**Dayal and Lohia**
Chartered Accountants
703, Kohinoor Square,
N C Kelkar Marg
Dadar (W)
Mumbai - **400028**

**Natvarlal Vepari**
Chartered Accountants
903-904, Raheja Chambers,
213, Nariman Point,
Mumbai - 400021

# INDEPENDENT AUDITOR'S REPORT

To
The Members of
Yellowstone Fine Chemicals Private Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the Financial Statements of Yellowstone Fine Chemicals Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss (including 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

DAYAL AND LOHIA * CHARTERED ACCOUNTANTS * MUMBAI

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

## Information Other than the 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 Board's report including the Directors Report but does not include the Financial Statements and our Independent Auditors' Report thereon. Our opinion on the Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, 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

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DAYAL AND LOHIA * MUMBAI * CHARTERED ACCOUNTANTS estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

2. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 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.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by 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 Companies Act, 2013, we give in the attached Annexure "A" 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:

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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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

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

f. With respect to the adequacy of the internal financial with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, is the Company has not paid remuneration to its directors and therefore the provisions of Section 197 of the Act is not applicable to the Company.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements,

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Chartered Accountants
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213, Nariman Point,
Mumbai - 400021

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

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

iv.

a. The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, 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 or entity(ies), including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, 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.

b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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,

c. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) above contain any material misstatement.

v. The Company has not declared any dividend during the year and hence compliance with section 123 of the Companies Act, 2013 is not applicable.

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

For Dayal and Lohia
Chartered Accountants
Firm Registration Number –

Mr Anil Lohia
Partner
M.No. – 31626
Mumbai, Dated : 12 MAY 2023
UDIN: 23031626BGRBHM6127

For Natvarlal Vepari and Co.
Chartered Accountants
Firm Registration Number – 106971W

Ms. Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated : 12 MAY 2023
UDIN: 23124960BGVGCZ6896

**Dayal and Lohia**
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703, Kohinoor Square,
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213, Nariman Point,
Mumbai - 400021

## ANNEXURE A

## To the Independent Auditors' Report on the Financial Statements of Yellowstone Fine Chemicals Private Limited

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief ,we state that:

(i) a. (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.

(B) The company has generally maintained proper records showing full particulars of intangible assets.

b. Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c. We have verified the title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements and based on such verification we confirm that the same are held in the name of the company.

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

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The discrepancy noted have been properly dealt with in the books of account of the Company.

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DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence sub-clause 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(iii) (a) The Company has not made investments in, provided any guarantee or 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 and therefore sub-clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company

(iv) The Company has not given any loans, made investment, given guarantees and security covered under provisions of section 185 and 186 of The Companies Act, 2013 and hence clause 3(iv) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company:

(v) The Company has not accepted deposits from the public or amounts that are deemed to be deposits pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal in respect of the said sections.

(vi) The operation of the Company has not yet commenced and hence clause 3(vi) of the order is not applicable to the company.

(vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Act, 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 to the appropriate authorities during the year. No undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

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(viii) There are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) That the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The company has not borrowed term loan during the year and therefore clause 3(ix)(c) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company:

(d) On an overall examination of the standalone financial statements of the company, we report that funds raised on short-term basis to the extent of Rs 5,631.43 lakh have been used for long-term purposes by the company

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year.

(b) The Company has made preferential allotment zero coupon optionally convertible redeemable preference shares during the year under review. We further report that the requirements of section 42 / section 62 of the Companies Act, 2013 have been complied with. The company has utilized funds raised by way of zero coupon optionally convertible redeemable preference shares for the purposes for which they were raised.

(xi) (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the company.

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DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

(c) No whistle-blower complaints have been received during the year by the company.

(xii) The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii) (b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xiii) The Company is a Private Limited Company, the provision of section 177 is not applicable. In respect of transactions with related parties, the Company has complied with provisions of sections 188 of the Act wherever applicable. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.

(xiv) (a) The Company is not required to have an internal audit system as per Section 138 of the Companies Act, 2013 and accordingly the Company does not have an internal audit system.

(b) Since the company is not required to have an internal audit system sub clause 3(xiv)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the Company

(xv) The company has not entered into any non-cash transactions with its directors or persons connected with its directors.

(xvi) (a) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934 and hence sub-clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) of the Companies (Auditors Report) Order, 2020 is not applicable to the Company.

(d) There is no Core Investment Company within the Group.

(xvii) The Company has incurred cash losses of Rs. 459.87 lakh in current financial year and Rs 265.63 lakh in the immediate previous financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (3)(xviii) Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xix) 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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

DAYAL AND LOHIA ★ CHARTERED ACCOUNTANTS ★ MUMBAI 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 the 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.

(xx) (a) The Company was not required to spend any amount towards Corporate Social Responsibility obligation and hence there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to subsection (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no ongoing projects in respect of CSR activities and therefore clause 3(xx)(b) of The Companies (Auditors Report) Order 2020 is not applicable to the Company.

For Dayal and Lohia
Chartered Accountants
Firm Registration Number –

DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

Mr Anil Lohia
Partner
M.No. – 31626
Mumbai, Dated : 12 MAY 2023
UDIN : 23031626BGRBHM6127

For Natvarlal Vepari and Co.
Chartered Accountants
Firm Registration Number – 106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Ms. Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated : 12 MAY 2023
UDIN: 23124960BGVGCZ6896

**Dayal and Lohia**
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Mumbai - **400028**

**Natvarlal Vepari**
Chartered Accountants
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213, Nariman Point,
Mumbai - 400021

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls with reference to Financial Statements of Yellowstone Fine Chemicals Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statement of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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'). 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 Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements.**

Because of the inherent limitations of Financial controls with reference to 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 Financial Statements to future periods are subject to the risk that the internal financial

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DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

For Dayal and Lohia
Chartered Accountants
Firm Registration Number –

Mr Anil Lohia
Partner
M.No. – 31626
Mumbai, Dated : 12 MAY 2023
UDIN : 23031626BGRBHM6127

For Natvarlal Vepari and Co.
Chartered Accountants
Firm Registration Number – 106971W

Ms. Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated : 12 MAY 2023
UDIN : 23124960BGVGCZ6896

