store Department	34.52	19.31
B. Corporate guarantees given on behalf of wholly owned subsidiary by the Company	118.75	-

(a) 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 Income Tax Act, proposing for transfer pricing and other adjustments resulting in reduction of the brought forward losses, for AY 2017-18. The Company has filed its objections against the Draft Assessment Order and the assessment is yet to be completed.

30 Related party disclosures

(a) Names of related parties and related party relationship

Name of the Related Party	Nature of Relationship
Fyve Elements LLC	Wholly owned subsidiary
Sresta Global FZE, UAE	Wholly owned subsidiary
Sresta America Inc, USA	Wholly owned subsidiary [upto 31-July-2021]*
Bhumi Foods LLC	Step-down subsidiary (Wholly owned subsidiary of Sresta America Inc.) [upto 31-July-2021]*
Hita Life Ventures Private Limited	One Person Company (OPC) Owned by director
Hita Farms LLP	LLP In which director is partner
Key Managerial Personnel	
Rajashekar Reddy Seelam	Managing Director
N.Balasubramanian	Chief Executive Officer
K.Venkatesan	Chief Financial Officer
Smita Manjal Sahu	Company Secretary [from 7 May 2022]
S.Padmasri	Company Secretary [upto 6 May 2022]
Independent & Other Directors	
Pradeep Narendra Poddar	Independent Director
Padma Parthasarathy	Independent Director
Ramesh Alur	Nominee Director
Pranav Kumar Suresh	Nominee Director
Renuka Seelam	Relative of key managerial personnel

* With effect from 31 July 2021, the wholly owned subsidiary "Sresta America Inc" (along with Step-down subsidiary "Bhumi Foods LLC") is merged with Fyve Elements LLC. (refer note 5)

(b) Transactions with related parties

Particulars	for the year ended 31 March 2023	for the year ended 31 March 2022
Fyve Elements LLC		
Sale of goods		
Corporate Guarantee given	558.21	536.55
Corporate Guarantee fair value adjustment	164.42	-
	0.82	-
Bhumi Foods LLC		
Sale of goods		26.12
Hita Life Ventures Private Limited		
Sale of goods		
Purchase of goods	33.13	39.53
Business promotion expenses (Display Charges)	0.03	0.76
Sub-lease rental Income	4.47	5.52
	0.04	0.04
Hita Farms LLP		
Sale of goods	3.83	3.46
Purchase of goods	1.11	1.53
Renuka Seelam		
Office Rent		
Reimbursement Expenses	0.44	0.31
	0.55	-
Key management person		
Remuneration		
	34.88	40.56
Directors' Sitting Fee & Commission		
	2.00	0.88
Issue of Shares (Rights Issues & exercise of ESOPs)		
KMPs / Relative of Director		15.90



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

	As at 31 March 2023	As at 31 March 2022
Fyve Elements LLC		
Trade receivables		
Trade payables	205.41	316.28
Corporate Guarantee Given (refer Note no .29)	(5.73)	(5.27)
Corporate Guarantee fair value adjustment	118.75	
	0.82	-
Sresta Global FZE, UAE		
Trade payables	(1.98)	(3.32)
Hita Life Ventures Private Limited		
Trade receivable	36.52	32.33
Other receivables	0.04	0.04
Hita Farms LLP		
Trade receivable		
Trade payable	3.57	2.30
	-	(0.69)
Renuka Seelam		
Other Payables	(0.03)	(0.03)
Personal guarantee provided by Rajashekar Reddy Seelam		
	645.86	636.94

31 Earnings per share (EPS)

	for the year ended 31 March 2023	for the year ended 31 March 2022
Earnings		
Net (Loss) for the year attributable to equity shareholders (A)	(285.35)	(24.08)
Shares		
Number of Shares outstanding at the beginning of the year	1,87,48,858	1,82,61,380
Add : Shares Issued during the year	-	4,87,478
Number of Shares outstanding at the end of the year	1,87,48,858	1,87,48,858
Weighted Average Number of Equity Shares		
For calculating Basic EPS (B)	1,87,48,858	1,84,22,571
Effect of dilution:		
- On account of outstanding employee share based options	-	33,000
For calculating Diluted EPS (C)	1,87,48,858	1,84,55,571
Earnings Per Share		
(Face Value Rs. 10 per share)		
Basic (Rs.)	(15.22)	(1.31)
Diluted (Rs.)	(15.22)	(1.31)

