

INDEPENDENT AUDITOR'S REPORT

To the Members of Chemplast Cuddalore Vinyls Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS Financial Statements of Chemplast Cuddalore Vinyls Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

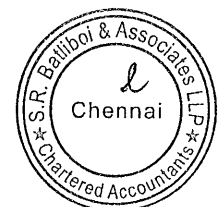
We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements'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

Other Information

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

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

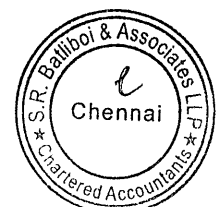
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



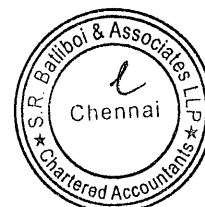
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;



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- (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 Ind AS Financial Statements – Refer Note 40 to the Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, 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, no funds have been received by the company from any person or entity, 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; and
 - c) Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aravind K
Partner

Membership Number: 221268

UDIN: 22221268AISW1Q6817



Place of Signature: Chennai

Date: May 10, 2022

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Annexure 1 referred to in paragraph 1 of the section on report on other legal and regulatory requirements in our report of even date

Re: Chemplast Cuddalore Vinyls Limited ('the Company')

In terms of the information and explanations sought by us and given 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 maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
B. The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 14 to the financial statements are held in the name of the Company except 7.56 acres of freehold land as indicated in the below mentioned cases: as at March 31, 2022 for which title deeds were not available with the Company and hence we are unable to comment on the same.

Description of Properties	Gross carrying value (Amount in Millions)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Land – 0.91 acres (Survey No: 166/9)	1.59	Ms. Sumathi	No	2007-2008	Title under dispute
Land – 5.65 acres (Survey No: 139/11, 178/1-5)	9.89	Mr. Jagadeesan	No	2007-2008	
Land – 1.00 acres (Survey No: 177/2)	1.75	Ms. Senthamizh Selvi	No	2007-2008	

- (d) As disclosed in Note 14 to the financial statements, the Company has revalued its land, buildings and plant and equipment during the year ended March 31, 2022. The revaluation is based on the valuation by a Registered Valuer and the amount of change is less than 10% of the aggregate of the net carrying value of Freehold land, Right of use asset, Buildings, Plant and equipment as a class of Property Plant and Equipment.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



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- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancy of 10% or more were not noticed on such physical verification. There were no inventories lying with third parties as at year.
- (b) As disclosed in Note 27 to the financial statements, the Company has been sanctioned working capital limits in excess of Rupees Five Crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) During the year the Company has not made any investment, provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (a) to (e) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of Sections 185 of the Companies Act, 2013 is applicable. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act 2013 in respect of investments made have been complied with by the Company.
- (v) The Company has neither accepted any deposits from public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause 148(1) of the Act related to the manufacture of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of service tax, customs duty, excise duty and other statutory dues on account of any dispute are as follows:



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Name of the Statute	Nature of dues	Amount in INR (million)	Period which the amount relates to	Forum where dispute is pending
Customs Act, 1962	Customs Duty	21.58	2011-12 to 2012-13	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Excise Duty/ Service Tax/ Penalty	0.79	2009-10 to 2016-17	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty/ Service Tax/ Penalty	34.49	2007-08 to 2013-14	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Income Tax Act, 1971	Income Tax	0.96	2017-18	Commissioner (Appeals)
Electricity Act, 2003	Electricity Tax	8.70	2016-17	Honorable High Court of Madras

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

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

(c) Term loans were applied for the purpose for which the loans were obtained.

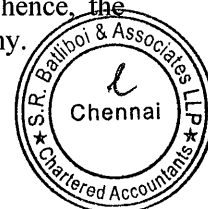
(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, 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. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



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- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, there are no transactions with the related parties which attract the provisions of Sections 177 and 188 of Companies Act, 2013 and hence not commented upon.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) (a) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has two Core Investment Companies as part of the Group.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



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- (xix) On the basis of the financial ratios disclosed in Note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in Note 44 to the financial statements.
- (b) There are no ongoing projects as specified in sub section (6) of Section 135 of Companies Act 2013 and hence reporting under this clause is not applicable for the Company

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Aravind K

per **Aravind K**

Partner

Membership Number: 221268

UDIN: *22221268A1S1W1Q6817*



Place of Signature: Chennai

Date: May 10, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CHEMPLAST CUDDALORE VINYLs LIMITED

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

We have audited the internal financial controls over financial reporting of Chemplast Cuddalore Vinyls Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

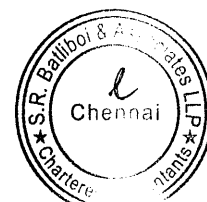
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



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Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting With Reference to these Ind AS Financial Statements

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

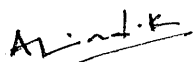
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, 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 S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aravind K
Partner

Membership Number: 221268

UDIN: 22221268AISW1Q6817



Place of Signature: Chennai

Date: May 10, 2022

Chemplast Cuddalore Vinyls Limited
Balance Sheet as at March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	14	9,746.76	9,990.21
Capital work-in-progress		64.44	0.68
Right-of-use assets	14.1	516.07	458.50
Financial Assets			
(i) Investments	15	-	-
(ii) Other Financial Assets	16	47.08	78.39
Other non-current assets	17	24.85	38.68
Non-Current tax assets (Net)		1.79	25.08
		<u>10,400.99</u>	<u>10,591.54</u>
Current assets			
Inventories	18	3,641.05	1,698.42
Financial Assets			
(i) Trade Receivables	19	113.20	60.55
(ii) Cash and cash equivalents	20	6,424.91	2,294.75
(iv) Other Bank balances	21	1,168.51	2,725.92
(v) Other Financial Assets	22	142.08	77.00
Other current assets	23	168.31	146.48
		<u>11,658.06</u>	<u>7,003.12</u>
Total assets		<u>22,059.05</u>	<u>17,594.66</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	24	3,030.30	3,030.30
Instruments entirely equity in nature	25	12,896.55	12,896.55
Other Equity	26	(21,291.43)	(24,071.30)
Total Equity		<u>(5,364.58)</u>	<u>(8,144.45)</u>
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	27	7,990.52	8,409.00
(ii) Other Financial Liabilities	28	129.38	33.42
Deferred Tax Liabilities (Net)	29	2,047.00	2,143.46
Other non-current liabilities	30	126.48	132.29
		<u>10,293.38</u>	<u>10,718.17</u>
Current liabilities			
Financial Liabilities			
(i) Borrowings	31	683.26	576.12
(ii) Trade Payables	32		
- Total outstanding dues of micro enterprises and small enterprises		22.20	22.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises		15,181.07	13,440.68
(iii) Derivative liabilities	33	51.91	111.04
(iii) Other financial liabilities	34	601.67	524.20
Other current liabilities	35	390.08	168.69
Current Tax Liability (Net)		200.06	177.56
		<u>17,130.25</u>	<u>15,020.94</u>
Total liabilities		<u>27,423.63</u>	<u>25,739.11</u>
		<u>22,059.05</u>	<u>17,594.66</u>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet. This is the Balance Sheet referred to in our report of even date.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited

Arvind K
per Arvind K
Partner
Membership No: 221268
Place: Chennai
Date: May 10, 2022



Ramkumar Shankar

Ramkumar Shankar
Managing Director
DIN : 00018391
Place: Chennai

Jharan

N Muralidharan
Chief Financial Officer
Place: Chennai

Date: May 10, 2022

Amarnath

Amarnath
Ananthanarayanan
Director
DIN : 02928105
Place: Ranipet

M Raman

M Raman
Company Secretary
Memb No. ACS 06248
Place: Chennai

Chemplast Cuddalore Vinyls Limited
Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue			
Revenue from operations	4	38,827.81	25,107.39
Other income	5	248.27	106.04
Total Income		39,076.08	25,213.43
Expenses			
Cost of materials consumed	6a	30,046.54	16,532.30
Purchase of traded goods	6b	269.02	310.78
Changes in inventories of finished goods, traded goods and work-in-progress	7	(154.25)	114.51
Employees' benefit expense	8	428.63	364.56
Other expenses	9	2,545.26	2,082.27
Depreciation expense	14	463.08	433.71
Finance costs	10	1,858.52	1,796.93
Total Expenses		35,456.80	21,635.06
Profit / (Loss) before tax		3,619.28	3,578.37
Tax expense:			
Current Tax		(1,053.10)	(678.60)
Income tax relating to earlier years	11	0.07	-
Deferred Tax		125.55	(233.29)
Profit / (Loss) after tax		2,691.80	2,666.48
Other Comprehensive Income:			
Items that will not be reclassified to Profit or Loss in subsequent periods	12		
- Remeasurement of Defined Benefit Plans		(9.49)	1.73
- Deferred Tax relating to remeasurement of Defined Benefit Plans		2.39	(0.44)
- Revaluation of property, plant and equipment		126.65	-
- Deferred Tax expense relating to revaluation of property, plant and equipment		(31.48)	-
- Adjustment of deferred tax liability relating to assets revalued due to change in tax rates		-	29.82
Total Other Comprehensive Income		88.07	31.11
Total Comprehensive Income for the year		2,779.87	2,697.59
Basic and Diluted Earnings per share (equity shares, par value Rs 10/- each)	13	1.69	0.96