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED
CIN : U24299MH2020PTC338508
BALANCE SHEET AS AT MARCH 31,2023

| Particulars | Note No. | As at 31'st March, 2023 (Rs in Lakhs) | As at 31'st March, 2022 (Rs in Lakhs) |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment | 2 | 683.35 | 321.76 |
| (b) Capital work-in-progress | 3 | 37,321.06 | 8,189.74 |
| (c) Deferred tax assets (net) | 4 | 94.60 | - |
| (d) Financial assets | | | |
| (i) Investment in subsidiaries | 5 | 68.08 | 68.08 |
| (ii)Other financial assets | 6 | 40.00 | 10.00 |
| (e) Other non-current assets | 7 | 290.43 | 1,052.61 |
| | | **38,497.52** | **9,642.19** |
| **(2) Current Assets** | | | |
| (a) Inventories | 8 | 189.89 | 227.71 |
| (b) Financial assets | | | |
| (i) Trade Receivables | 9 | - | 7.39 |
| (ii) Cash and cash equivalents | 10 | 273.62 | 125.30 |
| (c) Other current assets | 11 | 6,408.93 | 1,348.59 |
| | | **6,872.44** | **1,708.99** |
| **Total Assets** | | **45,369.96** | **11,351.18** |
| **EQUITY & LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 12 | 510.00 | 510.00 |
| (b) Other Equity | 13 | 12,536.52 | (359.40) |
| | | 13,046.52 | 150.60 |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Other Financial Liabilities | 14 | 10,600.46 | - |
| (b) Provisions | | - | - |
| (c) Deferred tax liabilities (net) | | - | - |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 12,196.01 | 8,828.00 |
| (ii) Trade payables | 16 | 4.88 | 0.15 |
| (ii) Other financial liabilities | 17 | 9,522.09 | 2,372.43 |
| (b) Provisions | | - | - |
| © Other current liabilities | | - | - |
| | | 21,722.98 | 11,200.58 |
| **Total Equity and Liabilities** | | **45,369.96** | **11,351.18** |

**Significant Accounting Policies** 1
**The accompanying notes form an integral part of the Financial Statements**

As per our report of even date
For Dayal and Lohia
Chartered Accountants
Firm Registration No.102200W

Anil Lohia
Partner
Membership No : 031626
Place: Mumbai
Date: 12 MAY 2023

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
Membership No : 124960
Place: Mumbai
Date: 12 MAY 2023

For and on behalf of the Board of Directors

Brijesh Kumar Soni
Director
DIN : 00037955

Bhagwati Prasad Pant
Director
DIN : 09714511

12 MAY 2023

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED
CIN : U24299MH2020PTC338508
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

| Particulars | Note No. | For the year ended 31'st March, 2023 (Rs. in Lakhs) | For the year ended 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|---|
| I) **INCOME:** | | | |
| Other income | 18 | 0.17 | - |
| **Total Income (I)** | | **0.17** | **-** |
| II) **EXPENSES:** | | | |
| Finance cost | 19 | 6.71 | 0.49 |
| Depreciation & amortisation | 2 | 66.98 | 70.81 |
| Other expenses | 20 | 453.16 | 265.14 |
| **Total expenses (II)** | | **526.85** | **336.44** |
| **Profit before tax (I-II)** | | **(526.68)** | **(336.44)** |
| Tax expense | | - | - |
| *Deferred tax liability / (asset)* | 4 | (94.60) | - |
| **Profit/(Loss) for the period from continuing operations** | | **(432.08)** | **(336.44)** |
| **Other comprehensive income/(expense)** | | - | - |
| **Total other comprehensive income/(expense), net of tax** | | **-** | **-** |
| **Total comprehensive income/(expense) for the period** | | **(432.08)** | **(336.44)** |
| **Earnings per equity share (Face value of share Rs.10/- each)** | | | |
| Basic (Rs) | 21 | (8.47) | (6.60) |
| Diluted (Rs) | | - | - |

Significant Accounting Policies 1
The accompanying notes form an integral part of the Financial Statements

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For Dayal and Lohia
Chartered Accountants
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12 MAY 2023

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED
CIN: U24299MH2020PTC338508
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

| Particulars | For the year ended 31'st March, 2023 (Rs. in Lakhs) | For the year ended 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|
| **A. Cash flow from operating activities:** | | |
| Net profit / (loss) before tax | (526.68) | (336.44) |
| Adjustments for: | | |
| Depreciation and Amortization expense | 66.98 | 70.81 |
| Interest on Direct tax | (0.17) | |
| **Operating profit before working capital changes** | (459.53) | (336.44) |
| ***Changes in working capital:*** | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | 37.82 | (60.01) |
| Trade receivables | 7.39 | (7.39) |
| Financial assets | (30.00) | (10.00) |
| Non financial assets | (4,299.24) | (1,658.30) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payable | 4.73 | - |
| Non financial liabilities | - | - |
| Financial liabilities | 7,149.66 | 1,731.65 |
| Provisions | - | - |
| **Cash (used in) / generated from the operations** | 2,410.83 | (340.48) |
| Direct taxes paid | 0.91 | - |
| **Net cash (used in) / generated from the operations** | 2,411.74 | (340.48) |
| **B. Cash flow from investment activities:** | | |
| Property, Plant and Equipment | (428.58) | (321.76) |
| Capital work in progress | (28,927.85) | (6,757.94) |
| Investment in subsidiary | - | (68.08) |
| **Net cash (used in)/from investment activities** | (29,356.43) | (7,147.78) |
| **C. Cash flow from financing activities:** | | |
| Net Proceeds from borrowings | 3,368.01 | 7,009.60 |
| Proceeds from Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares | 23,725.00 | 500.00 |
| **Net cash (used in)/from financing activities** | 27,093.01 | 7,509.60 |
| **Net increase / (decrease) in cash and cash equivalents** | 148.32 | 21.34 |
| Closing balance of cash and cash equivalents | 273.62 | 125.30 |
| Opening balance of cash and cash equivalents | 125.30 | 103.96 |
| **Net increase / (decrease) in cash and cash equivalents** | 148.32 | 21.34 |

As per our report of even date
For Dayal and Lohia
Chartered Accountants
Firm Registration No.102200W

Anil Lohia
Partner
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Date: 12 MAY 2023

As per our report of even date
For Natvarlal Vepari & Co.
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Nuzhat Khan
Partner
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Place: Mumbai
Date: 12 MAY 2023

For and on behalf of the Board of Directors

Brijesh Kumar Soni
Director
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Bhagwati Prasad Pant
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12 MAY 2023

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED

CIN : U24299MH2020PTC338508

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity

| Particulars | As at 31'st March, 2023 (Rs. in Lakhs) | As at 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|
| Balance at the beginning of the year | 510.00 | 10.00 |
| Restated balance at the beginning of the current reporting period | 510.00 | 10.00 |
| Fresh equity shares issued during the year | - | 500.00 |
| **Balance at the end of the reporting year** | **510.00** | **510.00** |

B Other Equity

(Rs. in Lakhs)

| Particulars | As at 31'st March, 2023 | As at 31'st March, 2022 |
|---|---|---|
| **Reserves and surplus** | | |
| **Retained earnings** | | |
| **Opening Balance** | **(359.41)** | **(7.17)** |
| Changes due to prior period- Refer Note(32) | - | (15.80) |
| **Restated balance at the beginning of the current reporting period** | (359.41) | (22.97) |
| Profit/(loss) for the period | (432.08) | (336.44) |
| **Closing balance** | **(791.49)** | **(359.41)** |
| **Equity Component of Compound Financial Instrument** | | |
| Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares | 13,328.00 | - |
| **Balance as on March 31, 2023** | **12,536.52** | **(359.41)** |

**Significant Accounting Policies - Note 1**

**The accompanying notes form an integral part of the Financial Statements**

As per our report of even date
For Dayal and Lohia
Chartered Accountants
Firm Registration No.102200W

