S. C. BAPNA & ASSOCIATES
CHARTERED ACCOUNTANTS

414, Hubtown Viva, Western Express Highway,
Shankarwadi, Jogeshwari (East), Mumbai-400060
Phone: 022-28386765 | Email:mumbai@scbapna.in

Independent Auditors' Report

To the Board of Directors of
SANSTAR LIMITED

Report on the Standalone Financial Statements of the company issued for Special Purpose with respect to Initial Public Offer of Equity Share

Opinion

We have audited the accompanying standalone financial statements of **M/S. SANSTAR LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the period ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements") for the purpose of inclusion in the Offer Documents prepared by the Company in connection with its proposed initial public offer of Equity shares ("IPO") and is prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the 'Act')

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations');

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31th March 2023 and its profit & total Comprehensive Income ,Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on these financial statements.

Emphasis of Matter

We draw attention to Note No.39 to the Financial Statements in respect of the Scheme of Arrangement providing the amalgamation of Sanstar Bio Polymer Limited (Transferor Company), with Sanstar Limited (Transferee Company) and their respective shareholders and creditors ("the scheme"). The amalgamation procedures are ongoing and pending for approval from NCLT in this regards.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act. 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Standalone Ind AS Financial Statement

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

The company has voluntarily adopted Ind AS for year ending March 31, 2023 with a transition date of April 1, 2021 for the purpose of proposed Initial Public Offer of Equity share of the company. The financials statements of the company for the financial year ending March 31, 2023 have been previously prepared by the company as per the GAAP and was audited by M/s Kamal M Shah & Co., Chartered Accountants (FRN: 130266W) on 05.09.2023.

The comparative financial information of the company for the year ended March 31, 2022 and transition opening financial statements as at April 1, 2021 are based on the previously issued statutory financial statements prepared in accordance with the GAAP by the predecessor auditor, who expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For, S C Bapna & Associates
Chartered Accountants
FRN: 115649W

S.C. Bapna & Associates
FRN-115649W
MUMBAI
VADODARA
JAIPUR
Chartered Accountants

Anurag Singh
Partner
Membership No. 603600
UDIN: 23603600BGZYLN1043
Date: 15.11.2023
Place: Ahmedabad

SANSTAR LIMITED
(CIN - U15400GJ1982PLC072555)
Standalone Balance Sheet as at March 31, 2023

Rs. in Millions

Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets				
Non-Current assets				
a) Property, Plant and Equipment	2	1603.85	1331.36	1403.73
b) Capital work-in-progress	3	9.09	32.65	5.07
c) Financial Assets				
(i) Other financial assets	4	5.42	1.69	1.89
Total Non-Current assets		**1618.36**	**1365.70**	**1410.69**
Current assets				
a) Inventories	5	125.36	126.50	146.29
b) Financial Assets				
(i) Trade Receivables	6	414.12	402.23	208.82
(ii) Cash and Bank Balances				
Cash and Cash Equivalents	7	61.15	6.43	4.57
Bank balance other than cash and cash equivalents	7	2.60	11.71	0.11
(iii) Other financial assets	8	0.13	0.09	0.00
c) Current Tax Assets (Net)	18	-	-	0.88
d) Other Current Assets	9	343.35	161.87	195.49
Total Current assets		**946.71**	**708.83**	**556.15**
Total Assets		**2565.07**	**2074.53**	**1966.84**
Equity and Liabilities				
Equity				
a) Equity Share Capital	10	295.00	295.00	295.00
b) Other Equity	11	964.70	557.14	397.66
Total Equity		**1259.70**	**852.14**	**692.66**
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	12	449.29	575.40	794.65
(ii) Other Financial Liabilities	13	-	0.50	0.50
b) Provisions	14	0.82	0.37	2.39
c) Deferred Tax Liabilities (net)	15	189.45	109.57	105.70
Total Non-Current Liabilities		**639.56**	**685.84**	**903.24**
Current Liabilities				
a)Financial Liabilities				
(i) Borrowings	12	363.44	276.84	220.63
(ii) Trade and Other Payables				
a) Total Outstanding due to MSME	15	3.90	5.50	8.15
b) Total Outstanding due to other than MSME	16	197.96	174.97	86.65
(iii) Other Financial Liabilities	13	21.74	2.64	0.64
b) Other current liabilities	17	44.46	44.35	30.38
c) Provisions	14	24.10	24.67	24.49
d) Current Tax Liabilities (Net)	18	10.21	7.58	-
Total Current Liabilities		**665.81**	**536.55**	**370.94**
Total Equity And Liabilities		**2565.07**	**2074.53**	**1966.84**