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss. This is the Statement of Profit and Loss referred to in our report of even date.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited

Aravind K
per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: May 10, 2022



Ramkumar Shankar
Ramkumar Shankar
Managing Director
DIN : 00018391
Place: Chennai

Jharan
N Muralidharan
Chief Financial Officer
Place: Chennai

Date: May 10, 2022

Amarnath
Amarnath
Ananthanarayanan
Director
DIN : 02928105
Place: Ranipet

M Raman
M Raman
Company Secretary
Memb No. ACS 06248
Place: Chennai

Chemplast Cuddalore Vinyls Limited

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	3,619.28	3,578.37
Adjustments for:		
Depreciation expense	463.08	433.71
Interest and finance charges	1,858.52	1,796.93
(Profit) / Loss on sale of Property, Plant & Equipment (net)	(0.08)	(0.33)
Fair value change in Investment	-	6.00
Liabilities no longer required written back	(0.55)	(4.76)
Interest Income	(235.83)	(94.99)
Difference in fair value of derivative instruments	(59.13)	566.49
Unrealised (gain) / loss of foreign exchange transactions (net)	238.75	819.64
Government Grant Income	(5.81)	(5.81)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,878.23	7,095.25
Adjustments for changes in:		
Trade and other receivables	(99.67)	(92.73)
Inventories	(1,942.63)	(317.91)
Trade and other payables	1,880.91	469.65
CASH GENERATED FROM OPERATIONS	5,716.84	7,154.26
Income taxes paid (net of refunds)	(1,007.24)	(501.20)
NET CASH FROM OPERATING ACTIVITIES	4,709.60	6,653.06
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption of Investments made in compulsorily convertible preference shares in associate	-	12,000.00
Purchase of Property, Plant & Equipment	(185.41)	(105.12)
Margin Deposits placed/ withdrawn with bank (net)	1,557.41	(2,222.62)
Interest received	217.55	84.31
Proceeds from sale of Property, Plant & Equipment	0.88	1.74
NET CASH FROM / USED IN INVESTING ACTIVITIES	1,590.43	9,758.31
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long term borrowings	1,000.00	2,000.00
Repayment from borrowings	(1,515.84)	(2,226.80)
Proceeds / (Repayment) from short-term borrowings (net)	-	(650.23)
Interest and finance charges paid	(1,654.02)	(1,407.80)
Redemption of Compulsorily Convertible Debentures pursuant to change in terms	-	(24,553.35)
Issue of Zero Coupon Compulsorily Convertible Debentures to holding company	-	12,553.35
NET CASH FROM / USED IN FINANCING ACTIVITIES	(2,169.86)	(14,284.83)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,130.16	2,126.54
Cash and cash equivalents at the beginning of the year	2,294.75	168.21
Cash and cash equivalents at the end of the year	6,424.91	2,294.75

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Cash Flow Statement. This is the Statement of Cash Flows referred to in our report of even date.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

Aravind K
per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: May 10, 2022



For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited

Ramkumar Shankar

Ramkumar Shankar
Managing Director
DIN : 00018391
Place: Chennai

Amarnath Ananthanarayanan

Amarnath Ananthanarayanan
Director
DIN : 02928105
Place: Ranipet

N Muralidharan

N Muralidharan
Chief Financial Officer
Place: Chennai

M Raman

M Raman
Company Secretary
Memb No. ACS 06248
Place: Chennai

Date: May 10, 2022

Chemplast Cuddalore Vinyls Limited
Statement of changes in equity for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Particulars	Equity Share Capital	Instruments entirely equity in nature (CCD)	Other Equity				Total
			Reserves and Surplus		Retained earnings	Asset Revaluation Reserve	
			Capital Reserve	Capital Redemption Reserve			
Balance at April 1, 2020	3,030.30	24,896.55	(33,130.94)	0.71	1,484.91	4,876.43	(26,768.89)
Profit / (loss) for the year	-	-	-	-	2,666.48	-	2,666.48
Depreciation on revalued assets	-	-	-	-	191.70	(191.70)	-
Issue of Zero Coupon Compulsorily Convertible Debentures	-	12,553.35	-	-	-	-	-
Redemption consequent to change in terms of the instruments	-	(24,553.35)	-	-	-	-	-
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	-	-	-	-	29.82	29.82
Add: Other Comprehensive Income	-	-	-	-	1.29	-	1.29
Balance at March 31, 2021	3,030.30	12,896.55	(33,130.94)	0.71	4,344.38	4,714.55	(24,071.30)
Profit / (loss) for the year	-	-	-	-	2,691.80	-	2,691.80
Depreciation on revalued assets	-	-	-	-	196.07	(196.07)	-
Add: Other Comprehensive Income	-	-	-	-	(7.10)	95.17	88.07
Balance at March 31, 2022	3,030.30	12,896.55	(33,130.94)	0.71	7,225.15	4,613.65	(21,291.43)

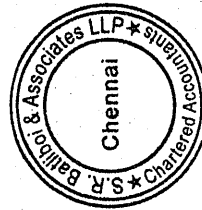
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Changes in Equity. This is the Statement of changes in equity referred to in our report of even date.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Arvind K
per Arvind K
Partner

Membership No: 221268
Place: Chennai
Date: May 10, 2022



For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited

Ram Kumar Shankar

Ram Kumar Shankar
Managing Director
DIN : 00018391
Place: Chennai

Amaramath Ananthanarayanan

Amaramath Ananthanarayanan
Director
DIN : 02928105
Place: Ranipet

N Muralidharan

N Muralidharan
Chief Financial Officer
Place: Chennai

M Raman

M Raman
Company Secretary
Memb No. ACS 06248
Place: Chennai

Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

1.1 Corporate Information

Chemplast Cuddalore Vinyls Limited ("the Company") is a public limited company incorporated and domiciled in Chennai. The registered office is located at Cathedral Road, Chennai. During the previous year ended March 31, 2021, pursuant to a share transfer arrangement between Chemplast Sanmar Limited ("CSL") and Sanmar Engineering Services Limited ("SESL"), CSL became the holding company of the Company and has the acquired the ability to control its operating and financial policies. However, SESL continues to be the ultimate holding company of the Company.

2 Basis of Preparation

2.1 Statement of Compliance:

These financial statements of the Company have been prepared and presented from April 1, 2021 to March 31, 2022 in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value (also refer accounting policy regarding financial instruments):

- a. derivative financial instruments
- b. investment in unquoted equity shares
- c. Property, Plant and equipment under revaluation model

These financial statements are presented in INR and are rounded off to the nearest million, except when otherwise indicated and are authorised for issue by the Company's Board of Directors on May 10, 2022.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

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

All other assets and liabilities are classified as non-current.

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

Based on the nature of products/activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

2.3 Covid-19 and its impact on the Company's business

The outbreaks of Corona virus pandemic resulted in significant hardships in economic activities in the country and to an extent the Company's business as well at certain points of time during the year. The Government enforced lockdowns from time to time caused impact on the operations of the Company including stoppage of production, supply chain disruption, etc. There is also a significant volatility in prices of the petrochemical products, primarily driven by external market forces.

As detailed in the relevant notes to these financial statements, the Company has made a detailed assessment of its liquidity position for the next one year and of the recoverability of the Company's assets comprising Property, plant and equipment and Inventories based on internal and external information up to the date of approval of these financial statements. Based on performance of sensitivity analysis on the assumptions used and considering the current indicators of future economic conditions relevant to the Company's operations (wherever applicable), management expects to recover the carrying value of these assets.

The impact of Covid-19 may differ from that estimated as at the date of approval of these financial statements.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

2.4 Appropriateness of the Going Concern Assumption in the preparation of the financial statements:

During the current year ended March 31, 2022, the Company has earned a profit before tax of Rs. 3619.28 Million (profit before taxes of Rs. 3578.37 Million for the year ended March 31, 2021). The management expects the demand for the Company's products to follow the recent trend established towards the end of the current year and considering the overall demand for PVC, outstripping the installed capacity in India, the company is confident that it would be able to operate its plant at optimal capacity to generate profitable operations for the foreseeable future.