Anil Lohia
Partner
Membership No : 031626
Place: Mumbai
Date: 12 MAY 2023

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
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Nuzhat Khan
Partner
Membership No : 124960
Place: Mumbai
Date: 12 MAY 2023

For and on behalf of the Board of Directors

Brijesh Kumar Soni
Director
DIN : 00037955

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DIN : 09714511

12 MAY 2023

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED
CIN : U24299MH2020PTC338508
Statement of Significant Accounting policies and Other Explanatory Notes

1 Significant Accounting Policies

I Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realizability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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

II **Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions.These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

III **Summary of significant accounting policies**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

a) **Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

It is expected to be realised or intended to be sold or consumed in normal operating cycle;
It is held primarily for the purpose of trading
It is expected to be realised within 12 months after the reporting period; or
It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is treated as current when :

It is expected to be settled in normal operating cycle;
It is held primarily for the purpose of trading;
It is due to be settled within twelve months after the reporting period; or
There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) **Property, plant and equipment (PPE)**

i Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

ii Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

iii Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

vi 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 profit or loss during the reporting period in which they are incurred.

vii The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

c) **Leased Assets**

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands. Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

MUMBAI
CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO.
Mumbai
CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited
Mumbai

**d) Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**e) Depreciation methods, estimated useful lives and residual value**

Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act, 2013

**f) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

**g) Impairment of Non-financial Assets:**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

**h) Inventories**

Items of inventories are valued lower of cost or estimated net realisable value as given below.

i <u>Raw Materials and Packing Materials:</u>

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of any taxes, wherever applicable). However materials and other items held for use in the production of inventories are written down below cost if the finished products in which they will be incorporated are expected to be sold at or below cost. Costs are determined on Weighted Average method

ii <u>Work in process:</u>

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

iii <u>Finished Goods & semi finished goods:</u>

Finished Goods & semi finished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

iv <u>Stores and Spares:</u>

Stores and spare parts are valued at lower of purchase Costs are determined on Weighted Average method and net realisable value.

v <u>Traded Goods:</u>

Traded Goods are valued at lower of purchase cost and net realisable value.

**i) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**j) Investment**

All Investments in scope of Ind AS 109 are measured at fair value. financial instruments, which are held for trading, are classified as at Fair Value through Profit and loss (FVTPL). For all other financial instruments, the Company may make an irrevocable election to present in other comprehensive income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an instrument as at Fair Value through OCI (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**k) Foreign Currency Translation:**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

DAYAL AND LOHIA * MUMBAI * CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. * Mumbai * CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited * Mumbai

l) Provisions and Contingent Liabilities

i Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

ii **Contingent liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

**m) Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

**n) Financial instruments**

**A Financial assets**

**i Initial recognition and measurement**

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

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

**ii Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

• Financial assets at fair value
• Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

• Cash flow characteristics test: 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary , joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

**iii Derecognition of financial instruments**

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

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

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited ★ Mumbai

## iv Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.
Expected credit losses are measured through a loss allowance at an amount equal to:

• the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

• full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

• Trade receivables or contract revenue receivables; and

• All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## B Financial liabilities

### i Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### ii Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### iii Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### iv Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

### v Derecognition

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

## C Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## D Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited Mumbai

o) Revenue Recognition

A Revenue from Operations :

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of goods or rendering of services to the Customer which is the point in time when the customer receives the goods and services .

Revenue from related parties is recognized based on transaction price which is at arm's length.
Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates , sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification , geographical region and Customer Category.

**Use of significant judgements in revenue recognition**

• The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

• Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

• The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

• The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B **Other Operating Income / Other Income**

(i) Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

(ii) Revenue in respect of insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

(iii) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) Dividend income is recognised when the right to receive the same is established.

(v) Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

(vi) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(vii) Other Operating Income / Other Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

**p) Taxation**

Tax expenses comprise Current Tax and Deferred Tax.:

**i) Current Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**ii) Deferred Tax:**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited Mumbai

**q) Research and Development**

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

**r) Earnings Per Share**

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**s) Trade Payables & Trade Receivables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

**t) Preliminary Expenses**

Company Amortises Preliminary Expenses in 60 installments commencing from the month in which they incurred.

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

DAYAL AND LOHIA CHARTERED ACCOUNTANTS MUMBAI

Yellowstone Fine Chemicals Private Limited Mumbai

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED
CIN : U24299MH2020PTC338508
Notes to Financial Statements as at year ended 31/03/2023

Note 2 **Property, Plant and Equipment**

(Rs. In lakhs)

| Class of Assets | Factory Buildings | Freehold Land | Furniture, Fixture & Fittings | Computer & Accessories | Lab (QA / QC & R&D) Equipment | Office Equipment | Plant & Machinery | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| As at 1'st April, 2021 | - | - | - | - | - | - | - | - |
| Additions | 0.34 | | 2.27 | 4.56 | 182.41 | 3.17 | 199.82 | 392.57 |
| Disposals / Adjustments | - | - | - | - | - | - | - | - |
| **As at 31'st March, 2022** | **0.34** | **-** | **2.27** | **4.56** | **182.41** | **3.17** | **199.82** | **392.57** |
| Additions during the period | - | 420.31 | - | - | 3.67 | - | 4.59 | 428.58 |
| Disposals / Adjustments / Reclass | (0.34) | | | | | | 0.34 | - |
| **As at 31'st March, 2023** | **-** | **420.31** | **2.27** | **4.56** | **186.08** | **3.17** | **204.75** | **821.15** |
| **Depreciation** | | | | | | | | - |
| As at 1'st April, 2021 | - | - | - | - | - | - | - | - |
| Charge for the year | 0.14 | | 0.56 | 2.82 | 45.35 | 0.83 | 21.11 | 70.81 |
| Disposals / Adjustments | 0.14 | - | - | - | - | - | (0.14) | - |
| **As at 31'st March, 2022** | **-** | **-** | **0.56** | **2.82** | **45.35** | **0.83** | **21.25** | **70.81** |
| Depreciation expense for the year | - | - | 0.44 | 1.10 | 36.20 | 0.75 | 28.50 | 66.98 |
| Disposals / Adjustments | - | | | | | | - | - |
| **As at 31'st March, 2023** | **-** | **-** | **1.00** | **3.92** | **81.55** | **1.58** | **49.75** | **137.79** |
| **Net Block** | | | | | | | | - |
| **As at 31'st March, 2022** | **0.34** | **-** | **1.71** | **1.73** | **137.06** | **2.34** | **178.58** | **321.76** |
| **As at 31'st March, 2023** | **-** | **420.31** | **1.27** | **0.64** | **104.53** | **1.60** | **155.00** | **683.35** |

(a) **Details of additions made during the year w.r.t research and development**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Factory Buildings | | 0.34 |
| Furniture, Fixture & Fittings | - | 2.27 |
| Computer & Accessories | - | 4.56 |
| Lab (QA / QC & R&D) Equipment | 3.67 | 182.41 |
| Office Equipment | - | 3.17 |
| Plant & Machinery | 4.59 | 199.82 |
| **Total** | **8.26** | **392.57** |

| Note | | As at 31'st March, 2023 (Rs. in Lakhs) | As at 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|---|
| 3 | Capital work-in-progress | | |
| | Capital work in process | 37,321.06 | 8,189.74 |
| | Total | 37,321.06 | 8,189.74 |

