Illustrative Ind AS consolidated financial statements

for the year ended 31 March 2023

March 2023

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Appendix

About this publication

This publication is intended to help preparers in the preparation and presentation of consolidated financial statements in accordance with Indian Accounting Standards ('Ind AS') and Division II of Schedule III ('Sch III') to the Companies Act, 2013 by illustrating a format for consolidated financial statements for a hypothetical multinational company involved in general business. This company ('Classic Company (India) Limited') issues its financial statements under Ind AS.

Standards covered

This publication is based on Ind AS that have been notified by the Ministry of Corporate Affairs, Government of India and that are required to be applied by a company for the year ended 31 March 2023. Further, this publication is prepared basis guidance available under Ind AS, Schedule III and other accounting pronouncements available as on 1 March 2023 and are relevant for year ending 31 March 2023.

This publication does not illustrate the requirements of Ind AS 101, *First-time adoption of Indian Accounting Standards*, Ind AS 104, *Insurance Contracts*, Ind AS 106, *Exploration for and Evaluation of Mineral Resources*, Ind AS 114, *Regulatory Deferral Accounts*, Ind AS 27, *Separate Financial Statements*, Ind AS 29, *Financial Reporting in Hyperinflationary Economies* and Ind AS 34, *Interim Financial Reporting.*

These consolidated financial statements are meant for illustration purposes only. While these, together with the footnotes, attempt to provide a demonstration of Ind AS and Sch III requirements, they are not intended to serve as a complete and exhaustive summary of all presentation and disclosure requirements that are applicable under Ind AS/Sch III, since presentation and disclosures depend significantly on the nature of operations and specific conditions of the reporting entity.

For an overview of all disclosure requirements that are applicable under Ind AS, see our publication 'Ind AS Accounting and Disclosure Checklist'

These illustrative consolidated financial statements should not be used as a substitute for referring to the standards and other relevant interpretative guidance, particularly where a specific requirement is not addressed in this publication or where there is uncertainty regarding an interpretation.

When preparing its consolidated financial statements, a company should have regard to its legal and regulatory requirements. The requirements prescribed by a specific regulatory body, if any applicable, should be additionally considered.

These illustrative consolidated financial statements would need to be updated periodically as more authoritative guidance becomes available on complex issues arising from implementation of the standards, and as new/revised standards become applicable to later accounting periods.

Need for judgement

Although it is not exhaustive, this publication illustrates the disclosures required by Ind AS and Schedule III for a hypothetical company, largely without regard to materiality. The preparation and presentation of consolidated financial statements require the preparer to exercise judgment, in terms of the choice of accounting policies and their application, the ordering of notes, how the disclosures should be tailored to reflect the entity's specific circumstances, and the relevance of disclosures considering the needs of the users.

Materiality

Materiality is relevant to the presentation and disclosure of the items in the consolidated financial statements (see paragraphs 29-31 of Ind AS 1). Preparers need to ensure that the consolidated financial statements include all of the information that is relevant to understanding an entity's consolidated financial position on the reporting date and its consolidated financial performance during the reporting period.

Preparers also need to take care not to reduce the understandability of an entity's consolidated financial statements by obscuring material information with immaterial information or by aggregating material information that is different by nature or function. Preparers need to consider the appropriate level of disclosure based on materiality for the reporting period.

Illustrative nature of this publication

The hypothetical Group to which these illustrative financial statements pertain has been assumed to have different kinds of businesses in different geographies. In order to illustrate the different types of disclosures required in varied situations, this Group has been assumed to have undertaken a large variety of transactions. Due to the fact that the entire data has been assumed and is therefore hypothetical and for illustrative purpose, a few individual items may not seem entirely realistic or demonstrate inter-relationships that would exist in real-life data. Similarly, some items may not be sufficiently material for separate presentation or disclosure in a real-life situation. Further, all the disclosure and presentation requirements of Ind AS, Schedule III and other authoritative guidance (including sector specific guidance) may not apply to this hypothetical Group and thus would not have been illustrated in these illustrative financial statements. Similarly, some of the disclosures illustrated in these illustrative financial statements may be specific to the fact pattern of this hypothetical Group and may not apply in other scenarios. Therefore, preparers should consider specific facts and circumstances while evaluating the disclosure and presentation requirements of the applicable standards and guidance in their scenario.