Thus, the management is of the view that the Company will be able to achieve cash-profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

3 Significant Accounting Policies

3.1 Foreign currency transactions

The Company's functional currency is Indian Rupees. Foreign currency transactions are recorded at the rate of exchange prevailing as on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currency are converted at year-end rates. Exchange differences arising on settlement / conversion are adjusted in the Statement of Profit and Loss.

3.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

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

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Disclosures for valuation methods, significant estimates and assumptions
- ▶ Quantitative disclosures of fair value measurement hierarchy
- ▶ Investment in unquoted equity shares

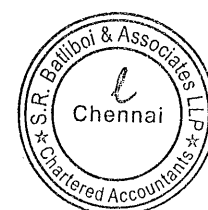
3.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

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



3.3.1 Financial Assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- a. Debt instruments at amortised cost;
- b. Derivatives and equity instruments at fair value through profit or loss (FVTPL);
- c. Investments at cost.

a. Debt instruments at amortised cost;

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income 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.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in Note 36.11.

3.3.1.1 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, 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-month 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.



Impairment of financial assets (continued)

- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables 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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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.

3.3.1.2 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3.3.2 Financial liabilities and equity instruments

3.3.2.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind-AS 32

3.3.2.2 Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3.2.3 Convertible debt instruments

Convertible debt instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debt instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent periods.

Transaction costs are apportioned between the liability and equity components of the convertible debt instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Where a convertible debt instrument meets the criteria of an equity in its entirety, such instruments are classified under "Instruments entirely equity in nature".



3.3.2.4 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised 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, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings:

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

3.3.2.5 Financial Guarantees

Financial guarantee contracts involving the Company as a beneficiary are accounted as per Ind-AS 109. The Company assesses whether the financial guarantee is a separate unit of account (a separate component of the overall arrangement) and recognises a liability as may be applicable

3.3.2.6 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 36.11

3.3.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. 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 de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3.3 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.3.4 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense / income over the relevant period. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) but does not consider the expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.3.5 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in profit or loss immediately.



3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Property, Plant & Equipment are initially recognised at cost.

Property, plant and equipment were valued at cost model net of accumulated depreciation until March 31, 2019. Cost includes purchase price, including duties and non-refundable taxes, costs that are directly relatable in bringing the assets to the present condition and location. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

On March 31, 2019, the Company had elected to change the method of accounting for land, buildings and plant and equipment classified as property, plant and equipment and leasehold land classified as right-of-use assets as the Company believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the land, buildings and plant and equipment's fair value. The Company applied the revaluation model prospectively. After initial recognition, these assets are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. After recognition land is measured at revaluation model. Buildings and plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in statement of profit or loss. A revaluation deficit if any is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The fair value changes are effected by eliminating the accumulated depreciation against the gross carrying amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Apart from the above, the Company follows the cost model for Motor cars, Office equipments, Furniture & Fittings. Other assets are measured at cost less depreciation. Freehold land is not depreciated.

The Company, based on technical assessment made by management estimate supported by external Chartered engineer's study, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Particulars	Useful life
Buildings	20 - 50 years
Plant and equipment	1 - 65 years
Vehicles	3 - 6 years
Computers and peripherals and motor cars	3 years
Office equipments	3 - 5 years
Furniture and fixtures	5 years

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

3.5 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all applicable costs incurred for bringing the inventories to their present location and condition and includes appropriate overheads wherever applicable.

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



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

3.6 Retirement and Employees benefits

Short term employees' benefits including accumulated compensated absence are recognized as an expense as per the Company's Scheme based on expected obligations on undiscounted basis. The present value of other long-term employees benefits are measured on a discounted basis as per the requirements of Ind AS 109.

Post-Retirement benefits comprise of employees' provident fund and gratuity which are accounted for as follows:

Provident Fund / Employee State Insurance:

This is a defined contribution plan and contributions made to the fund are charged to revenue. The Company has no further obligations for future fund benefits other than annual contributions.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

Remeasurement comprising actuarial gains and losses and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit or loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Termination benefits

Termination benefits are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

3.7 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in Note 3.3.1.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Some contracts provide customers with volume rebate.

Volume Rebates / Price concessions / Special discounts:

The Company provides for volume rebates, price concessions, special discounts to certain customers once the quantity of goods sold during a period exceeds an agreed threshold. Rebates are offset against amounts receivable from customers. To estimate the variable consideration, the Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.



Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates

Service Income

Income from services rendered is recognised at a point in time based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income

Interest income is recognized using the effective interest rate (EIR) method.

3.8 Leases

Company as a lessee:

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land - 99 years

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.9 Taxes

Income Tax

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

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

Deferred tax

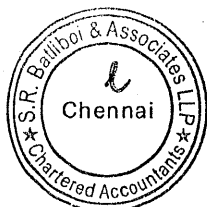
Deferred tax is accounted for using the liability method by computing the tax effect on the tax bases of temporary differences at the reporting date. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Taxes (continued)

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

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

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment :

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company has determined, that it is probable that its tax treatments will be accepted by the taxation authorities. Deferred tax assets are recognised only if there is a reasonable certainty, with respect to unabsorbed depreciation and business loss, that they will be realised.

Current tax / deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax / deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.10 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.11 Provisions and contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees in Millions unless otherwise stated)

3.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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.

The useful lives of intangible assets owned by the Company are assessed as finite.

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.

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.

3.14 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.

3.15 Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

3.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company by the weighted average number of equity shares and instruments held entirely equity in nature outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

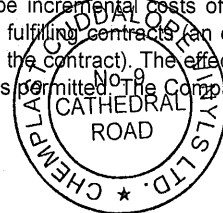
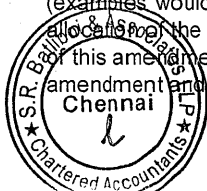
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.17 Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Note : 4		
Revenue from operations		
(i) Revenue from contract with customers *		
Revenue from the sale of manufactured goods	38,423.33	24,855.18
Revenue from the sale of traded goods	399.07	248.67
(ii) Other operating revenue		
Revenue from sale of scrap	5.41	3.26
Revenue from export incentives	-	0.28
	38,827.81	25,107.39

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Revenue as per Contracted Price	39,939.19	25,648.32
<i>Adjustments towards:</i>		
Volume Rebates	223.22	234.37
Price concessions	780.38	236.45
Special discounts	113.19	73.65
Revenue as per statement of profit and loss	38,822.40	25,103.85

Contract Balances

Particulars

Trade Receivables (Contract Asset)	113.20	60.55
Advance from customers (Contract Liabilities)	134.94	92.21
Revenue recognised from opening contract liabilities	92.21	303.17
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India	-	22.03
- Within India	38,827.81	25,085.36

*The entire revenue from contract with customers are recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115

Note : 5

Other income

Gain on disposal of property, plant and equipment (net)	0.08	0.33
Provisions no longer required written back	0.55	4.76
Amortization of government grant	5.81	5.81
Interest Income on financial assets at amortised cost	235.83	94.99
Miscellaneous income	6.00	0.15
	248.27	106.04

Note : 6

(a) Cost of materials consumed

Inventories of materials at the beginning of the year	1,253.40	810.26
Add: Purchases	31,677.69	16,975.44
Less: Inventories of materials at the end of the year	2,884.55	1,253.40
	30,046.54	16,532.30

(b) Purchase of traded goods

	269.02	310.78
	269.02	310.78

Note : 7

Changes in inventories of finished goods, traded goods and work in progress

Inventories at the beginning of the year		
Work in progress	21.14	15.02
Finished goods	135.90	370.49
Traded goods	113.96	-
	271.00	385.51
Inventories at the end of year		
Work in progress	50.16	21.14
Finished goods	371.27	135.90
Traded goods	3.82	113.96
	425.25	271.00
	(154.25)	114.51



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Note : 8		
Employees' benefit expense		
Salaries and wages	402.48	341.01
Contribution to provident and other funds	14.16	13.05
Gratuity Expense	4.27	4.44
Staff welfare expenses	7.72	6.06
	<u>428.63</u>	<u>364.56</u>
Note : 9		
Other expenses		
Power and fuel	707.85	486.24
Stores consumed	558.55	409.76
Commission on sales	77.77	79.11
Rent	22.53	1.68
Insurance	81.78	57.52
Rates and taxes	11.67	12.85
Repairs and maintenance		
- Machinery	85.48	72.19
- Building	12.96	7.08
- Others	63.49	36.41
Freight and handling	79.19	83.35
Difference in foreign exchange (net) *	550.50	437.62
Operation & Maintenance expenses	112.68	103.33
Legal and professional fees	55.52	22.41
Payment to auditor ^	5.83	3.59
Miscellaneous expenses	119.46	269.13
	<u>2,545.26</u>	<u>2,082.27</u>
Expense relating to short term leases (Included in other expenses)	22.53	1.68
*Net of fair value gain on derivative instruments at FVTPL of Rs.59.13 Million (2020-21 :Loss Rs. 566.49 Million)		
^ Payment to auditor		
For Statutory Audit	2.65	2.66
For Tax Audit	0.43	0.43
For Limited Review	0.53	0.32
For Certification Services	0.12	0.17
For Other Services	2.10	-
For Reimbursement of Expenses	-	0.01
	<u>5.83</u>	<u>3.59</u>
Note : 10		
Finance costs		
Interest on bank overdrafts and loans	1,162.26	1,146.07
Other finance costs	692.90	648.52
Bank charges	3.36	2.34
	<u>1,858.52</u>	<u>1,796.93</u>