(a) CWIP Ageing Schedule
*(Ageing from Bill Date)*
*As at March 31, 2023*

| CWIP for a period of | Projects in progress | Projects temporarily suspended |
|---|---|---|
| Less than 1 year | 28,779.48 | |
| 1-2 years | 7,093.95 | |
| 2-3 years | 1,447.62 | |
| More than 3 years | | |
| Total | 37,321.06 | - |

*As at March 31, 2022*

| CWIP for a period of | Projects in progress | Projects temporarily suspended |
|---|---|---|
| Less than 1 year | 7,093.95 | |
| 1-2 years | 1,095.78 | |
| 2-3 years | | |
| More than 3 years | | |
| Total | 8,189.74 | - |

(b) **Details of Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan**
*As at March 31, 2023*

| Project Code | Less than 1 year | 1-2 years | 2-3 years |
|---|---|---|---|
| YFCPL Project 01 | 37,321.06 | | |
| Total | 37,321.06 | - | - |

*As at March 31, 2022*

| Project Code | Less than 1 year | 1-2 years | 2-3 years |
|---|---|---|---|
| YFCPL Project 01 | | 8,189.74 | |
| Total | - | 8,189.74 | - |

4 Deferred tax assets

| Particulars | As at 31'st March, 2023 | As at 31'st March, 2022 |
|---|---|---|
| a) Deferred tax asset on account of : | | |
| Property plant & equipment | 4.22 | - |
| Unabsorbed losses carried forward | 90.38 | - |
| | 94.60 | - |
| b) Deferred tax asset on account of : | | |
| Minimum alternate tax | - | - |
| Provision for doubtful advances and debts | - | - |
| Tax disallowances | - | - |
| Deferred tax asset, net | 94.60 | - |

The company has during the year created deferred asset on unabsorbed losses on the estimations that the company will be having sufficient profit to absorb the losses.

| Note | | | |
|---|---|---|---|
| 5 | **Investment in subsidiaries** | | |
| | **Investment in Equity instruments** | | |
| | **In subsidiaries (Unquoted at cost)** | | |
| | Equity shares of Laxmi Italy S.R.L. Euro 10,000 (P.Y. Euro 10,000) | 68.08 | 68.08 |
| | Total | 68.08 | 68.08 |

**Details of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:**
The following are the details of loans given, investments made, guarantees given and security provided by the Company:

| Name of Party | Purpose | | |
|---|---|---|---|
| Laxmi Italy S.R.L | Investment | 68.08 | 68.08 |

| Note | | | |
|---|---|---|---|
| 6 | Other financial assets | | |
| | Security Deposits | 40.00 | 10.00 |
| | Total | 40.00 | 10.00 |
| 7 | Other non-current assets | | |
| | Capital Advance | 252.91 | 1,049.96 |
| | Prepaid expenses | 35.95 | - |
| | Prepaid taxes (net of provision) | 1.57 | 2.65 |
| | | 290.43 | 1,052.61 |

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

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| | | | |
|---|---|---|---|
| 8 | Inventories (at lower of cost and net realisable value) | | |
| | Raw Material | 160.42 | 159.79 |
| | Spares & Consumables | 29.47 | 67.91 |
| | Total | 189.89 | 227.71 |

| | | | |
|---|---|---|---|
| 9 | Trade Receivables | | |
| | (Unsecured, considered good) | | |
| | Trade Receivables - considered good | - | 7.39 |
| | Total | - | 7.39 |

Trade Receivable Ageing Schedule

(a) *As at March 31, 2022*

| Range of O/s period | Undisputed | | Total |
|---|---|---|---|
| | Considered Good | Significant increase in credit risk | |
| Unbilled | - | - | - |
| Not Due | - | - | - |
| less than 6 months | 7.39 | - | 7.39 |
| 6 months - 1 year | - | - | - |
| 1-2 year | - | - | - |
| 2-3 year | - | - | - |
| > 3 years | - | - | - |
| Total | 7.39 | - | 7.39 |

| | | | |
|---|---|---|---|
| 10 | Cash and Bank Balances | | |
| | A Cash and Cash Equivalent | | |
| | Current | | |
| | i) Balances with banks | 161.52 | 19.11 |
| | B Other Bank Balances | | |
| | Current | | |
| | i) Fixed Deposits towards margin money | 112.10 | 106.19 |
| | Total | 273.62 | 125.30 |

| | | | |
|---|---|---|---|
| 11 | Other current assets | | |
| | a Duites and Taxes | | |
| | CGST Input | 768.96 | 434.60 |
| | IGST Input | 4,861.65 | 450.12 |
| | SGST Input | 768.96 | 434.60 |
| | b Advance to others | 0.31 | 0.40 |
| | c Prepaid Expenses | 9.07 | 28.89 |
| | Total | 6,408.93 | 1,348.59 |

| | | As at 31'st March, 2023 (Rs. in Lakhs) | As at 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|---|
| 12 | Equity Share capital | | |
| | **AUTHORISED** | | |
| | 1,00,00,000 Equity Shares of Rs. 10/- each (Previous year 1,00,000) | 1,000.00 | 1,000.00 |
| | 4,00,00,000 Zero Coupoun Optionally Convertible Redeemable Preference Shares of Rs. 10/- each (Previous year Nil) | 4,000.00 | - |
| | **ISSUED, SUBSCRIBED AND PAID UP** | | |
| | 51,00,000 Equity Shares of Rs. 10/- each | 510.00 | 510.00 |
| | **Total issued, subscribed and fully paid up share capital** | 510.00 | 510.00 |

**a) Reconciliation of the shares outstanding at the beginning and at the end of the period**

| Particulars | As at 31'st March, 2023 | |
|---|---|---|
| | Number | Amount (Rs. in Lakhs) |
| Shares outstanding at the beginning of the period | 51,00,000 | 510.00 |
| Shares issued during the period | - | - |
| **Shares outstanding at the end of the period** | 51,00,000 | 510.00 |

| Particulars | As at 31'st March, 2022 | |
|---|---|---|
| | Number | Amount (Rs. in Lakhs) |
| Shares outstanding at the beginning of the period | 1,00,000 | 10.00 |
| Shares issued during the period | 50,00,000 | 500.00 |
| **Shares outstanding at the end of the period** | 51,00,000 | 510.00 |

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited ★ Mumbai

c) Shares held by holding / ultimate holding company and /or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding company are as follows:

| Name of Shareholder | As at 31'st March, 2023 | |
|---|---|---|
| | No. of Shares held | % of Holding |
| Laxmi Organic Industries Ltd* | 50,99,999 | 100% |
| % change 2022-23 | | - |
| Total number of shares issued and subscribed | 51,00,000 | |

*One share held by Mr. Harshvardhan Goenka as nominee of Laxmi Organic Industries Limited.

| Name of Shareholder | As at 31'st March, 2022 | |
|---|---|---|
| | No. of Shares held | % of Holding |
| Laxmi Organic Industries Ltd* | 50,99,999 | 100% |
| % change 2021-22 | | 50% |
| Total number of shares issued and subscribed | 51,00,000 | |