The accompanying notes (1 to 44) are integral part of the Standalone Financial Statements
As per our report of even date attached

For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

S.C. Bapna & Associates Chartered Accountants FRN-115649W MUMBAI VADODARA JAIPUR

Anurag Singh
Partner
M.No. 603600

UDIN: 23603600BGZYLN1043

Place: Ahmedabad
Date: 15/11/2023

For and on behalf of the Board of Directors
SANSTAR LIMITED

Gouthamchand S. Chowdhary
(Chairman and M D)
(DIN-00196397)

Sambhav G. Chowdhary
(Joint M D)
(DIN-01370802)

CA. Harish S. Maheshwary
Chief Financial Officer

CS Fagun Shah
Company Secretary

Place: Ahmedabad
Date: 15/11/2023

SANSTAR LIMITED

(CIN - U15400GJ1982PLC072555)

Statement of Profit and Loss for the year ended March 31, 2023

Rs. in Millions

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income				
Revenue from Operations	19	7597.64	5044.02	3098.27
Other Income	20	11.18	3.65	3.04
Total Income		**7608.82**	**5047.67**	**3101.31**
Expenses				
Cost of Materials Consumed	21	6025.94	3915.23	2201.49
Changes in inventory	22	18.47	-44.44	22.30
Employee Benefit Expenses	23	111.05	104.75	53.63
Finance Costs	24	93.17	90.85	120.22
Depreciation and Amortization Expense	25	93.99	90.17	89.26
Other Expenses	26	727.28	671.28	450.31
Total Expenses		**7069.90**	**4827.84**	**2937.21**
Profit Before Tax		**538.92**	**219.83**	**164.10**
Tax Expense:				
Current Tax	27	51.74	56.84	-
Deferred Tax	27	79.82	3.78	24.80
Total Tax Expenses		**131.56**	**60.62**	**24.80**
Profit for the period/year	(A)	**407.36**	**159.21**	**139.30**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(a) Remeasurements of defined benefit plans		-0.26	-0.36	-
Income tax relating to items that will not be reclassified to profit or loss				
(a) Remeasurements of defined benefit plans		0.06	0.09	-
Total Other Comprehensive Income	(B)	-0.19	-0.27	
Total Comprehensive Income	(A)-(B)	**407.56**	**159.48**	**139.30**
Earnings per Share - (Face value of Rs. 10 each) Basic and Diluted (in Rs.)	28	**13.81**	**5.40**	**4.72**

The accompanying notes (1 to 44) are integral part of the Standalone Financial Statements

As per our report of even date attached

For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

S. C. Bapna & Associates Chartered Accountants FRN-115649W MUMBAI VADODARA JAIPUR

Anurag Singh
Partner
M.No. 603600

UDIN: 23603600BGZYLN1043

Place: Ahmedabad
Date: 15/11/2023

For and on behalf of the Board of Directors
SANSTAR LIMITED

Gouthamchand S. Chowdhary
(Chairman and M D)
(DIN-00196397)

Sambhav G. Chowdhary
(Joint M D)
(DIN-01370802)

CA. Harish S. Maheshwary
Chief Financial Officer

CS Fagun Shah
Company Secretary

Place: Ahmedabad
Date: 15/11/2023

SANSTAR LIMITED

(CIN - U15400GJ1982PLC072555)