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Note: 11		
Income tax expenses		
<u>Current Tax:</u>		
Current Income tax charge	(1,053.10)	678.60
Adjustments in respect of current income tax of prior years	0.07	-
<u>Deferred tax:</u>		
Relating to origination and reversal of temporary differences	125.55	(233.29)
Income tax expense reported in statement of profit and loss	<u>(927.48)</u>	<u>445.31</u>
<u>Other comprehensive income (OCI):</u>		
Net loss/(gain) on remeasurements of defined benefit obligations	2.39	(0.44)
Net loss/(gain) on remeasurements of revaluation of property, plant and equipment	(31.48)	-
Income tax charged to OCI	<u>(29.09)</u>	<u>(0.44)</u>

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2022

The tax on the company's loss before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (25.1680%*) as follows:

Accounting profit before tax	3,619.28	3,578.37
Profit before Income tax multiplied by standard rate of corporate tax in India (25.1680%) (March 31, 2021: 25.1680%) as follows:	(910.90)	(900.60)
Effects of:		
Impact of Government grant being recognised on below-par loan from Government	1.46	1.46
Inadmissible expenses	(11.16)	(8.51)
Impact of reversal of income tax provision relating to earlier years	0.07	-
Effect of change in substantively enacted tax rates	-	4.81
Leashold land rent charges claimable under Income Tax	(7.00)	(13.30)
Others	0.05	4.25
Net effective Income tax	<u>(927.48)</u>	<u>(911.89)</u>

*The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law.

Note 12

Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2022

	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains/(losses) on defined benefit obligations	(7.10)	-	(7.10)
Revaluation of property, plant and equipment (net of taxes)	-	95.17	95.17
	<u>(7.10)</u>	<u>95.17</u>	<u>88.07</u>

During the year ended 31 March 2021

	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains/(losses) on defined benefit obligations	1.29	-	1.29
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	29.82	29.82
	<u>1.29</u>	<u>29.82</u>	<u>31.11</u>

Note 13

Earnings per share [EPS]:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Earnings per share :

Profit/(Loss) after tax	2,691.80	2,666.48
Earnings used in the calculation of earnings per share	2,691.80	2,666.48
Weighted average number of Equity shares for basic & Diluted EPS	1,59,26,85,303	2,78,28,22,289

Basic and diluted earnings per share

Basic earnings per share	1.69	0.96
Diluted earnings per share	1.69	0.96



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 14

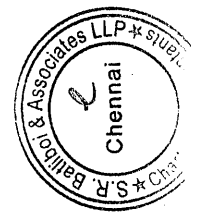
Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost or valuation							
Balance as at April 1, 2020	575.83	664.95	9,491.89	13.37	4.91	13.32	10,764.27
Additions	-	1.49	66.86	4.63	0.01	1.67	74.66
Disposals	-	-	3.43	-	-	1.54	4.97
Balance as at March 31, 2021	575.83	666.44	9,555.32	18.00	4.92	13.45	10,833.96
Additions	-	-	120.07	1.56	0.54	1.37	123.54
Disposals	-	-	-	-	-	1.10	1.10
Adjustments towards revaluation * (Refer note 14.2)	(18.03)	(78.96)	(926.96)	-	-	-	(1,023.95)
Balance as at March 31, 2022	557.80	587.48	8,748.43	19.56	5.46	13.72	9,932.45
Accumulated depreciation							
Balance as at April 1, 2020	-	29.16	380.13	5.16	1.76	2.32	418.53
Depreciation expense	-	29.28	391.66	6.02	0.27	1.55	428.78
Eliminated on disposals of assets	-	-	3.43	-	-	0.13	3.56
Balance as at March 31, 2021	-	58.44	768.36	11.18	2.03	3.74	843.75
Depreciation expense	-	29.60	423.40	2.81	0.25	1.61	457.67
Eliminated on disposals of assets	-	-	-	-	-	0.31	0.31
Adjustments towards revaluation * (Refer note 14.2)	-	(80.45)	(1,034.97)	-	-	-	(1,115.42)
Balance as at March 31, 2022	-	7.59	156.79	13.99	2.28	5.04	185.69
Net Block							
Balance as at March 31, 2022	557.80	579.89	8,591.64	5.57	3.18	8.68	9,746.76
Balance as at March 31, 2021	575.83	608.00	8,786.96	6.82	2.89	9.71	9,990.21

For details of charge on Property, Plant & Equipment refer Note 27

Also Refer Note 48 for Capital work-in-progress ageing schedule

* This transfer relates to the accumulated depreciation as at the revaluation date that was adjusted against the gross carrying amount of the revalued assets.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 14.1

Carrying amounts of Right-of-use (ROU) assets recognised and movement during the year

Particulars	Leasehold land
Carrying amount	
Balance as at April 1, 2020	410.59
Additions	52.84
Depreciation	4.93
Balance as at March 31, 2021	458.50
Additions	27.81
Adjustments towards revaluation	35.17
Depreciation	5.41
Balance as at March 31, 2022	516.07

Note on Recognition of Right-of-use asset

The Company has adopted the modified retrospective approach as given in Ind AS 116 and so has recognised Right-of-use assets for unexpired contracts as at April 1, 2019 and which has a lease term of more than 12 months from the date of initial application.

The following are the amounts recognised in Statement of Profit and Loss relating to leases

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use asset	5.41	4.93
Expense relating to short term leases (included in other expenses)	22.53	1.68
Total amount recognised in Statement of Profit and Loss	27.94	6.61

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Note : 14.2

Revaluation of Property, Plant and Equipment and Right of Use Assets

Fair value of property, plant and equipment was determined by using the market value method for Freehold land and leasehold land classified as ROU, Depreciable Replacement Cost method (DRC) for Buildings and Plant & Equipment. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of latest revaluation of 1 January 2022, the properties' fair values are based on valuations performed by RBSA Valuation Advisors LLP who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Information of revaluation model:

If Property, plant and equipment and ROU were measured using the cost model, the carrying amounts would be as follows:

Net book value	Property, plant and equipment		Right-of-use (ROU) assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rs Million	Rs Million	Rs Million	Rs Million
Cost	5,177.39	5,054.95	191.29	163.48
Accumulated depreciation and impairment	1,254.29	1,055.34	7.08	5.16
Net carrying amount	3,923.10	3,999.61	184.21	158.32

Fair Value Hierarchy for Property, Plant and Equipment and ROU under revaluation model:

The Company uses the following hierarchy for determining and disclosing the fair value of its freehold land, buildings and plant and equipment:

Total	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Level 1	Level 2	Level 3
Rs Million	Rs Million	Rs Million	Rs Million
Assets measured at fair value:			
<i>March 31, 2022</i>			
Revalued Property, Plant and Equipment:			
Freehold Land	557.80	-	557.80
Buildings	579.89	-	579.89
Plant and Machinery	8,591.64	-	8,591.64
Revalued ROU			
Leasehold land	516.07	-	516.07
10,245.40	-	1,073.87	9,171.53
Assets measured at fair value:			
<i>March 31, 2021</i>			
Revalued Property, Plant and Equipment			
Freehold Land	575.83	-	575.83
Buildings	608.00	-	608.00
Plant and Machinery	8,786.96	-	8,786.96
Revalued ROU			
Leasehold land	-	-	-
9,970.79	-	575.83	9,394.96

Significant Observable and unobservable Valuation Inputs :

The value of Freehold land was determined based on condition, location, demand, supply in and around, plant-layout and other infrastructure facility available at and around the said plot of land.

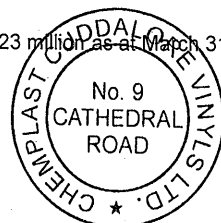
Right of use on leasehold land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

The valuation of Buildings and Plant and equipment was based on its present fair market value after allowing for the depreciation of the particular assets, as well as the present condition of the assets (Depreciated Replacement Cost Method). The replacement value of the said assets as well as its maintenance up-keep is considered while working out its present fair value.