References and abbreviations

References to the relevant standard/Schedule III, which necessitate the disclosure, are included in the left-hand margin of this publication. For disclosure requirements of Schedule III, the references begin with "Sch III". For example, reference to Sch III.GI.D.I(a) means that the disclosure is required by sub clause (a) of clause D.I under the 'General Instructions for preparation of balance sheet' of the Schedule III to the Companies Act, 2013. Similarly, for disclosure requirements of Ind AS, the references begin with the number of the Ind AS. For example, Ind AS 116.53(b) means that the disclosure is required by paragraph 53(b) of Ind AS 116.

The footnotes to these illustrative consolidated financial statements contain notes for preparers of financial statements which should be specifically considered as per the facts and circumstances of the company.

Comments/feedback invited

The disclosure requirements of Ind AS are extensive. Besides, the requirements of Schedule III and other provisions of the Companies Act, 2013, have also to be complied with in preparation and presentation of financial statements. Many issues may arise as one adapts these illustrative financial statements to the specific facts and circumstances of a case. We request that consequent comments and feedback be sent to us.

We hope that these illustrative consolidated financial statements are found useful. For further assistance, please get in touch with your usual KPMG contact.

Consolidated Balance Sheet

As at 31 March 2023

Reference	In lakhs of INR	Note	31 March 2023	31 March 2022 Restated*[1]	1 April 2021 Restated*[1, 2]
Ind AS 1.10(a), (ea)–(f), 29, 38–38A, 40A–40B, 54–55, 113, Sch III- Div II					
	Assets				
Ind AS 1.60	**Non-current assets**				
Ind AS 1.54(a)	Property, plant and equipment[3]	*18*	**24,190**	33,230	37,118
Sch III.I.1(b)	Capital work-in-progress	*18*	**4,100**	-	-
Ind AS 1.54(b)	Investment property	*21*	**1,520**	400	300
Sch III.I.1.(d)	Goodwill	*19*	**3,832**	3,407	3,407
Sch.III.I.1.(e), Ind AS 1.54(c)	Other Intangible assets	*19*	**2,279**	1,134	1,922
Ind AS 1.54(f)	Biological assets other than bearer plants	*20*	**4,698**	4,025	3,391
Ind AS 1.54(e)	Investments accounted for using the equity method	*22*	**2,489**	1,948	1,530
Sch III.I.1(h)	Financial assets				
Sch III.I.1(h)(i), Ind AS 1.54(d)	(i) Investments	*24*	**3,500**	3,381	3,072
Ind AS 1.54(d)	(ii) Other financial assets	*28*	**437**	411	149
Ind AS 1.54(o), 56	Deferred tax assets (net)	*17*	**2,251**	2,108	985
Ind AS 1.54(n)	Other tax assets (net)[4]		**34**	60	-
Sch.III.I.1.(j)	Other non-current assets	*27B*	**671**	731	837
	Total non-current assets		**50,001**	50,835	52,711

Consolidated Balance Sheet (continued)