Standalone Cash Flow Statement as at March 31, 2023

Rs. in Millions

	Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash Flow From Operating Activities**				
	Profit Before Tax		538.92	219.83	164.10
	Adjustments For:				
	Depreciation and Amortisation Expenses		93.99	90.17	89.26
	Finance Income		-0.90	-0.39	-0.17
	Expected Credit Losses		0.17	0.04	0.21
	Finance Cost		89.09	87.24	117.50
	Operating profit before Working Capital Changes		**721.27**	**396.89**	**370.90**
	Movements in Working Capital :				
	(Increase) / decrease in Inventories		1.14	19.79	-9.51
	(Increase) / decrease in Trade Receivables		-12.06	-193.45	100.05
	(Increase) / decrease in Other Financial Assets		-3.73	0.20	-
	(Increase) / decrease in Bank balance other than cash and cash equivalents		9.11	-11.60	-0.11
	Increase / (decrease) in Trade Payables		21.39	85.67	-175.83
	(Increase) / decrease in Current Assets		-181.48	33.62	-79.59
	(Increase) / decrease in Current Taxes		2.64	8.45	-0.82
	Increase / (decrease) in Other Liabilities		0.10	13.97	17.67
	Increase / (decrease) in Provision		0.15	-1.48	12.75
	(Increase) / decrease in Financial Assets		-0.05	-0.09	-
	Increase / (decrease) in Other Financial Liabilities		18.60	2.00	-6.94
	Cash flow from operations		**577.08**	**353.98**	**228.56**
	Direct Taxes Paid (Net of Refunds)		-51.74	-56.84	
	Net Cash Flow From Operating Activities	**(A)**	**525.34**	**297.14**	**228.56**
B.	**Cash Flows From Investing Activities**				
	Payment for Purchase of Property, Plant and Equipment		-366.47	-17.80	-10.79
	Payment for Capital Work in Process		23.56	-27.58	-5.07
	Proceeds from sale of Assets		-	-	-
	Finance Income		0.90	0.39	0.17
	Net Cash Flow from Investing Activities	**(B)**	**-342.02**	**-44.99**	**-15.38**
C.	**Cash Flows From Financing Activities**				
	Repayment & Proceeds of Long-Term Borrowings		-126.11	-219.25	42.83
	Repayment & Proceeds from Short-Term Borrowing		86.61	56.21	-146.93
	Finance Cost		-89.09	-87.24	-117.50
	Net Cash Flow from Financing Activities	**(C)**	**-128.59**	**-250.28**	**-221.60**
D.	**Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)**		54.72	1.87	-8.42
E.	**Cash & Cash Equivalents at the beginning of the year / period**		**6.43**	**4.56**	**12.97**
F.	**Cash & Cash Equivalents at the end of the year / period**		**61.15**	**6.43**	**4.56**
	Total Component of Cash and Cash Equivalents				
	Cash on hand		0.58	0.61	0.51
	Balances with Scheduled Bank				
	- In Current Accounts		59.55	2.26	3.03
	- Fixed Deposits with original maturity of less than three months		1.02	3.56	1.02
	Cash and Cash Equivalents at the end of the year / period		**61.15**	**6.43**	**4.56**

Notes:

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

The accompanying notes (1 to 44) are integral part of the Standalone Financial Statements

As per our report of even date attached

For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

Anurag Singh
Partner
M.No. 603600

UDIN: 23603600BGZYLN1043

Place: Ahmedabad
Date: 15/11/2023

For and on behalf of the Board of Directors
SANSTAR LIMITED

Gouthamchand S. Chowdhary
(Chairman and M D)
(DIN-00196397)

Sambhav G. Chowdhary
(Joint M D)
(DIN-01370802)

CA. Harish S. Maheshwary
Chief Financial Officer

CS Fagun Shah
Company Secretary

Place: Ahmedabad
Date: 15/11/2023

SANSTAR LIMITED
(CIN - U15400GJ1982PLC072555)
Standalone Statement of Changes in Equity as at March 31, 2023