*One share held by Mr. Harshvardhan Goenka as nominee of Laxmi Organic Industries Limited.

d) **Details of shareholders holding more than 5% shares in the Company**

| Name of Shareholder | As at 31'st March, 2023 | |
|---|---|---|
| | No. of Shares held | % of Holding |
| Laxmi Organic Industries Ltd | 50,99,999 | 100.00 |

*One share held by Mr. Harshvardhan Goenka as nominee of Laxmi Organic Industries Limited.

| Name of Shareholder | As at 31'st March, 2022 | |
|---|---|---|
| | No. of Shares held | % of Holding |
| Laxmi Organic Industries Ltd | 50,99,999 | 100.00 |

*One share held by Mr. Harshvardhan Goenka as nominee of Laxmi Organic Industries Limited.

e) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

| 13 Other Equity | (Rs. in Lakhs) | (Rs. in Lakhs) |
|---|---|---|
| i) Retained Earnings | (791.49) | (359.40) |
| ii) Equity component of compound financial instrument | 13,328.00 | - |
| **Total** | **12,536.52** | **(359.40)** |

**14 Non-Current liabilities**

**(i) Other Financial Liabilities**

| | | |
|---|---|---|
| **Unsecured at Amortised Cost** | | |
| a) Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares<br>3,65,00,000 Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares (OCRPS) @ of Rs.65 per share. | 10,600.46 | - |
| **Total** | **10,600.46** | - |

| **Preference Share capital** | **As at 31'st March, 2023 (Rs. in Lakhs)** | **As at 31'st March, 2022 (Rs. in Lakhs)** |
|---|---|---|
| **a) AUTHORISED** | | |
| 4,00,00,000 Zero Coupoun Optionally Convertible Redeemable Preference Shares of Rs. 10/- each (Previous year Nil) | **4,000.00** | - |
| **ISSUED, SUBSCRIBED AND PAID UP** | | |
| 3,65,00,000 Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares (OCRPS) of Rs10 each. | 3,650.00 | - |
| **Total issued, subscribed and fully paid up preference share capital** | **3,650** | - |

b) **Reconciliation of the shares outstanding at the beginning and at the end of the period**

| **Particulars** | **As at 31'st March, 2023** | |
|---|---|---|
| | **Number** | **Amount (Rs. in Lakhs)** |
| Shares outstanding at the beginning of the period | - | - |
| Shares issued during the period | 3,65,00,000 | 3,650.00 |
| **Shares outstanding at the end of the period** | 3,65,00,000 | 3,650.00 |

c) During the year, the company has issued 3,65,00,000 Zero Coupon Optionally Convertible Redeemable Preference shares(OCRPS) to Laxmi Organic Industries Limited of Rs.10 each at an issue price of ₹ 65 per share (including a permium of ₹ 55 per share) in six tranches as follows:

| Tranch Number | No.of OCRPS | Amount | Date of Allotment |
|---|---|---|---|
| Tranch 1 | 1,00,00,000 | 65,00,00,000 | 2-Jan-23 |
| Tranch 2 | 1,00,00,000 | 65,00,00,000 | 4-Jan-23 |
| Tranch 3 | 1,45,00,000 | 94,25,00,000 | 6-Jan-23 |
| Tranch 4 | 10,00,000 | 6,50,00,000 | 24-Feb-23 |
| Tranch 5 | 5,00,000 | 3,25,00,000 | 29-Mar-23 |
| Tranch 6 | 5,00,000 | 3,25,00,000 | 29-Mar-23 |
| Total | **3,65,00,000** | **2,37,25,00,000** | |

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited ★ Mumbai

The terms of OCRPS is as follows:

The issue price (including premium) of OCRPS to be allotted on preferential basis is determined based on valuation report dated November 1, 2022 obtained from Registered valuer

The OCRPS are issued for a period of 120 months and there is no lock in period.

Conversion Option

After 24 months but with in 120 months post allotment of OCRPS , the holder of OCRPS shall have a right to either

i)Convert the same into equity shares or

ii)To redeem the same , in various tranches as per the discretion of OCRPS holder, provided conversion or redemption request shall consist of not be less than 10% of OCRPS holding as on date if allotment of OCRPS. If OCRPS holder opt to convert one tranche there is no restriction to apply for redemption in second trench and vice versa.

After 36 months but with in 120 months post allotment of OCRPS , the issuer of OCRPS shall have a right to either

i)Convert the same into equity shares or

ii)To redeem the same , in various tranches as per the discretion of OCROS issuer, provided conversion or redemption request shall consist of not be less than 10% of OCRPS holding as on date if allotment of OCRPS. If OCRPS issuer opt to convert one tranche there is no restriction to apply for redemption in second trench and vice versa

On conversion the entire amount of OCRPS shall be adjusted against the allotment of Equivalent number of equity shares of the YFCPL to Laxmi.

The pricing of equity shares on conversion of OCRPS shall be Rs 65 as determined by the valuer vide report dated November 1, 2022.

Redemption Option

Holder Option:

OCRPS can be either at the option of holder at any time after 24 months (2 years) but within 120 months from the date of issue

a)converted the same into equity shares. OR

b)redeemed in one or more trench provided the minimum quantity to be converted / redeemed shall not be less than 10% in each such trench

Issuer Option:

OCRPS can be either at the option of issuer at any time after 36 months (3 years) but within 120 months from the date of issue

a)converted the same into equity shares. OR

b)redeemed in one or more trench provided the minimum quantity to be converted / redeemed shall not be less than 10% in each such trench

In the event

i) the holder does not wish to exercise the right to convert OCRPS in to equity shares, it shall have a right to demand redemption of not less than 10% of OCRPS holding after expiry of 24 months but with in 120 months post allotment of OCRPS

ii) the issuer does not wish to exercise the right to convert OCRPS in to equity shares , it shall have a right to demand redemption of not less than 10% of OCRPS holding after expiry of 36 months but within 120 months post allotment of OCRPS

In case redemption request either by the holder or the issuer

Redemption shall be made in 4 equal half yearly installment (along with premium , paid at the time of allotment) from the date of receipt of redemption request from the holder / issuer; 1st Installment within 30 days, 2nd Installment after 6 months, 3rd Installment after 12 months, 4th Installment after 18 months

Financial Liability and Equity component of compound financial instrument

Based on the terms of the Zero Coupoun Optionally Convertible Redeemable Preference Shares , the Company has considered the Financial Instrument as Financial Liability to the extent of Net Present Value discounted @ 8.60% of the Redemption amount and the balance is shown as Equity component of compound financial instrument.

**15 Current liabilities**

**(i) Borrowings**

| | | |
|---|---|---|
| a) Loans Repayable on demand | | |
| Unsecured loan from Laxmi Organic Industries Limited - Parent Company | 12,196.01 | 8,828.00 |
| Total | **12,196.01** | **8,828.00** |

The above loans from Parent Company is repayable on demand and carries an interest as per Quarterly Government Security Market Rate. Thie Interest is payable at the time of repayment of loan.