As at 31 March 2023

Reference	In lakhs of INR	Note	31 March 2023	31 March 2022 Restated*[1]	1 April 2021 Restated*[1, 2]
Ind AS 1.10(a), (ea)–(f), 29, 38–38A, 40A–40B, 54–55, 113, Sch III- Div II					
Ind AS 1.60	**Current assets**				
Ind AS 1.54(g)	Inventories[5]	*25*	**12,148**	12,119	12,716
Ind AS 1.54(f)	Biological assets other than bearer plants	*20*	**32**	31	45
Sch III.I.2(b)	Financial assets				
Ind AS 1.54(d)	(i) Investments	*24*	**243**	591	558
Sch III.I.2(b)(ii)	(ii) Trade receivables	*26*	**32,094**	22,010	21,122
Ind AS 1.54(i)	(iii) Cash and cash equivalents	*29*	**1,289**	1,519	2,119
Sch III.I.2(b)(iv)	(iv) Bank balances other than (iii) above	*30*	**240**	350	410
Sch III.I.2(b)(v)	(v) Loans	*27A*	**78**	32	26
Sch III.I.2(b)(vi)	(vi) Other financial assets	*28*	**522**	476	389
Sch III.I.2(d)	Other current assets	*27B*	**1,601**	1,502	895
			48,247	38,630	38,280
Ind AS 105.38, 1.54(j)	Assets included in disposal group held for sale	*7*	**14,400**	-	-
	Total current assets		**62,647**	38,630	38,280
	Total assets		**112,648**	89,465	90,991

* The comparative information is restated on account of correction of errors. See Note 48.

Consolidated Balance Sheet (continued)

As at 31 March 2023

Reference	In lakhs of INR	Note	31 March 2023	31 March 2022 Restated*[1]	1 April 2021 Restated*[1, 2]
Ind AS 1.10(a), (ea)–(f), 29, 38–38A, 40A–40B, 54–55, 113					
	Equity and liabilities				
	Equity				
Ind AS 1.54(r), 78(e), Sch III.I(a)	Equity share capital	31A	**9,729**	9,300	9,300
Sch III GN 8.2.17	Instruments entirely equity in nature	31A	**5,250**	5,250	5,250
Sch III.I(b), Ind AS 1.54(r)	Other Equity				
Ind AS 1.55, 78(e)	Equity component of convertible debentures		**109**	-	-
Ind AS 1.55, 78(e)	Reserves and surplus	31B	**25,382**	17,333	11,997
Ind AS 1.55, 78(e)	Items of Other comprehensive income	31C	**1,245**	719	297
	Equity attributable to owners of the Company		**41,715**	32,602	26,844
Ind AS 1.54(q)	**Non-controlling interests**	23	**3,804**	3,091	2,718
	Total equity		**45,519**	35,693	29,562
	Liabilities				
Ind AS 1.60	**Non-current liabilities**				
Sch III.I.1 (a)	Financial liabilities				
Sch III.I.1(a)(i)	(i) Borrowings	34	**23,371**	17,293	21,718
Sch III.I.1(a)(ia)	(ii) Lease liabilities		**3,451**	3,584	3,763
Ind AS 1.54(m)	(iii) Other financial liabilities	40A	**290**	5	-
Ind AS 1.54(l)	Provisions	38	**1,735**	1,680	1,064
Ind AS 1.54(o), 56	Deferred tax liabilities (net)	17	**549**	406	323
Sch III.I.1 (d)	Other non-current liabilities	40B	**1,324**	1,354	-
	Total Non-current liabilities		**30,720**	24,322	26,868

Consolidated Balance Sheet (continued)