S.R.Reddy



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32 Segment Reporting

- a) An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating 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.
- b) The Chief Operating Decision Maker ("CODM") which is Board of Directors evaluates the Company's performance and allocates resources based on the analysis of various performance indicators by geographical reportable segments. The entity has identified two geographical reportable segments of its business:
- 1). Domestic
 - 2). Exports
- c) The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108 Operating segments, the Company has also disclosed the Geographical segment information in the consolidated financial statements.
- d) Summary of the Segment Information is as follows:

For the FY 2022-23

Particulars	Domestic	Export	Total
Segment Revenue			
Sales	1,699.75	709.97	2,409.72
Services Income	0.33	-	0.33
Total Revenue	1,700.08	709.97	2,410.05
Sytem COGS for the Segment	1,403.35	393.01	1,796.36
Segment Result	296.73	316.96	613.69
Add: Other Income	27.56	11.35	38.91
Less: Unallocated Expenses			938.99
Profit Before Tax	324.29	328.32	(286.39)
Tax Expense			(1.06)
Net Profit	324.29	328.32	(285.33)

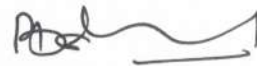
For the FY 2021-22

Particulars	Domestic	Export	Total
Segment Revenue			
Sales	1,805.50	766.02	2,571.52
Services Income	1.55	-	1.55
Total Revenue	1,807.05	766.02	2,573.07
System COGS for the Segment	1,355.97	436.61	1,792.58
Segment Result	451.08	329.41	780.49
Add: Other Income	2.94	10.99	13.93
Less: Unallocated Expenses			826.35
Profit Before Tax	454.02	340.40	(31.93)
Tax Expense			(7.85)
Net Profit	454.02	340.40	(24.08)

S.R.Reddy









33 Share Based Payments

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. Nil (March 31, 2022 : 0.77).

During the year, the outstanding options as at April 01, 2022, were forfeited as per the terms of ESOP Plan.

(A) Details of options granted under ESOP 2008 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	-	10.00	23.83
FY 2019-20 commitments (2 years graded vesting)	09-Dec-19	25,000	-	10.00	36.05
FY 2020-21 commitments (1 year vesting)	27-Aug-20	30,000	-	10.00	54.39
		1,55,000	-		

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

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	33,000	1,55,000
Granted during the year	-	-
Vested/exercisable during the year	-	-
Forfeited during the year	-	-
Exercised during the year	33,000	-
Balance at the end of the year	-	(1,22,000)
	-	33,000

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

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average exercise price for outstanding options at year/period end (in INR)	NA	10.00
Weighted average remaining contractual life for outstanding options at period end	NA	-
Range of exercise prices for outstanding options at year / period end (in INR)	NA	10.00

34 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 reporting date has been made in the standalone financial statements based on information received and available with the Company. 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.

	for the year ended 31 March 2023	for the year ended 31 March 2022
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	18.49	10.07
- 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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MSKA & ASSOCIATES

Hyderabad

Chartered Accountants



35. Employee benefits

a) Defined Contribution Plan

Provident Fund:

Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

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. 13.26 million (March 31, 2022: Rs.12.22 million) has been included in Note 25 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 4.28 million (March 31, 2022 : Rs.3.49 million) has been included in Note 25 under Contribution to Provident and Other Funds.