**Notes**

**A) As per the Amendment to Ind AS 7 " Statement of Cash Flow "**

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

| Particulars | Non-current Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares | Current Borrowings | Total |
|---|---|---|---|
| **Balance as at March 31, 2021** | - | 1,818.40 | 1,818.40 |
| Changes from financing cash flows | - | 7,009.60 | 7,009.60 |
| Other changes | - | - | - |
| **Balance as at March 31, 2022** | - | 8,828.00 | 8,828.00 |
| Changes from financing cash flows Net | 23,725.00 | 3,368.01 | 27,093.01 |
| Non cash changes | 203.46 | - | 203.46 |
| **Balance as at March 31, 2023** | 23,928.46 | 12,196.01 | 36,124.47 |

**16 Trade Payables**

| | | |
|---|---|---|
| Trade Payables - Others | 4.88 | 0.15 |
| Total | **4.88** | **0.15** |

Trade Payable Ageing Schedule

*(Ageing from Bill Date)*

(a) As at 31st March, 2023

(Rs. in Lakhs)

| Range of O/s period | MSME | | Others | |
|---|---|---|---|---|
| | Undisputed | Disputed | Undisputed | Disputed |
| Unbilled | - | | 4.88 | - |
| Total | - | | 4.88 | - |

(b) As at March 31, 2022

(Rs. in Lakhs)

| Range of O/s period | MSME | | Others | |
|---|---|---|---|---|
| | Undisputed | Disputed | Undisputed | Disputed |
| Unbilled | - | - | 0.15 | - |
| Total | - | - | 0.15 | - |

NATVARLAL VEPARI & CO. MUMBAI CHARTERED ACCOUNTANTS

DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited Mumbai

17 Other financial liabilities

| | | |
|---|---|---|
| Payables to Related Parties | 7,218.67 | 1,251.79 |
| Interest Accrued | 420.29 | 210.27 |
| Duties & Taxes Payable | 38.92 | 33.82 |
| Payable to Capital Creditors | 1,842.15 | 809.22 |
| Other Payables | 0.45 | 67.33 |
| Advance from others | 1.62 | - |
| **Total** | **9,522.09** | **2,372.43** |

a) Details of the Related Parties

| | | |
|---|---|---|
| Laxmi Organics Industries Limited | 5,981.55 | 1,238.34 |
| Viva Lifesciences Private Limited | 1,652.89 | 223.72 |
| | **7,634.44** | **1,462.06** |

**Amounts due to micro, small and medium enterprises**

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

| Particulars | As at 31'st March, 2023 | As at 31'st March, 2022 |
|---|---|---|
| Principal amount due | 218.70 | 248.68 |
| *Capital Vendor* | *218.70* | *248.68* |
| Interest due on above | 0.70 | - |
| Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006 | | |
| - Principal amount paid beyond appointed day | 242.95 | - |
| - Interest paid thereon | | - |
| Amount of interest due and payable for the period of delay | 3.82 | - |
| Amount of interest accrued and remaining unpaid as at year end | 4.52 | - |
| Amount of further interest remaining due and payable in the succeeding | - | - |

| Note | | As at 31'st March, 2023 (Rs. in Lakhs) | As at 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|---|
| 18 | **Other income** | | |
| | Interest on Income tax refund | 0.17 | - |
| | **Total** | **0.17** | **-** |
| 19 | **Finance Cost** | | |
| | Interest on direct and indirect taxes | 2.19 | 0.49 |
| | Interest - Others | 4.52 | - |
| | | **6.71** | **0.49** |
| 20 | **Other Expenses** | | |
| | Audit Fees | 5.41 | 0.41 |
| | Traveling Expenses | 12.77 | 29.58 |
| | Printing & stationary | 1.87 | 2.48 |
| | **Repairs and maintenance** | | |
| | - Plant and machinery | 3.23 | - |
| | Legal & Professional Charges | 199.33 | 205.93 |
| | Filing charges | 38.16 | 10.81 |
| | Bank charges | 20.98 | 1.14 |
| | Rates & Taxes | 1.48 | - |
| | Exchange Fluctuation Gain / Loss | 0.13 | - |
| | Housekeeping and Security Charges | 12.74 | 9.69 |
| | Detention Charges | 140.81 | 2.44 |
| | Staff Welfare Expenses | 2.26 | 1.39 |
| | Testing Fess | 3.30 | 0.25 |
| | Postage and Courier Charges | 1.72 | 0.02 |
| | Other Expenses | 8.97 | 1.00 |
| | **Total** | **453.16** | **265.14** |
| | a) **Payment to auditors** | | |
| | Audit fees | 5.41 | 0.41 |
| | **Total payments to auditors** | **5.41** | **0.41** |

b) **Details of research and development expenditure**

| | Particulars | 2022-23 | 2021-22 |
|---|---|---|---|
| A | **Revenue expenses** | | |
| | Other expenses | 0.49 | 0.47 |
| | Travelling expenses | 1.72 | 1.42 |
| | Lodging and Boarding | 11.09 | 28.16 |
| | Contract labour and Security service charge | 12.78 | 9.78 |
| | Depreciation | 66.98 | 70.81 |
| B | **Capital Expenses** | | |
| | Capital expenditure (Refer Note 2a) | 8.26 | 392.57 |
| | **Total** | **101.32** | **503.21** |

21 **Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.**

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

| Particulars | For the year ended 31'st March, 2023 | For the year ended 31'st March, 2022 |
|---|---|---|
| **Net Profit / (Loss) as per Statement of Profit and Loss** | (432.08) | (336.44) |
| Outstanding equity shares at period end (face value of Rs 10/-) | 51,00,000 | 51,00,000 |
| Weighted average Number of Shares outstanding during the period – Basic | 51,00,000 | 51,00,000 |
| Weighted average Number of Shares outstanding during the period - Diluted | 4,16,00,000 | - |
| Weighted average number of shares as per para 26 of IND AS 33" Earning per Share" | 4,16,00,000 | - |
| Earnings per Share - Basic (Rs.) | (8.47) | (6.60) |
| Earnings per Share - Diluted (Rs.) | - | - |

Since the Diluted EPS is anti dilutive the same is not shown.