As at 31 March 2023

Reference	In lakhs of INR	Note	31 March 2023	31 March 2022 Restated*[1]	1 April 2021 Restated*[1,2]
Ind AS 1.10(a), (ea)–(f), 29, 38–38A, 40A–40B, 54–55, 113					
Ind AS 1.60	**Current liabilities**				
Sch III.I.1(a)	Financial liabilities				
Sch.III.I.2(a)(i), Ind AS 1.54(m)	(i) Borrowings	*34*	**1,892**	4,384	3,807
Sch III.I.2(a)(ia), Ind AS 1.54(m)	(ii) Lease liabilities		**674**	945	1,176
Ind AS 1.54(k)	(iii) Trade payables[7]	*39*			
Sch III.I.2(a)(ii)(A)	A) total outstanding dues of micro enterprises and small enterprises; and		**348**	-	-
Sch III.I.2(a)(ii)(B)	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		**22,670**	20,438	28,074
Sch III.I.2(a)(iii), Ind AS 1.54(m)	(iv) Other financial liabilities	*40A*	**137**	7	7
Sch III.I.2(b)	Other current liabilities[6]	*40B*	**1,264**	1,157	-
Ind AS 1.54(l)	Provisions	*38*	**859**	696	1,472
Ind AS 1.54(n)	Current tax liabilities (net)[4]		**4,155**	1,823	25
			31,999	29,450	34,561
Ind AS 105.38, 40, Ind AS 1.54(p)	Liabilities included in disposal group held for sale	*7*	**4,410**	-	-
	Total Current liabilities		**36,409**	29,450	34,561
	Total liabilities		**67,129**	53,772	61,429
	Total equity and liabilities		**112,648**	89,465	90,991

* The comparative information is restated on account of correction of errors. See Note 48.

The notes on pages 23 to 258 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet (continued)

As at 31 March 2023

Explanatory notes to the Consolidated Balance Sheet

1. When comparatives are restated, although it is not specifically required by Ind AS, labelling the comparatives as restated is necessary to highlight that the comparatives are not the same as the financial statements published previously.

Ind AS 1.10(f), 40A

2. The Group has presented a third balance sheet as at the beginning of the preceding period, because the correction of errors (see Note 48) has a material effect on the information in the statement.

Ind AS 116.47(a), 48

3. The Group has presented right-of-use assets that do not meet the definition of investment property within 'property, plant and equipment' – i.e. the same line item in which it presents underlying assets of the same nature that it owns. Alternatively, an entity may choose to present right-of-use assets separately in the balance sheet. Right-of-use assets that meet the definition of investment property are presented within 'investment property'.

4. Where offsetting criteria are met and there is net current tax liability, it should be disclosed separately after provisions under 'current liabilities'. Current year advance tax, net of provision for current tax liability (as well as past years' advance taxes, net of related current tax provisions) will be classified as non-current if it is not expected to be realised within 12 months from the reporting date or in the normal operating cycle of the company.

Ind AS 115.B21

5. Ind AS 115 *Revenue from Contracts with Customers* and other standards do not specify where assets for rights to recover products from customers with regards to sales with a right of return should be presented. The Group has included these assets within 'inventories' and disclosed them separately in the notes (see Note 25).

Ind AS 115.55

6. The Group has presented its refund liabilities under Ind AS 115 as 'Other current liabilities'. The Group's returns policy offers only an exchange for another good – i.e. the Group does not offer a cash refund. Therefore, refund liabilities do not meet the definition of a financial liability in Ind AS 32 *Financial Instruments: Presentation*. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability in Ind AS 32, then it is subject to the disclosure requirements in Ind AS 107 *Financial Instruments: Disclosures*.

7. The Group has presented amounts owed for the purchase of goods or services but related to reverse factoring within 'trade payables' because it considers that the nature and function of the financial liability is not different from other trade payables and does not warrant a separate presentation on the face of the balance sheet. Regardless of whether the original trade payable is derecognised, an entity should consider the appropriate presentation of amounts related to reverse factoring arrangements in the balance sheet. (See Note 39).

Consolidated Statement of Profit and Loss [1]