Note : 14.3

Title deeds of Immovable Property not held in the name of the Company

Freehold land to the extent of 7.56 acres having a carrying value of Rs. 13.25 million as at March 31, 2022 (7.56 acres of Rs 24.23 million as at March 31, 2021) are in dispute. Pending resolution of the dispute, related title deeds have not been registered in the name of the Company



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note : 15		
Investments at FVTPL		
Investments in the shares of bodies corporate		
<u>Unquoted fully paid equity shares</u>		
Sai Regency Power Corporation Private Limited	-	-
Aggregate value of unquoted investments	-	-
(Also refer to Note No.38 for details of investments)		
Note : 16		
Other non-current financial assets		
(Unsecured, considered good)		
Security deposits	47.08	78.39
	<u>47.08</u>	<u>78.39</u>
Note : 17		
Other non-current assets		
Security Deposit - Government Authorities	13.14	13.04
Prepaid expenses	10.15	-
Capital Advances	1.56	25.64
	<u>24.85</u>	<u>38.68</u>
Note : 18		
Inventories		
Raw materials	22.73	19.93
Work-in-progress	50.16	21.14
Finished goods	371.27	135.90
Traded goods	3.82	113.96
Stores and spares	331.26	174.02
Intermediates	2,861.81	1,233.47
	<u>3,641.05</u>	<u>1,698.42</u>

As at March 31, 2020 Inventories with a value of Rs. 1,165.98 Million were carried at net realizable value. This was after considering a charge to the statement of profit and loss of Rs.1,068.95 Million for the year ended March 31, 2020 towards write-down of inventories to their net realisable value. During the year ended March 31, 2022, Nil (PY Rs. 812.72 Million) was utilized or released to the statement of profit and loss from such written-down value of inventory.

Note :

Inventories includes Goods in transit		
Intermediates	2,105.00	911.57
Stores and Spares	90.07	4.53
	<u>2,195.07</u>	<u>916.10</u>

Note : 19

Trade receivables

Unsecured, considered good**

Receivable from related party (Refer Note 37)	0.07	-
Receivable from others	113.13	60.55
	<u>113.20</u>	<u>60.55</u>

** Trade Receivables are non interest bearing and are generally on terms of 1-60 days

** Also Refer Note 49 for Trade receivables ageing schedule



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note : 20		
Cash and cash equivalents		
Bank balances		
-in current account	402.25	535.15
-Deposits with original maturity of less than three months	6,017.82	1,759.50
Cheques on hand	4.75	-
Cash on hand	0.09	0.10
	<u>6,424.91</u>	<u>2,294.75</u>
Note : 21		
Other bank balances		
Margin deposits (Refer Note 27)	1,168.51	2,725.92
	<u>1,168.51</u>	<u>2,725.92</u>
Note : 22		
Other current financial assets (unsecured, considered good)		
Security deposits	0.54	0.52
Sundry receivable (Refer note 37)	27.84	30.06
Claims receivables	82.46	33.46
Interest receivable	31.24	12.96
	<u>142.08</u>	<u>77.00</u>
Note : 23		
Other current assets		
Prepaid expenses	8.81	7.53
Advances given to suppliers	159.50	138.95
	<u>168.31</u>	<u>146.48</u>

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 24

Equity Share Capital

Authorised

304,000,000 Equity shares of Rs.10 each

8,000 cumulative redeemable preference shares of Rs.100/- each

As at
March 31, 2022

As at
March 31, 2021

3,040.00

3,040.00

0.80

0.80

3,040.80

3,040.80

Issued

303,030,303 equity shares of Rs.10/- each

3,030.30

3,030.30

Subscribed and fully paid-up

303,030,303 equity shares of Rs.10/- each

3,030.30

3,030.30

3,030.30

3,030.30

A: Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of Shares	Share Capital
Balance at 1 April 2020	30,30,30,303	3,030.30
Issued during the year	-	-
Balance at 31 March 2021	30,30,30,303	3,030.30
Issued during the year	-	-
Balance at 31 March 2022	<u>30,30,30,303</u>	<u>3,030.30</u>

Shares Held by Holding Company and its subsidiaries

Chemplast Sanmar Limited (Holding Company) & its nominees of face value of Rs.10 each.

Rights, Preferences and Restrictions attached to shares

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

B: Details of Share holders holding more than 5% shares in the company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Chemplast Sanmar Limited (Holding Company) & its nominees of face value of Rs.10 each	30,30,30,303	100%	30,30,30,303	100.00%

C: Details of Shares held by promoters at the end of the year

Promoter name	For the year March 31, 2022		
	No. of Shares	% of total shares	% Change during the year
Chemplast Sanmar Limited	30,30,30,303	100%	-
Total	<u>30,30,30,303</u>	<u>100%</u>	<u>-</u>

Promoter name	For the year March 31, 2021		
	No. of Shares	% of total shares	% Change during the year
Chemplast Sanmar Limited	30,30,30,303	100%	100%
Total	<u>30,30,30,303</u>	<u>100%</u>	<u>100%</u>



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 25

Instruments entirely equity in nature

A: Reconciliation of CCD outstanding at the beginning and at the end of the year

	As at March 31, 2022	As at March 31, 2021
	No. of CCD	Amount
Balance at 1 April 2020	24,89,65,500	24,896.55
Issued during the year	12,55,33,516	12,553.35
Redeemed during the year	(24,55,33,516)	(24,553.35)
Balance at 31 March 2021	12,89,65,500	12,896.55
Issued during the year	-	-
Balance at 31 March 2022	12,89,65,500	12,896.55

Rights, Preferences and Restrictions attached to Zero Coupon Compulsorily Convertible Debentures

- (i) The Zero Coupon Compulsorily Convertible Debentures (CCD) shall not carry any interest.
- (ii) 18,189,562 CCD issued are compulsorily convertible into equity shares of the company, at par, anytime as may be decided by the Company, but not later than March 30, 2030
- (iii) 32,343,954 CCD issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 30, 2030
- (iv) 37,500,000 CCD issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 29, 2030
- (v) 37,500,000 CCD issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 29, 2030
- (vi) 735,000 CCD issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 31, 2029
- (vii) 1,200,000 CCD issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 31, 2029
- (viii) 1,496,984 CCD issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 20, 2029
- (ix) The application for CCD shall be deemed to be the application for Shares when the conversion takes place.
- (x) The CCD being unsecured shall rank pari passu with all other unsecured borrowings, existing and future.
- (xi) The CCD are not marketable securities and can be transferred only at the discretion of the Company.
- (xii) The equity shares to be issued on conversion shall rank pari passu in all respects with the equity shares existing on the date of conversion.

B: Details of Debenture holders in the company

Name of Debenture holder	As at March 31, 2022		As at March 31, 2021	
	No. of Debentures	% of holding	No. of Debentures	% of holding
Chemplast Sanmar Limited (Holding Company) of face value of Rs.100 each	12,55,33,516	97.34%	12,55,33,516	97.34%
Sanmar Engineering Services Limited (Ultimate Holding Company) of face value of Rs.100 each	34,31,984	2.66%	34,31,984	2.66%
Total	12,89,65,500	100.00%	12,89,65,500	100.00%

Note: 26

Other Equity

Asset Revaluation reserve (Refer B below)	4,613.65	4,714.55
Retained earnings (Refer A below)	7,225.15	4,344.38
Capital Redemption Reserve	0.71	0.71
Capital Reserve	(33,130.94)	(33,130.94)
	(21,291.43)	(24,071.30)

(A) Retained Earnings

Balances at the beginning of the year	4,344.38	1,484.91
Profit / (Loss) for the year	2,691.80	2,666.48
Depreciation on revalued assets	196.07	191.70
Other Comprehensive Income	(7.10)	1.29
Balances at the end of the year	7,225.15	4,344.38

(B) Asset Revaluation Reserve

Balances at the beginning of the year	4,714.55	4,876.43
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	29.82
Depreciation on revalued assets	(196.07)	(191.70)
Other Comprehensive Income	95.17	-
Balances at the end of the year	4,613.65	4,714.55



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2022 - continued**

(All amounts are in Indian Rupees in Millions unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Nature and purpose of reserves:		
Asset Revaluation Reserve:		
The Company has recognised the surplus arising out of revaluation of Property, plant and equipment and Right-of-Use Assets to Asset Revaluation Reserve in accordance with Ind-AS 16.		
Capital reserve:		
The Company recognises the difference between the net assets less reserves acquired or transferred by the Company and as reduced by the shares capital issued or received respectively, pursuant to a common control business combination is adjusted to capital reserve.		
Capital Redemption Reserve:		
The Company had created Capital Redemption Reserve in respect of redemption of preference shares in accordance with Companies Act.		
Note : 27		
Non Current Borrowings		
Secured – at amortized cost		
Term loan from Banks	5,152.83	6,126.05
Term loan from Financial Institutions	2,617.71	1,974.13
SIPCOT Soft Loan	903.24	884.94
	(A)	
	<u>8,673.78</u>	<u>8,985.12</u>
Less:		
Current maturities of borrowings		
Term loan from Banks	286.87	232.17
Term loan from Financial Institutions	396.39	343.95
	(B)	
	<u>683.26</u>	<u>576.12</u>
	(A) - (B)	
	<u>7,990.52</u>	<u>8,409.00</u>

Summary of borrowing arrangements**Term Loan from Bank**

A. Term loan from bank amounting to Rs. 5,152.83 Million (March 31, 2021: Rs. 6,126.05 Million) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company, second pari passu charge over current assets and exclusive charge over debt service reserve bank account of the Company.