A. Equity Share Capital

Particulars	No of Shares	Rs. in Millions
Issued, Subscribed and fully paid up Share Capital		
2,95,00,000 (P.Y. 2,95,00,000) Equity Shares of ₹ 10/- each		
As at March 31, 2021	29500000	295.00
Add: Equity shares issued during the year	-	-
As at March 31, 2022	29500000	295.00
Add: Equity shares issued during the year	-	-
As at March 31, 2023	29500000	295.00

B. Other Equity

For the year ended March 31, 2023

Rs. in Millions

Particulars	Reserves and Surplus				Employee Benefit through OCI	Total
	General Reserve	Security Premium	Revaluation Reserve	Retained Earnings		
Balance as at 01/04/2022	**108.58**	**49.50**	**362.47**	**36.32**	**0.27**	**557.14**
Changes in accounting policy or prior period error						
Profit(Loss) for the period	50.00	-	-	407.36	0.19	**457.56**
Transfer to General Reserve	-	-	-	-50.00	-	**-50.00**
Balance as at 31/03/2023	**158.58**	**49.50**	**362.47**	**393.68**	**0.46**	**964.70**

For the year ended March 31, 2022

Rs. in Millions

Particulars	Reserves and Surplus				Employee Benefit through OCI	Total
	General Reserve	Security Premium	Revaluation Reserve	Retained Earnings		
Balance as at 01/04/2021	58.58	49.50	362.47	-72.89	-	**397.66**
Changes in accounting policy or prior period error						
Profit(Loss) for the period	50.00	-	-	159.21	0.27	**209.48**
Transfer to General Reserve	-	-	-	-50.00	-	**-50.00**
Balance as at 31/03/2022	**108.58**	**49.50**	**362.47**	**36.32**	**0.27**	**557.14**

For the year ended March 31, 2021

Rs. in Millions

Particulars	Reserves and Surplus				Employee Benefit through OCI	Total
	General Reserve	Security Premium	Revaluation Reserve	Retained Earnings		
Balance as at 01/04/2020	270.00	49.50	-	-61.13	-	**258.37**
Changes in accounting policy or prior period error						
Profit(Loss) for the period	50.00	-	-	139.30	-	**189.30**
Less Transferred To Revaluation Reserve	-261.42	-	362.47	-101.05	-	-
Balance as at 31/03/2021	**58.58**	**49.50**	**362.47**	**-72.89**	-	**397.66**

The accompanying notes (1 to 44) are integral part of the Standalone Financial Statements
As per our report of even date attached

For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

FRN-115649W
MUMBAI
VADODARA
JAIPUR

Anurag Singh
Partner
M.No. 603600

UDIN: 23603600BGZYLN1043

Place: Ahmedabad
Date: 15/11/2023

For and on behalf of the Board of Directors
SANSTAR LIMITED

Gouthamchand S. Chowdhary
(Chairman and M D)
(DIN-00196397)

Sambhav G. Chowdhary
(Joint M D)
(DIN-01370802)

CA. Harish S. Maheshwary
Chief Financial Officer

CS Fagun Shah
Company Secretary

Place: Ahmedabad
Date: 15/11/2023

SANSTAR LIMITED

STANDALONE SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Forming part of Standalone Financial Statements

Corporate Information

Sanstar Limited is a Public incorporated on 26 February 1982. It is classified as Non-govt company and is registered at Registrar of Companies, Ahmedabad. Sanstar Limited's Corporate Identification Number is (CIN) U15400GJ1982PLC072555. Its Email address is md@sanstar.in and its registered address is "SANSTAR HOUSE" NR. - PARIMAL UNDER BRIDGE, OPP. - SUVIDHA SHOPPING CENTRE, PALDI, AHMEDABAD GJ 380007 IN.

Sanstar is one of the largest corn wet millers in India having a diverse product portfolio of Maize Starches, Tapioca Starches, Modified Starches, Liquid Glucose, Malto Dextrin, High maltose Corn Syrup & many more

Company has no holding, Subsidiary Company.