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

Particulars	As at 31 March 2023	As at 31 March 2022
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year		
Current Service Cost	18.22	14.71
Past Service Cost	3.00	2.52
Interest Cost	-	-
Actuarial (Gain)/Loss on Obligation- Due to Change in Demographic Assumptions	1.29	0.97
Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	0.19	0.49
Actuarial (Gain) / Loss on Obligation- Due to Experience	0.87	(0.15)
Benefits Paid	0.09	1.03
Present value of the obligation at the end of the year	(1.42)	(1.35)
	22.24	18.22
ii) Change in Plan Assets		
Contributions by the Employer		
Benefits Paid	1.42	1.35
Fair value of Plan Assets at the end of the year	(1.42)	(1.35)
	-	-
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	22.24	18.22
Fair value of Plan Assets at the end of the year	-	-
Funded status - Deficit	-	-
Net Liability recognised in the Balance Sheet	22.24	18.22
	22.24	18.22
iv) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost		
Interest Cost on Obligation	3.00	2.52
Net Cost Included in Personnel Expenses	1.28	0.97
	4.28	3.49
Particulars	As at 31 March 2023	As at 31 March 2022
v) Recognised in other comprehensive income for the year		
Actuarial (Gain) / Loss on Obligation	2.91	2.25
Return on plan assets excluding interest income	-	-
Recognised in other comprehensive income	2.91	2.25
vi) Weighted average duration of Present Benefit Obligation	2.91	2.75
vii) Major categories of Plan Assets as a % of total Plan Assets	NA	NA
viii) Actuarial Assumptions		
i) Discount Rate	7.50%	7.34%
ii) Salary Escalation Rate	10.00%	8.00%

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

Particulars	As at 31 March 2023	As at 31 March 2022
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	10.41	8.06
2nd Following Year	3.45	4.10
3rd Following Year	3.28	2.32
4th Following Year	2.30	2.03
5th Following Year	1.99	1.40
Sum of Years 6 To 10	1.49	3.09

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.

Particulars	31-03-2023		31-03-2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% Movement)	21.80	22.71	17.89	18.58
Withdrawal Rates (1% Movement)	22.17	22.32	18.17	18.27
Salary Escalation (1% Movement)	22.73	21.77	18.63	17.83

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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36 Financial instruments

A. Financial instruments by category	Note No.	As at 31 March 2023		As at 31 March 2022	
		Fair value level	Amortized Cost	Fair value level	Amortized Cost
Financial assets					
Non current					
(i) Investments	5	-	51.95	-	51.95
(ii) Other financial assets	7	-	74.92	-	57.07
Current					
(i) Trade receivables	11	-	396.09	-	572.20
(ii) Cash and cash equivalents	12	-	3.26	-	8.62
(iii) Loans		-	0.66	-	0.19
(iv) Other financial assets	7	-	-	-	0.05
Total financial assets		-	526.87	-	690.08
Financial liabilities					
Non current					
(i) Borrowings	15	-	128.03	-	124.01
(ii) Lease liabilities	4	-	28.74	-	52.01
Current					
(i) Borrowings	18	-	613.48	-	585.63
(ii) Current lease liabilities	4	-	21.11	-	19.79
(iii) Trade payables	19	-	344.48	-	371.71
(iv) Other financial liabilities	16	-	104.50	-	60.39
Total financial liabilities			1,240.34	-	1,213.54

Note: The Company 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 analyse 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.

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S.R.Reddy

Manager

Manager



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.

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. 81.68 Mn (March 31, 2022 : Rs.76.24 Mn). 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 2023	As at 31 March 2022
Opening balance	76.24	66.39
Credit loss added / (reversed)	5.44	15.44
Written off during the year	-	(5.59)
Closing balance	81.68	76.24

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.

if. 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 2023

As at 31 March 2023	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	128.03	-	128.03	-	128.03
Lease liabilities	49.85	21.11	28.74	-	49.85
Short-term borrowings	613.48	613.48	-	-	613.48
Trade payables	344.49	344.49	-	-	344.49
Other financial liabilities	104.50	104.50	-	-	104.50
Total	1,240.35	1,083.58	156.77	-	1,240.35

As at 31 March 2022	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	124.01	-	124.01	-	124.01
Lease liabilities	71.80	19.79	52.01	-	71.80
Short-term borrowings	585.63	585.63	-	-	585.63
Trade payables	371.71	371.71	-	-	371.71
Other financial liabilities	60.39	60.39	-	-	60.39
Total	1,213.54	1,037.52	176.02	-	1,213.54

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.