B. Corporate Guarantee of Sanmar Engineering Service Limited for Rs.8,250 Million towards the term loan, but limited to current outstanding of Rs.5,152.83 Million.

C. The Bank has a put option on the term loan at the end of 7 years from the period of first disbursement being December-2019.

Soft loan from SIPCOT

A. Term loans from SIPCOT amounting to Rs. 903.24 Million (March 31, 2021: Rs. 884.94 Million) is secured by first pari passu charge on specific land, buildings and plant and machinery of the Company and Corporate Guarantee given by Chemplast Sanmar Limited to SIPCOT for the soft loan facility is Rs 3,318.60 Million but limited to the loan outstanding – Soft loan drawn down as on on 31st March 2022 is Rs 1,076.63 Million (March 31, 2021: Rs. 1,076.63 Million). Also refer Accounting policy given in 3.12

Term loan from Financial Institution

A. Term loan from financial institution amounting to Rs. 2,617.71 Million (March 31, 2021: 1,974.13) is secured by first pari passu charge over entire moveable fixed assets of the Company, both present and future, first pari passu charge over the entire immoveable fixed assets (leasehold and freehold lands admeasuring about 190 acres) of the Company, both present and future, Second pari passu charge over current assets of the Company, both present and future and exclusive charge over debt service reserve bank account.

B. Corporate Guarantee of Sanmar Engineering Service Limited towards the term loan aggregating to Rs.3,000 Million but limited to current outstanding of Rs.2,617.71 Million.

C. The financial institution has a put option on the term loan amounting to Rs.987.12 million at the end of 5 years from the period of first disbursement being December-2021.

Repayment of loans

(a) Repayment of term loan from banks in 40 structured quarterly installments commenced from February 2020. The Company had opted for moratorium for the quarterly instalments that were due in May-20 and Aug-20, under the regulatory package notified by the Reserve Bank of India as part of COVID-19 relief measures.

Note: Current interest rate of the above term loan is 8.75% (March 31, 2021: 11.75%)

(b) Soft loan from SIPCOT repayable in the 10th year from drawal.

(c) Repayment of term loan amounting to Rs. 1,630.59 million from financial institution in 23 equated quarterly installments, commencing from May-21

Note: Current interest rate of the above term loan is 10.75% (March 31, 2021: 10.75%)

(d) Repayment of term loan amounting to Rs. 987.12 million from financial institution in 34 structured quarterly installments, commencing from February-22

Note: Current interest rate of the above term loan is 8.90% (March 31, 2021: NA)



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

As at
March 31, 2022 As at
March 31, 2021

Note : 28

Other non-current financial liabilities

Trade Deposits	25.50	15.50
Accrued salaries and benefits	88.90	2.94
Other Payables	14.98	14.98
	129.38	33.42

Note : 29

Deferred tax liabilities / (Assets) (Net)

A. Deferred tax liabilities

Difference between book and tax written down value of depreciable Property, Plant & Equipment	2,195.38	2,236.24
Payments allowable in full under Income Tax but amortised over a period in books	21.83	98.00
MTM/Forward Premium claimable in future	28.11	(4.84)

B. Deferred tax assets

Difference in allowable expenditure on foreign exchange contracts	(37.52)	7.98
Expenses allowable on payment basis	(161.61)	(194.81)
Others	0.81	0.89
	2,047.00	2,143.46

Reconciliation of deferred tax liabilities (net):

Opening Balance	2,143.46	1,939.55
Change in Statement of Profit and Loss	(125.55)	233.29
Change in Other Comprehensive Income	29.09	(29.38)
Closing Balance	2,047.00	2,143.46

Note : 30

Other non-current liabilities

Government grant*	126.48	132.29
	126.48	132.29

* Note: Government Grant have been received for investment in property, plant & equipment. Grants are initially recognised where there is a reasonable assurance that the Company will comply with all attached conditions.

Note : 31

Current Borrowings

Secured – at amortized cost

Current maturities of borrowings

- Term loan from Banks	286.87	232.17
- Term Loan from Financial Institutions	396.39	343.95
	683.26	576.12

Security Particulars :

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts of the Company. Second pari passu charge on Property, Plant & Equipment of the Company (excluding specifically charged land and buildings).

The quarterly return submitted by the Company to its Bankers are in agreement with the books of accounts.

Note : 32

Trade payables

Payable to related party (Refer Note 37)	19.03	0.96
Payable to others *	15,184.24	13,462.37
	15,203.27	13,463.33

* General Terms: The average credit period varies for each product between 1 and 270 days. In general - No interest is charged for the initial period of 60 days. Thereafter interest / discounting charges is paid at LIBOR / SOFR + Spread on the outstanding balance

* The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

* Includes dues for payment to Micro and Small enterprises Rs. 22.20 Million (March 31, 2021: Rs. 22.65 Million)

* Also Refer Note 50 for Trade payables ageing schedule



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2022 - continued**

(All amounts are in Indian Rupees in Millions unless otherwise stated)

As at
March 31, 2022 As at
March 31, 2021

Note : 33**Derivative Instruments**

Derivative Liability / (Asset)*

51.91	111.04
<u>51.91</u>	<u>111.04</u>

While the Company entered into foreign exchange forward contracts with the intention of reducing foreign exchange risk of purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

Note : 34**Other current financial liabilities**

Payable / Accrual towards Capital Expenditure *

12.10 6.48

Accrued salaries and benefits

93.38 204.34

Other Payables

496.19 313.38

<u>601.67</u>	<u>524.20</u>
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* Includes dues for payment to Micro and Small enterprises Rs. 1.30 Million (March 31, 2021: Nil) (Also refer note 42)

Note : 35**Other current liabilities**

Government grant

5.81 5.81

Advance from customers

134.94 92.21

Withholding and other tax payables

194.18 19.02

Other Liabilities

55.15 51.65

<u>390.08</u>	<u>168.69</u>
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Note : 36

Financial Instruments

36.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings (Note 27 and 31), cash and cash equivalents (Note 20) and equity attributable to equity holders of the Company, comprising issued capital, compulsorily convertible debentures, premium, and retained earnings.

Gearing ratio

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The gearing ratios at March 31, 2022 and March 31, 2021 were as follows:

	As at March 31, 2022	As at March 31, 2021
Borrowings (i)	8,673.78	8,985.12
Cash and Cash Equivalents	6,424.91	2,294.75
Net debt	<u>2,248.87</u>	<u>6,690.37</u>
Equity (ii)	(5,364.58)	(8,144.45)
Gearing Ratio	(0.42)	(0.82)

(i) Debt is defined as long and short-term borrowings (excluding derivatives)

(ii) Equity includes all capital, compulsorily convertible debentures and reserves of the Company that are managed as capital.

36.2 Categories of financial assets and liabilities carried at amortised cost

	As at March 31, 2022	As at March 31, 2021
36.2.1 Financial assets at amortised cost		
Cash and bank balances (Note 20)	6,424.91	2,294.75
Other bank balances (Note 21)	1,168.51	2,725.92
Trade receivables (Note 19)	113.20	60.55
Other financial assets (Note 16 & 22)	189.16	155.39
Total	7,895.78	5,236.61
36.2.2 Financial liabilities- At amortised cost		
Borrowings (Note 27, 31)	8,673.78	8,985.12
Trade payables (Note 32)	15,203.27	13,463.33
Other financial liabilities (Note 28 & 34)	731.05	557.62
Total	24,608.10	23,006.07

36.3 Financial risk management objectives

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

The Company's activities expose it primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

There has been no change to the Company's exposure to market risk or the manner which these risk are managed and measured.



Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2022 - continued
 (All amounts are in Indian Rupees in Millions unless otherwise stated)

36.4 Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

36.5 Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated in American Dollars (USD). The Company may use forward exchange contract towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the company. Exchange rate exposures are managed with in approved policy

36.5.1 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rates.