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited ★ Mumbai

22 Tax expense

| Particulars | April - March 2023 | April - March 2022 |
|---|---|---|
| a) Income tax expense in the statement of profit and loss consists of: | | |
| Current tax | - | - |
| Deferred tax | 94.60 | - |
| Income tax (excess)/ short provision of previous year | - | - |
| Income tax recognised in statement of profit or loss | 94.60 | - |

Deferred tax

Deferred tax assets/(liabilities) in relation to:-

| Particulars | Opening | Recognised in profit and loss Asset/ (liability) | Closing |
|---|---|---|---|
| Property plant & equipment | - | 4.22 | 4.22 |
| Business Loss | - | 90.38 | 90.38 |
| As at March, 31, 2023 | - | 94.60 | 94.60 |

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

| Particulars | April - March 2023 | April - March 2022 |
|---|---|---|
| (i) Commitments (Net of advances): | | |
| (a) Capital Commitments- | 5,587.03 | 3,676.69 |
| (ii) Letters of Credit | 297.70 | 100.00 |

24 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

A Name of the related parties and related party relationships irrespective of whether there have been transactions with them during the period.

a Entities where control Exists

1 Laxmi Organic Industries Limited - Parent/ Holding Company

b Subsidiaries

1 Laxmi Italy S.R.L. (w.e.f. August 4, 2021) - Subsidiary
2 Laxmi Organic Industries (Europe) BV - Fellow Subsidiary
3 Viva Lifesciences Private Limited - Fellow Subsidiary

c Key Management Personnel

1 Mr. Harshvardhan Goenka (upto 25.08.2022) Executive Director
2 Brijesh Kumar Soni Executive Director
3 Bhagwati Prasad Pant Executive Director

B Refer Statement A for Related Party Transactions

25 The Company do not have any foreign currency exposure.

26 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2023

(Rs in Lakhs)

| Particular | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | As at 31'st March, 2023 | As at 31'st March, 2022 | As at 31'st March, 2023 | As at 31'st March, 2022 |
| a) Financial Assets | | | | |
| Amortised Cost | | | | |
| Cash and Cash Equivalents | 273.62 | 125.30 | 273.62 | 125.30 |
| Other Financial Assets | 40.00 | 10.00 | 40.00 | 10.00 |
| Trade Receivables | - | 7.39 | - | 7.39 |
| Total Financial Assets | 313.62 | 142.69 | 313.62 | 142.69 |
| b) Financial Liabilities | | | | |
| Amortised Cost | | | | |
| Borrowings | 12,196.01 | 8,828.00 | 12,196.01 | 8,828.00 |
| Trade Payables | 4.88 | - | 4.88 | - |
| Other financial liabilities | 20,122.55 | 2,372.43 | 20,122.55 | 2,372.43 |
| Total Financial Liabilities | 32,323.43 | 11,200.43 | 32,323.43 | 11,200.43 |

27 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

**Level 2** – Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

28 Financial risk management

The Company's principal financial liabilities comprise of trade and other payables and loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk and foreign currency risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Market risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments.

a. Interest rate risk

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowing obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings.

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Vellichemstone Fine Chemicals Private Limited ★ Mumbai

A quantitative sensitivity analysis for change in interest rates and its impact on profit before tax* are as follows:

(Rs. in Lakhs)

| | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Increase in interest rates by 1% | 1.22 | 0.88 |
| Decrease in interest rates by 1% | (1.22) | (0.88) |

B Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and investing activities (short term bank deposits). Credit appraisal is performed by the management before agreements are entered into with customers.

C Liquidity risk

Prudent liquidity risk management requires the Company to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities.

(Rs. in Lakhs)

| | On demand | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **Year ended March 31, 2023*** | | | | | |
| Borrowings | 12,196.01 | - | - | - | 12,196.01 |
| Other financial liabilities | 9,522.09 | - | - | - | 9,522.09 |
| | **21,718.10** | - | - | - | **21,718.10** |
| **Year ended March 31, 2022** | | | | | |
| Borrowings | 8,828.00 | - | - | - | 8,828.00 |
| Other financial liabilities | 2,372.43 | - | - | - | |
| | **11,200.43** | - | - | - | **8,828.00** |

* Excluding Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares

D Foreign currency risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows the foreign currency Exposure in Euro at the end of the year.

| Particulars | As at 31'st March, 2023 (Rs. in Lakhs) | As at March 31, 2022 (Rs. in Lakhs) |
|---|---|---|
| Trade and other Payables | - | 61.16 |
| **Total Foreign Currency Risk** | - | **61.16** |

29 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows.

| Particular | As at 31'st March, 2023 (Rs. in Lakhs) | As at 31'st March, 2022 (Rs. in Lakhs) |
|---|---|---|
| Borrowings* | 12,196.01 | 8,828.00 |
| Less: Cash and cash equivalents | 273.62 | 125.30 |
| Net Debt | 11,922.39 | 8,702.70 |
| Total equity | 502.11 | 502.42 |
| Debt/Equity ratio | 23.74 | 17.32 |

* Excluding Zero Coupoun Optionally Redeemable Covertible Redeemable Preference Shares

30 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2023.

31 **Relationship with Struck off Companies**

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

32 **Prior period errors**

During the year, the company has identified expenditure which were of revenue nature and has been capitalized to Capital Work in progress in the earlier periods which is rectified in these financial statements by reinstatement of earlier period. Details of which are given in Statement B.

33 Analytical Ratios as per requirements of Schedule III are given in Statement C

34 Figures of the previous period have been regrouped wherever necessary including to conform to current period's classification.

As per our report of even date
For Dayal and Lohia
Chartered Accountants
Firm Registration No.102200W

Anil Lohia
Partner
Membership No : 031626
Place: Mumbai
Date:
12 MAY 2023

DAYAL AND LOHIA MUMBAI CHARTERED ACCOUNTANTS

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Nuzhat Khan
Partner
Membership No : 124960
Place: Mumbai
Date:
12 MAY 2023

For and on behalf of the Board of Directors

Brijesh Kumar Soni
Director
DIN : 00037955

Bhagwati Prasad Pant
Director
DIN : 09714511

12 MAY 2023

Yellowstone Fine Chemicals Private Limited Mumbai

Statement A - Related Party Transactions (Rs in Lakhs)