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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

	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	570.68	538.87
Fixed rate borrowings	170.84	170.78

(ii) Sensitivity

Particulars	Impact on profit and loss For the Year 31 March 2023	Impact on profit and loss For the year 31 March 2022
Sensitivity		
1% increase in MCLR	(5.71)	(5.39)
1% decrease in MCLR	5.71	5.39

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 fluctuations in exchange rates in those countries. The risks primarily relate to fluctuation in US Dollar against the fluctuational currency of the Company.




Particulars	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Value in INR	Foreign currency	Value in INR
Trade Receivable	USD 32,53,997	267.51	USD 50,35,130	381.70
Trade Receivable	GBP 2,956	0.30	GBP 2,956	0.29
Trade Receivable	AED 23,302	0.55	AED 15,685	0.32
Trade Receivable (advance from customers)	EURO (2,02,132)	(17.81)	EURO (16,710)	(1.41)
Trade Receivable (advance from customers)	-	-	SGD (367)	(0.02)
Trade Receivable (advance from customers)	USD (1,02,166)	(8.40)	-	-
Cash and bank balances	USD 403	0.03	USD 1285	0.10
Cash and bank balances	EURO 400	0.04	-	-
Financial Liabilities				
Packing credit	USD 25,30,335	208.02	USD 17,00,958	128.94
Trade payables	USD 48,078	3.95	USD 48,078	3.64
Net Exposure in financial assets		30.24		248.40

37 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 year was as follows:

	As at 31 March 2023	As at 31 March 2022
Total liabilities	1,281.88	1,255.40
Less: Cash and cash equivalents	3.26	8.62
Adjusted net debt	1,278.62	1,246.78
Total equity	511.84	798.34
Adjusted net debt to adjusted equity ratio	2.50	1.56

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38 Income Taxes

Components of Income Tax Expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax expense recognised in the Statement of Profit and Loss		
A. Current Tax		
Current period	-	-
Total	-	-
B. Deferred Tax		
Origination and reversal of temporary differences	(1.06)	(7.85)
Total	(1.06)	(7.85)
C. Tax on Other Comprehensive Income		
Deferred tax		
Origination and reversal of temporary differences - OCI	0.39	0.34
Total	0.39	0.34

Current tax assets / liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
D. Advance tax (net of provision for tax)	1.98	1.43
E. Provision for tax (net of advance payment of taxes)	-	-
Total	1.98	1.43

Deferred tax assets / liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
F. Deferred tax asset	96.64	95.58
G. Deferred tax liability	-	-
Deferred tax asset (net)	96.64	95.58

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:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income taxes	(286.41)	(31.93)
Indian statutory income tax rate	25.17%	25.17%
Expected Income Tax Expense	(72.08)	(8.04)
Tax effect of change in the income tax rate	-	-
Tax effect of Income not charged to tax due to adjustment against losses of earlier years	-	-
Others	70.63	(0.15)
Total income tax expense	(1.45)	(8.19)

I. Movement in Deferred tax Assets and Liabilities

Movement during the year ended March 31, 2023	As at 1 April 2022	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2023
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(4.85)	0.18	-	(4.67)
Provision for employee benefits	6.93	0.68	0.39	8.00
Provision for doubtful receivables	19.19	1.37	-	20.56
Provision for others	2.52	2.21	-	4.73
Right of use assets (net of lease liability)	2.61	0.13	-	2.74
Unabsorbed depreciation and business losses	69.18	(52.35)	-	16.83
Others	-	48.45	-	48.45
Total	95.58	0.67	0.39	96.64

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Movement during the period ended March 31, 2022	As at 1 April 2021	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2022
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(5.23)	0.38	-	(4.85)
Provision for employee benefits	6.66	(0.07)	0.34	6.93
Provision for doubtful receivables	16.71	2.48	-	19.19
Provision for others	2.52	-	-	2.52
Right of use assets (net of lease liability)	0.96	1.65	-	2.61
Unabsorbed depreciation and business losses	64.84	4.34	-	69.18
Others	11.03	(8.49)	-	-
Total	97.49	0.29	0.34	95.58

The Company 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.