Particulars	Change in currency exchange rate	Impact on post tax profits and equity	
		March 31, 2022	March 31, 2021
USD	1%	102.30	63.66

36.6 Commodity price risk

The Company imports Vinyl Chloride Monomer (VCM) and converts the same into PVC Resins

Prices of PVC manufactured by the Company are monitored by Company's management and adjusted to respond to change in import parity price of PVC in Indian market. The prices of VCM (Input) and PVC (Output) generally move in the same direction thereby maintaining the margins more or less at the same levels over a period of time. Therefore the Company is not significantly exposed to the variation in commodity prices over a period for the above products.

36.7 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. It also uses sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit / (loss) would increase or decrease as below:

Particulars	Increase/ (Decrease) in basis points	Impact on post tax profits and equity	
		March 31, 2022	March 31, 2021
INR	100	58.30	60.19

36.8 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across various industries and geographical areas.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2022, that defaults in payment obligations will occur.



36.8.1 Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed economically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 180 days	More than 180 days	
Trade Receivables as of March 31, 2022	113.20	-	-	113.20
Trade Receivables as of March 31, 2021	60.55	-	-	60.55

36.8.2 Financial instruments and cash deposits

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process.

36.9 Liquidity risk management

The Company has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for their financial liabilities. The contractual maturities of the financial instruments have been determined on the basis of earliest date on which the Company can be required to pay.

	March 31, 2022		
	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	15,856.85	129.38	15,986.23
Interest bearing	683.26	7,990.52	8,673.78
	16,540.11	8,119.90	24,660.01
	March 31, 2021		
	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	1,597.04	33.42	1,630.46
Interest bearing	13,077.66	8,408.99	21,486.65
	14,674.70	8,442.41	23,117.11



36.10 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Compiled into Level 1 to Level 3, as described below.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value hierarchy as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial Liabilities measured at fair value			
Derivative liabilities	-	51.91	-

	Fair value hierarchy as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial Liabilities measured at fair value			
Derivative liabilities	-	111.04	-

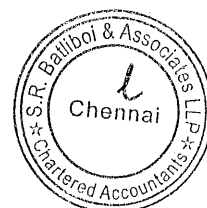
Derivative instruments classified under Level 2 are valued using the quotes obtained by aggregators based on deals entered between market participants. Investments in unquoted equity shares classified under Level 3 are valued using DCF method. Long-term growth rate and Weighted average cost of capital are significant unobservable inputs whose sensitivity does not significantly affect the carrying values of such investments.

36.11 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
Investments	-	-	-	-
Other financial assets:				
Deposits	1,247.37	2,817.79	1,247.37	2,817.79
Sundry receivables	27.84	30.06	27.84	30.06
Claims receivable	82.46	33.46	82.46	33.46
Trade receivables	113.20	60.55	113.20	60.55
Cash and cash equivalents	6,424.91	2,294.75	6,424.91	2,294.75
Total	7,895.78	5,236.61	7,895.78	5,236.61
Financial liabilities				
Borrowings:				
Floating rate borrowings	7,770.54	8,100.18	7,770.54	8,100.18
Fixed rate borrowings	903.24	884.94	903.24	884.94
Trade payables	15,203.27	13,463.33	15,203.27	13,463.33
Other financial liabilities:				
Accrued salaries and benefits	182.28	207.28	182.28	207.28
Other payables	548.77	350.34	548.77	350.34
Derivatives not designated as hedge				
Derivative (asset) / liability	51.91	111.04	51.91	111.04
Total	24,660.01	23,117.11	24,660.01	23,117.11

- i. The management assessed that cash and cash equivalents, short-term investments, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to their short-term nature.
- ii. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- iii. Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 37

Related party transactions

List of parties where control exists

Sanmar Engineering Services Limited	Ultimate holding Company (from March 31, 2021)
Sanmar Engineering Services Limited	Holding Company (up to March 30, 2021)
Chemplast Sanmar Limited	Holding Company (from March 31, 2021)

Fellow Subsidiaries

Chemplast Sanmar Limited (Up to March 30, 2021)
Sanmar Group International Limited (From March 30, 2021)
Sanmar Overseas Investments AG
TCI Sanmar Chemicals S.A.E.

Associates

Sanmar Group International Limited (Up to March 29, 2021)

Directors

Ramkumar Shankar (From April 01, 2020)
Amarnath Ananthanarayanan
Lavanya Venkatesh (Up to April 26, 2021)
Aditya Jain (From April 26, 2021)
Dr. Lakshmi Vijayakumar (From April 26, 2021)

Terms and conditions of transactions with related parties:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are interest free, unsecured and settlement occurs in cash.

For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties

This assessment is undertaken in each financial period through examining the financial position of related party and the market in which the related party operates.

Description	Parties where control exists		Fellow Subsidiaries / Associates		Directors	
	Apr 21 to Mar 22	Apr 20 to Mar 21	Apr 21 to Mar 22	Apr 20 to Mar 21	Apr 21 to Mar 22	Apr 20 to Mar 21
Sales						
Chemplast Sanmar Limited	0.51	0.24			-	-
Purchase of materials						
Chemplast Sanmar Limited	28.89	7.28	-	-	-	-
Purchase of MEIS Scrips						
Sanmar Engineering Services Limited	1.16	-	-	-	-	-
Investment redeemed in CCPS						
Sanmar Group International Limited	-	-	-	12,000.00	-	-
Remuneration						
Ramkumar Shankar					-	12.74
Expenses paid						
Chemplast Sanmar Limited	-	0.08	-	-	-	-
Issue of Compulsorily Convertible Debentures						
Chemplast Sanmar Limited		12,553.35	-	-		
Sitting Fee						
Dr. Lakshmi Vijayakumar					0.33	
Aditya Jain					0.23	
Redemption of debentures						
Sanmar Engineering Services Limited		24,553.35	-	-	-	-
Balances as at year end	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Trade Receivables	0.07	-	-	-	-	-
Sundry receivable	-	-	6.62	6.38	-	-
Trade payables	19.03	0.96	-	-	-	-

Note : 38

Disclosure as per Section 186(4) of Companies Act, 2013

As at March 31, 2022 As at March 31, 2021

Details of Investment:

Unquoted fully paid equity shares

Sai Regency Power Corporation Private Limited
March 31, 2022 : 600,000 (March 31, 2021: 600,000) Shares of face value Rs.10 each

Note : 39

Segment Reporting

The Company's operations predominantly relate to manufacture and sales of Suspension Grade PVC Resin. The Board of Directors of the Company whom have been identified as the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind-AS 108 "Operating Segments". The Company's operations are predominantly conducted in India and accordingly, there are no separate reportable geographic segment.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 40

Contingent liabilities *

<i>Particulars</i>	As at March 31, 2022	As at March 31, 2021
A. Claims against the company not acknowledged as debts :		
- On account of Direct Taxes	8.98	-
- On account of Indirect Taxes	48.40	48.40
- On account of other disputes	1.99	-
Total	59.37	48.40

*-The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

-It is not practicable for the company to estimate the timing of the cash flows, if any, in respect of above, pending resolution of the respective appellate proceedings with various forums / authorities.

-The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note : 41

Capital commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

221.06 73.73

221.06 73.73

Note : 42

Dues to micro and small enterprises

As at March 31, 2022, there is no interest paid or payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Note 32 and 34 have been determined to the extent such parties have been identified on the basis of information available with the Company.

Note : 43

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note : 44

Corporate Social Responsibility

- (i) Amount required to be spent by the company during the year
- (ii) Amount of expenditure incurred,
- (iii) Shortfall at the end of the year (1-2)
- (iv) Total of previous years shortfall
- (v) Reason for shortfall
- (vi) Nature of CSR activities

March 31, 2022 March 31, 2021

20.77 -

20.87 3.42

- -

- -

N.A N.A

Activities mentioned in i, ii, vi, vii, x & xii of
Schedule VII of the Companies Act, 2013

(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,

- -

(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.

- -

The above expenditure is spent on purposes other than towards construction / acquisition of any asset.

Excess amount spent on CSR			
Opening Balance	Amount required to be spent during	Amount spent during the year	Closing balance
-	20.77	20.87	0.10

The Company has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2022 and the same is carried forward to the next year for utilisation as per applicable provisions of Companies Act, 2013.

Note : 45

Other Statutory Information

- (i) The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that such Intermediary shall:

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

- (iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

(v) The Company has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 46

Employee benefit cost

Defined benefit plans

Gratuity:

This is a defined benefit plan and the Company's Scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2022 by a private actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation at	
	March 31, 2022 %	March 31, 2021 %
Discount rate(s)	7.36%	6.97%
Expected return on plan assets	7.36%	6.97%
Expected rate(s) of salary increase	7.30%	7.00%
Attrition rate	2.00%	2.00%

Cost of defined benefit plans are as follows.