| Related Parties Transactions | For the period ended | (A) Entities where control exists | (B) Associate & Joint Venture | (C) Key Management Personnel | (D) Relatives of Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| **Interest Paid** | **2022-23** | **887.23** | - | - | - | **887.23** |
| | **2021-22** | **(205.35)** | - | - | - | **(205.35)** |
| Laxmi Organic Industries Limited | 2022-23 | **887.23** | - | - | - | **887.23** |
| | 2021-22 | (205.35) | - | - | - | (205.35) |
| **Reimbursement of exp charged** | | **803.86** | - | - | - | **803.86** |
| | | **(571.14)** | - | - | - | **(571.14)** |
| Laxmi Organic Industries Limited | 2022-23 | **780.62** | - | - | - | **780.62** |
| | 2021-22 | (571.14) | - | - | - | (571.14) |
| Laxmi Italy S.R.L. | 2022-23 | **23.24** | - | - | - | **23.24** |
| | 2021-22 | - | - | - | - | - |
| **Reimbursement of payment made on behalf of related party** | | **3,656.32** | - | - | - | **3,656.32** |
| | | **(306.19)** | - | - | - | **(306.19)** |
| Laxmi Organic Industries Limited | 2022-23 | **3,656.32** | | | | **3,656.32** |
| | 2021-22 | (306.19) | | | | (306.19) |
| **Purchases** | | - | | | | - |
| | | **(3.85)** | | | | **(3.85)** |
| Laxmi Organic Industries (Europe) BV | 2022-23 | - | - | - | - | - |
| | 2021-22 | (3.85) | - | - | - | (3.85) |
| **Equity Investment** | **2022-23** | - | - | - | - | - |
| | **2021-22** | **(68.08)** | - | - | - | **(68.08)** |
| Laxmi Italy S.R.L. | 2022-23 | - | - | - | - | - |
| | 2021-22 | (68.08) | - | - | - | (68.08) |
| **Issue of Preference share capital** | **2022-23** | **23,725.00** | - | - | - | |
| | **2021-22** | - | - | - | - | |
| Laxmi Organic Industries Limited | 2022-23 | 23,725.00 | - | - | - | **23,725.00** |
| | 2021-22 | - | - | - | - | - |
| **Purchase of Fixed Assets** | **2022-23** | **17,192.10** | - | - | - | **17,192.10** |
| | **2021-22** | **(1,055.32)** | - | - | - | **(1,055.32)** |
| Laxmi Organic Industries Limited | 2022-23 | **48.25** | - | - | - | **48.25** |
| | 2021-22 | - | - | - | - | - |
| Viva Lifescience Private Limited | 2022-23 | **17,143.84** | - | - | - | **17,143.84** |
| | 2021-22 | (1,055.32) | - | - | - | (1,055.32) |
| **Loans and advances received** | **2022-23** | **12,200.00** | - | - | - | **12,200.00** |
| | **2021-22** | **(7,079.00)** | - | - | - | **(7,079.00)** |
| Laxmi Organic Industries Limited | 2022-23 | **12,200.00** | - | - | - | **12,200.00** |
| | 2021-22 | (7,079.00) | - | - | - | (7,079.00) |
| **Repayment of Loan** | **2022-23** | **9,425.00** | - | - | - | **9,425.00** |
| | **2021-22** | - | - | - | - | - |
| Laxmi Organic Industries Limited | 2022-23 | **9,425.00** | - | - | - | **9,425.00** |
| | 2021-22 | - | - | - | - | - |
| **Balance Payable** | | **19,830.45** | - | - | - | **19,830.45** |
| | | **(10,290.06)** | - | - | - | **(10,290.06)** |
| Laxmi Organic Industries Limited | 2022-23 | **18,177.56** | - | - | - | **18,177.56** |
| | 2021-22 | (10,066.34) | - | - | - | (10,066.34) |
| Viva Lifescience Private Limited | 2022-23 | **1,652.89** | - | - | - | **1,652.89** |
| | 2021-22 | (223.72) | - | - | - | (223.72) |
| | | | | | | - |

Statement B Restatement of earlier year financial statements (Refer note no.32 )

A Changes in Other Equity

| As at March 31, 2021 | | | |
|---|---|---|---|
| Particulars | Restated 31/3/2021 | Changes | Reported earlier 31/3/2021 |
| *Components* | | | |
| Reserves and Surplus | (22.97) | (15.80) | (7.17) |

B1

| As at March 31, 2022 | | | |
|---|---|---|---|
| Particulars | Restated 31/3/2022 | Changes | Reported earlier 31/3/2022 |
| *Components* | | | |
| Reserves and Surplus | (359.41) | (351.83) | (7.58) |

B2

| Statement of Profit and Loss | Restated 31/3/2022 | Changes | Reported earlier 31/3/2022 |
|---|---|---|---|
| Revenue from operations (gross) | - | - | - |
| Other income | - | - | - |
| **Total income (I)** | - | - | - |
| Finance cost | 0.49 | 0.49 | - |
| Depreciation & amortisation | 70.81 | 70.81 | - |
| Other expenses | 265.14 | 264.73 | 0.41 |
| **Total expenses (II)** | **336.45** | **336.04** | **0.41** |
| **Profit before exceptional items and tax** | | | |
| Tax expense | - | - | - |
| **Profit for the period from continuing operations** | (336.45) | (336.04) | (0.41) |
| Other comprehensive income | - | | - |
| **Total comprehensive income for the year** | **(336.45)** | **(336.04)** | **(0.41)** |
| **Earning per share** | | | |
| Basic | (6.60) | (6.59) | (0.01) |
| Diluted | - | - | - |

B3 Changes to Component in Balance Sheet

| Balance sheet | Restated 31/3/2022 | Changes | Reported earlier 31/3/2022 |
|---|---|---|---|
| Capital Work in progress | 8,189.74 | (351.84) | 8,541.58 |
| Other Equity | (359.40) | (351.82) | (7.58) |

C Notes to Changes in Balance Sheet

1 During the year, the company has identified expenditure which were of revenue nature and has been capitalized to Capital Work in progress in the earlier periods which is rectified in these financial statements.

2 As required by para 42 of Ind AS 8 " Accounting policies, changes in accounting estimates and errors" the company has reinstated its profit and loss account for the year FY 2021-22 to give effects of the errors and has also reinstated its opening retained earnings for the rectifications prior to April 1,2021.

3 *Due to the above reinstatement,*

a Loss for the FY 2021-22 has increased by Rs. 336.04 million and corresponding changes to Capital work in progress

b Other equity as at April 1,2021 has increased by Rs.(15.80) million and the corresponding changes to Capital work in progress.

YELLOWSTONE FINE CHEMICALS PRIVATE LIMITED
Statement C- Analytical Ratios
Financial Year 2022-2023

| Sr. No. | Ratio | Numerator/ Denominator | Ratio (2022-23) | Ratio (2021-22) | % of Variation | Reason for variance |
|---|---|---|---|---|---|---|
| 1 | Current ratio | Current Asset / Current Liabilities | 0.32 | 0.15 | 107.34 | |
| 2 | Debt-Equity ratio | Total Debts / Shareholders Equity | 0.93 | 58.62 | (98.41) | During the year company has issued & raised fund INR 23,725 lakhs throgh prefrence shares. |
| 3 | Debt Service Coverage ratio | Earnings available for debt service* / Debt Service | (0.04) | (541.87) | (99.99) | During the year company repaid debt. |
| 4 | Return on Equity ratio ( ROE) | Net Profits after taxes – Preference Dividend / Average Shareholder's Equity | -6.55% | -438.56% | (98.51) | During the year company has issued & raised fund throgh prefrence shares. |
| 5 | Inventory Turnover Ratio | Cost of goods sold / Average Inventory | - | - | - | Not Applicable |
| 6 | Trade Receivables turnover ratio | Revenue / Average Accounts Receivable | - | - | - | Not Applicable |
| 7 | Trade payables turnover ratio | Purchases / Average Trade Payables | - | - | - | Not Applicable |
| 8 | Net capital turnover ratio | Revenue / Average working capital | - | - | - | Not Applicable |
| 9 | Net profit ratio | Net Profit after Tax / Revenue | - | - | - | Not Applicable |
| 10 | Return on Capital employed (ROCE) | Earning before interest and taxes / Capital Employed** | -2.09% | -3.75% | (44.32) | During the year company has issued & raised fund throgh prefrence shares. |
| 11 | Return on Investment (ROI) | Income generated from Investments / Time weighted average investments | - | - | - | Not Applicable |

*Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.
**Tangible net worth + deferred tax liabilities + Lease Liabilities

DAYAL AND LOHIA ★ MUMBAI ★ CHARTERED ACCOUNTANTS

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Yellowstone Fine Chemicals Private Limited ★ Mumbai