39 Revenue from contract with customers

Disaggregated revenue information

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income from Sale of products	2,409.72	2,571.52
Income from sale of services	0.33	1.55
Total	2,410.05	2,573.07
India	1,699.75	1,805.50
Outside India	709.97	766.02
Timing of revenue recognition		
Services transferred over time	0.33	1.55
Goods transferred at a point of time	2,409.72	2,571.52
Total revenue from contracts with customers	2,410.05	2,573.07
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	2,689.12	2,765.01
Less: Discounts and disallowances	279.40	193.49
Total revenue from contracts with customers	2,409.72	2,571.52
Contract balances		
Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	396.09	572.20
Contract assets	-	-
Contract liabilities	-	-

40 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2023.

S.R. Reddy









41 Quarterly Stock statements are filed with Banks which are not in agreement with the books of accounts. Details of the same are as below:

Particulars for the Period	As per Books			
	June'2022	Sep'2022	Dec'2022	Mar'2023
Inventory	1,048.23	1,020.82	874.42	829.89
Purchases	223.58	75.40	74.28	119.74
Sales	293.09	212.68	219.28	201.84
Debtors	509.07	369.41	416.50	396.51

Particulars for the Period	As per Statements Submitted to Bank			
	June'2022	Sep'2022	Dec'2022	Mar'2023
Inventory	1,048.10	1,020.80	874.22	769.04
Purchases	223.58	75.40	74.28	119.74
Sales	293.09	212.68	219.28	201.84
Debtors	509.07	369.39	416.53	417.37

Particulars for the Period	Variances			Reasons for Material Variances
	June'2022	Sep'2022	Dec'2022	
Inventory	0.13	0.02	0.20	60.85
Purchases	-	-	-	-
Sales	-	-	-	-
Debtors	-	0.02	(0.03)	(20.86)

*However, the Company has filed revised statements with the banks subsequently.

1. Inventory : Difference is on account of timing differences of posting goods inward pertaining to year end adjustment.
2. Revenue cut-off adjustment entries are effected in the financials as the company has adopted Ind AS accordingly ,timing revenue cut -off adjustments will have impact on inventory adjustment.
3. All those national adjustment entries are resulting into deviation of stock .
4. Debtors difference is mainly on account of entries passed for consumer offer ,additional margin ,display expenses of all trade channels pertaining to FY 22-23 resulting into deviation in Trade receivable in the Financials.

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Sresta Natural Bioproducts Private Limited (formerly known as Sresta Natural Bioproducts Limited)

(CIN: U01122TG2004PTC042837)

Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2023

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

42 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	31 March 2023	31 March 2022
Current Assets	1,372.99	1,623.50
Current Liabilities	1,113.05	1,068.19
Ratio	1.23	1.52
% Change from previous period / year	18.84%	
Reason for change more than 25%: Not Applicable		

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	31 March 2023	31 March 2022
Total debt	741.51	709.64
Total equity	511.84	798.34
Ratio	1.45	0.89
% Change from previous period / year	-62.98%	
Reason for change more than 25%:		

The rise in the debt-equity ratio is attributed to the increase in debt as well as a decrease in reserves resulting from the loss incurred during the current year.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	31 March 2023	31 March 2022
Profit before tax	(286.41)	(31.93)
Add: Non cash operating expenses and finance cost	130.25	104.44
- Depreciation and amortizations	43.65	41.61
- Finance cost	86.60	62.83
Earnings available for debt services	-156.16	72.51
Interest cost on borrowings	78.11	61.48
Principal repayments (including certain prepayments during year ended March 31, 2022)	108.69	34.91
Total Interest and principal repayments	186.80	96.39
Ratio	-0.84	0.75
% Change from previous period / year	211.13%	
Reasons for change more than 25%:		

The decrease is due to decrease in operating income which resulted in lower amount of funds available to cover debt service obligations.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	31 March 2023	31 March 2022
Net profit after tax	-285.35	-24.08
Average Shareholder's Equity	655.09	802.21
Ratio	-0.44	-0.03
% Change from previous period / year	-1351.12%	
Reason for change more than 25%:		

This decrease can be primarily attributed to factors such as an increase in the prices of procurements, export shipment charges, and other direct costs, as well as a moderate volume of sales during the year 2022-23.