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	4.31	4.33
Interest on obligation	4.00	2.80
Expected return on plan assets <i>(to the extent it represents an adjustment to interest cost)</i>	(4.04)	(2.69)
Net cost recognised in the Statement of Profit and Loss	4.27	4.44

Expected return on plan assets *(to the extent it does not represent an adjustment to interest cost)*

Actuarial (gains)/losses recognized in the year	9.49	(1.73)
Net gain recognised in the Other Comprehensive Income	9.49	(1.73)

The amount included in the financials arising from the entity's obligation in respect of its defined benefit plans is as follows.

	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	81.22	48.18
Fair value of plan assets	67.98	48.70
Net Liability / (Asset)	13.24	(0.52)

Movements in the present value of the plan assets in the current year were as follows.

	Year ended March 31, 2022	Year ended March 31, 2021
Opening fair value of plan assets	48.70	34.13
Expected return on plan assets	4.04	2.69
Actuarial gains/(losses)	(3.29)	(0.10)
Contributions from the employer	-	13.08
Transfer of obligations	19.54	(0.56)
Benefits paid	(1.01)	(0.54)
Closing fair value of plan assets	67.98	48.70



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Movements in the present value of the defined benefit obligation in the current year were as follows.

	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	48.18	43.98
Current service cost	4.31	4.33
Interest cost	4.00	2.80
Actuarial (gains)/losses	6.20	(1.83)
Transfer of obligations	19.54	(0.56)
Benefits paid	(1.01)	(0.54)
Closing defined benefit obligation	<u>81.22</u>	<u>48.18</u>
Actuarial (gain)/loss on obligations attributable to change in financial assumptions	(0.50)	0.14
Actuarial (gain)/loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain)/loss on obligations attributable to experience adjustments	6.70	(1.97)
Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]		
Year 1	6.53	2.66
Year 2	15.24	2.84
Year 3	4.38	6.93
Year 4	3.77	4.68
Year 5	9.98	7.50
Years 6 through 10	51.40	22.18

Notes:

- I. The entire plan assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC)
- II. The expected / actual return on Plan assets is as furnished by LIC
- III. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The Company expects to make a contribution of Rs.15.67 Million to the defined benefit plans during the next financial year.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

Change in assumption	Impact on service cost	Impact on interest cost	Impact on defined benefit obligation
Increase in discount rate by 1 %	1.61	2.06	(5.42)
Decrease in discount rate by 1 %	2.78	1.35	6.15
Increase in salary escalation by 1 %	2.78	2.19	6.18
Decrease in salary escalation by 1 %	1.59	1.33	(5.55)

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued
(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 47

Analytical Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.68	0.47	45.97%	Increase in current ratio is mainly due to increase in current assets comprising of Increase in Inventory due to higher Intermediates, Finished goods stocks and Cash and cash equivalents on account of higher cash generated during the year
Debt-equity ratio	Total Debt ¹	Shareholder's Equity	(1.62)	(1.10)	46.56%	Change in debt-equity ratio is mainly on account of increase in retained earnings due to higher profitability during the year
Debt service coverage ratio	Earning for Debt Service ²	Debt Service ³	1.64	1.73	(5.25%)	-
Return on equity ratio	Net Profits after taxes	Avg. Shareholder's Equity ⁴	(23.57%)	(32.17%)	(26.72%)	Variance in return on equity is mainly due to higher net profit for the year
Inventory turnover ratio	Revenue from operations	Avg. Inventory ⁵	14.54	16.31	(10.83%)	-
Trade receivables turnover ratio	Revenue from operations	Avg. Trade Receivable ⁶	446.94	621.45	(28.08%)	Average trade receivable value of 2021-22 increased due to higher sales value, hence trade receivable turnover ratio has decreased
Trade payables turnover ratio	Net Purchases	Avg. Trade Payables ⁷	2.21	1.34	64.54%	Increase in trade payables turnover ratio is mainly due to increase in Net purchases on account of higher feed stock prices
Net capital turnover ratio	Revenue from operations	Working Capital ⁸	(8.11)	(3.37)	140.31%	Increase in working capital turnover ratio is mainly due to increase in revenue from operations coupled with decrease in negative working capital on account of increase in current assets
Net profit ratio	Net Profits after taxes	Revenue from operations	6.93%	10.62%	(34.72%)	Lower net profit ratio is primarily on account of increase in revenue from operations
Return on capital employed	EBIT ⁹	Capital Employed ¹⁰	737.71%	-310.64%	(337.48%)	Decrease in return on capital employed ratio mainly due to decrease in gross profit margins on account of higher feed stock prices
Return on investment	Net Profit after taxes	Average Total Assets ¹¹	19.10%	17.30%	10.42%	-

Note:

¹Total Debt = Long term Borrowings (including current maturities of Long term Borrowings), short term borrowings and Interest accrued on Debts

²Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

³Debt service = Interest & Lease Payments + Principal Repayments

⁴Avg. Shareholder's Equity = Average of Opening Total Equity and Closing Total Equity excluding revaluation reserve

⁵Avg. Inventory = Average of Opening Inventory and Closing Inventory

⁶Avg. Trade Receivable = Average of Opening Trade Receivables and Closing Trade Receivables

⁷Avg. Trade Payables = Average of Opening Trade Payables and Closing Trade Payables

⁸Working capital shall be calculated as current assets minus current liabilities(excluding current maturities of long term debt, lease liability and interest accrued on borrowings)

⁹EBIT = Earning before interest and taxes

¹⁰Capital Employed = Tangible Net Worth (excluding revaluation reserve) + Total Debt + Deferred Tax Liability

¹¹Average Total Assets = Average of Opening Total Assets and Closing Assets excluding revaluation impact



Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2022 - continued
 (All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 48

Capital Work-in-progress ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022					
Projects in Progress	64.26	0.18	-	-	64.44
Projects temporarily suspended	-	-	-	-	-
	64.26	0.18	-	-	64.44
March 31, 2021					
Projects in Progress	0.68	-	-	-	0.68
Projects temporarily suspended	-	-	-	-	-
	0.68	-	-	-	0.68

Note - There are no assets/projects forming part of CWIP which have become overdue or where cost is exceeded compared to their original plans.

Note : 49

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022							
(i) Undisputed Trade receivables – considered good	113.20	-	-	-	-	-	113.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
March 31, 2021							
(i) Undisputed Trade receivables – considered good	60.55	-	-	-	-	-	60.55
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Note : 50

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022							
(i) MSME	-	22.20	-	-	-	-	22.20
(ii) Others	89.63	15,042.78	47.36	1.21	0.09	-	15,181.07
(iii) MSME Disputed dues	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-
March 31, 2021							
(i) MSME	0.14	22.51	-	-	-	-	22.65
(ii) Others	48.68	13,359.69	32.16	0.15	-	-	13,440.68
(iii) MSME Disputed dues	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-



Note : 51

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the financial statements.

b. Estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

Taxes

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

Defined benefit plans

The cost of the defined benefit gratuity plan is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 46.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36.11 for further disclosures.

Fair value measurement of property, plant and equipments

The Company measures land, buildings, plant and machinery classified as property, plant and equipment and leasehold land classified as right-of-use assets at revalued amounts with changes in fair value being recognised in OCI. The Company had engaged an independent valuation specialist to assess fair value for revaluation of land, buildings, plant and equipment as at January 1, 2022. Fair value of land was determined by using the market approach and building and plant & equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 14.2



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2022 - continued

(All amounts are in Indian Rupees in Millions unless otherwise stated)

Note : 52

Employees' benefits obligations

a. Defined contribution plan

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions.

b. Defined benefit plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. Fund is maintained with Life Insurance Corporation of India.

Note : 53

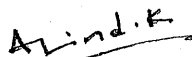
Previous year's figures have been regrouped wherever necessary.

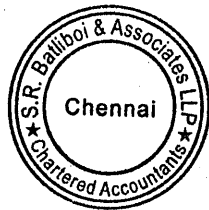
As per our report of even date

For S.R. Batliboi & Associates LLP

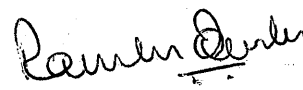
Chartered Accountants

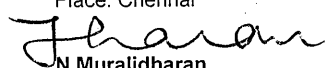
ICAI Firm Registration Number:101049W/E300004


per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: May 10, 2022




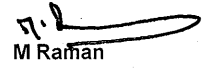
For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited


Ramkumar Shankar
Managing Director
DIN : 00018391
Place: Chennai


N Muralidharan
Chief Financial Officer
Place: Chennai

Date: May 10, 2022


Amarnath
Ananthanarayanan
Director
DIN : 02928105
Place: Ranipet


M Raman
Company Secretary
Memb No. ACS 06248
Place: Chennai