A. Significant Accounting policies

I. Statement of compliance:

The standalone financial statements have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("RoC") and Stock Exchanges in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue").

The Standalone Financial Statement comprise of the standalone statement of assets and liabilities as at, March 31, 2023, March 31, 2022 the standalone statement of profit and loss, the standalone statement of changes in equity and standalone statement of cash flows for years ended March 31, 2023 March 31, 2022 and accompanying standalone statements of significant accounting policies and notes to standalone Financial Statement (hereinafter collectively referred to as "the Standalone Financial Statement").

The standalone Financial Statement has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 ("ICDR Regulations").

These Financial Statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules as amended from time to time. The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards.

The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been given.

Exemptions / Exceptions availed:

Being first time adoption of IND AS, the company has availed the following exemptions as granted under Appendix C & D of IND AS 101: -

a. Carrying values for all of its Property, Plant and Equipment, Intangible assets and Investment property as at the date of transition to IND AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

II. Basis of preparation and presentation:

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and rules & guidelines issued by SEBI as applicable.

III. Use of estimates & Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies

IV. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All Financial Statement presented in INR has been rounded to the nearest Millions, except as stated otherwise.

FRN 115649W
MUMBAI
VADODARA

V. Significant accounting policies

A. Revenue recognition

Revenue from contract with customers Revenue from contracts with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

1. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes excise duty and excludes value added tax/ sales tax/goods and service tax.

2. Interest income

For all financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

3. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

4. Insurance Claim

Insurance claims are accounted for on the basis of claims admitted by the insurers.

5. Other Income

Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

B. 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 capitalized as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

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Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

C. Export Benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustments in revenue from operation.

D. Taxes

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognized 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.

2. Deferred tax

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

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

i. deductible temporary differences;
ii. the carry forward of unused tax losses; and
iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 relating to items recognized outside profit or loss is (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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.

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E. Leases

Company as a lessee

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 recognized as expense on a straight-line basis over the lease term.

Leases in which a significant portion of risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit & loss account on accrued basis.

F. Employee Benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund.

Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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Defined Benefit Plans

For Defined Benefit Plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit and Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

Short Term and Other Long Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits, employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

G. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognized as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

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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.
Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value
Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Lease hold land	Lease term (99 years)
Buildings	30 to 60 years
Plant and machinery	10 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013 based on Straight Line Method.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

H. Intangible Assets
Intangible asset purchased are measured at cost less accumulated amortization and accumulated impairment, if any and are amortized as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.

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

1. **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. **Cost is determined on cost basis.** Cost is determined based on **First in First Out Method.**

2. **Finished goods and work in progress:** cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding

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borrowing costs. **Cost is determined on lower of cost or net realizable value**. Cost is determined based on **First in First Out Method.**

3. **Stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. **Cost is determined on Cost basis**. An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognized as a part of inventories.

   Net realizable 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.

4. By Products:
   The allocation may be based, on the relative sales value of each product either at the stage in the production process when the products become separately identifiable, or at the completion of production. Most by-products, by their nature, are immaterial. When this is the case, they are often measured at net realizable value and this value is deducted from the cost of the main product.

J. Financial Instruments

- Financial assets

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Debt instruments at amortized cost
b. Debt instruments at fair value through other comprehensive income (FVTOCI)
c. Financial assets at fair value through profit or loss (FVTPL)
d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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iv. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

v. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized 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.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vi. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

a. Financial assets measured at amortized cost;
b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

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

b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

a. Trade receivables or contract revenue receivables; and

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

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-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 recognizing 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. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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.

vii. **Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables**

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.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

- **Financial liabilities**

i. **Initial recognition and measurement**

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

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

ii. **Subsequent measurement**

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

a. Financial liabilities at fair value through profit or loss
b. Loans and borrowings
c. Financial guarantee contracts

iii. **Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- Off-setting of financial instruments

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

K. 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.

L. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The company operates in one business segment i.e. Corn Wet Milling comprising mainly manufacture of starches, its derivatives and by product as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

M. Provisions, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognized as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

N. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.