e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory

Particulars	31 March 2023	31 March 2022
Cost of materials consumed	1,768.66	1,913.61
Average Inventory	877.90	848.72
Inventory Turnover Ratio	2.01	2.25
% Change from previous period / year	10.65%	
Reason for change more than 25%: Not Applicable		

Reason for change more than 25%: Not Applicable

f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	31 March 2023	31 March 2022
Credit Sales	2,409.72	2,571.52
Average Trade Receivables	484.14	589.70
Ratio	4.98	4.36
% Change from previous period / year	-14.14%	
Reason for change more than 25%: Not Applicable		

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g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	31 March 2023	31 March 2022
Credit Purchases	1,491.94	1,713.28
Average Trade Payables	358.10	369.88
Ratio	4.17	4.63
% Change from previous period / year	10.05%	
Reason for change more than 25%: Not Applicable		

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	31 March 2023	31 March 2022
Sales	2,409.72	2,571.52
Net Working Capital	259.94	555.31
Ratio	9.27	4.63
% Change from previous period / year	-100%	
Reason for change more than 25%:		

The decline in inventory value and Decrease in amount receivable from customer due to decrease in sales value as compared to Previous year .

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	31 March 2023	31 March 2022
Net profit after tax	(285.35)	(24.08)
Sales	2,409.72	2,571.52
Ratio	-11.84%	-0.94%
% Change from previous period / year	-1165%	
Reason for change more than 25%:		

The decline in net profit can be attributed to a decrease in sales volume, which subsequently led to a reduction in net profit. Additionally, there was an increase in the price of procurement costs and other direct costs, further contributing to the decrease in net profit.

j) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

Particulars	31 March 2023	31 March 2022
Profit before tax (A)	(286.41)	(31.93)
Finance Costs (B)	96.78	71.64
EBIT (C) = (A)+(B)	(189.63)	39.71
Capital Employed (Pre Cash) (I)=(D)-(E)-(F)-(G)-(H)	580.77	881.35
Total Assets* (D)	1,697.08	1,958.16
Current Liabilities (E)	1,113.05	1,068.19
Current Investments (F)	-	-
Cash and Cash equivalents (G)	3.26	8.62
Bank balances other than cash and cash equivalents (H)	-	-
Ratio (C)/(J)	-32.65%	4.51%
% Change from previous period / year	825%	
Reason for change more than 25%:		

The decrease in capital employed can be attributed to a decrease in sales volume and there was an increase in the price of procurement costs and other direct costs, further contributing to the decrease in net profit.

S.R.Reddy









Sresta Natural Bioproducts Private Limited (Formerly known as Sresta Natural Bioproducts Limited)
(CIN: U01122TG2004PTC042837)

Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2023
(All amounts are Rs. in Millions, unless stated otherwise)

43 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

44 Wilful Defaulter

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

45 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

46 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

47 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

48 Compliance with approved Scheme(s) of Arrangements

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

49 Utilisation of Borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources

S.R. Reddy





50 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51 Subsequent Events

No Significant Subsequent Events have been observed which requires an adjustments to the financial statements

52 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

53 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

54 Conversion to Private Company

The company has received approval from the Regional Director for conversion from Public Company to a Private Company as on July 18, 2023, further has also applied for the change in the name with ROC and got approval from ROC as on August 18, 2023.

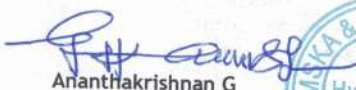
55 Previous year figures have been reclassified/regrouped wherever necessary to corresponded with the current year's classification/disclosures and have been rounded off to the nearest rupee.

As per our report attached

For M S K A & Associates


Chartered Accountants

ICAI Firm Registration No.:105047W


Ananthakrishnan G
Partner
Membership No: 205226



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


Rajashekar Reddy Seelam
Managing Director
DIN: 00278954


Karaiyalan Venkatesan
Chief Financial Officer
PAN: AAWPV3209Q


Balasubramanian Narayanan
Director
DIN : 03070468


Smita Manjal Sahu
Company Secretary
PAN: CVEPS2292B

Place: Hyderabad
Date: September 9, 2023

Place: Hyderabad
Date: September 9, 2023