For the year ended 31 March 2023

Reference	In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Ind AS 1.10(b), 10A, 29, 38–38A, 81A–85, 113, Sch III. Div II				
	Continuing operations [2]			
Ind AS 1.82(a)	Revenue from operations[4]	9	**102,400**	96,417
Ind AS 1.102	Other income	10	**3,028**	955
	Total Income		**105,428**	97,372
	Expenses			
Ind AS 1.102, 2.36(d)	Cost of materials consumed	11	**42,104**	42,710
Sch III.II.IV	Purchases of stock-in-trade		**3,420**	3,608
Ind AS 1.102	Changes in inventories of finished goods, stock-in-trade and work-in-progress	12	**472**	(343)
Ind AS 1.102	Employee benefits expense	13	**22,154**	19,439
Ind AS 1.82(b)	Finance costs	14	**1,658**	1,349
Ind AS 1.102	Depreciation and amortisation expense	15	**6,184**	5,937
Ind AS 1.82(ba)	Impairment losses on financial assets and contract assets	41(C)(ii)	**259**	203
Ind AS 1.102	Other expenses	16	**19,967**	16,200
	Total Expenses		**96,218**	89,103
Ind AS 1.85	Profit from continuing operations before share of profit of associates and joint venture and income tax		**9,210**	8,269
Ind AS 1.82(c)	Share of profit of associates and joint venture, net of tax	22	**1,141**	587
Ind AS 1.85	**Profit from continuing operations before tax**		**10,351**	8,856

Consolidated Statement of Profit and Loss (continued)

For the year ended 31 March 2023

Reference	*In lakhs of INR*	*Note*	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Ind AS 1.10(b), 10A, 29, 38–38A, 81A–85, 113, Sch III. Div II				
	Tax expense :			
Ind AS 12.77, 99	Current tax		**3,179**	3,560
Ind AS 12.77, 99	Deferred tax		**(1)**	(1,100)
Ind AS 1.82(d), 12.77	Tax expense	*17*	**3,178**	2,460
Ind AS 1.85	**Profit for the year from continuing operations**		**7,173**	6,396
	Discontinued operation			
Ind AS 105.33(a), Ind AS 1.82(ea)	Profit (loss) from discontinued operation	*6*	**684**	(466)
Ind AS 105.33 (b), Sch III.II.XI	Tax expense of discontinued operations		**(305)**	44
Sch III.II.XII	**Profit (loss) from discontinued operation (after tax)**[5]		**379**	(422)
Ind AS 1.81A(a)	**Profit for the year**		**7,552**	5,974

Consolidated Statement of Profit and Loss (continued)

For the year ended 31 March 2023

Reference	In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Ind AS 1.10(b), 10A, 29, 38–38A, 81A–85, 113				
	Other comprehensive income (OCI)			
Ind AS 1.82A(a)(i)	**Items that will not be reclassified to profit or loss**			
Ind AS 1.85	Remeasurements of defined benefit liability (asset)	*35(B)*	**25**	(13)
Ind AS 107.20(a)(vii)	Fair value changes on equity investments through OCI	*31(C)*	**141**	59
Ind AS 1.82A(b)(i)	Share of OCI in associates and joint ventures	*22, 31(C)*	**180**	(5)
Ind AS 1.91(b), Sch III.II.XIV.A(ii)	Income tax relating to items that will not be reclassified to profit or loss[6]	*17(B)*	**(55)**	(13)
			291	28
Ind AS 1.82A(a)(ii)	**Items that will be reclassified to profit or loss**			
Ind AS 21.5/2(b), 1.7(c)	Exchange differences on translating financial statements of foreign operations		**679**	471
Ind AS 1.85	Net loss on hedge of net investment in foreign operation		**(3)**	(8)
Ind AS 1.82A(b)(ii)	Share of OCI in associates and joint ventures	*22, 31(C)*	**(172)**	(166)
Ind AS 1.92	Reclassification of exchange differences on loss of significant influence	*8(D)*	**(20)**	-
Ind AS 107.24C(b)(i)	Effective portion of gains (losses) on hedging instruments in cash flow hedges	*31(C)*	**(62)**	95
Ind AS 10 7.24C(b)(iv)	Effective portion of gains (losses) on hedging instruments in cash flow hedges reclassified to profit and loss [3]	*31(C)*	**(31)**	(12)
Ind AS 1.85	Cost of hedging – changes in fair value	*31(C)*	**34**	10
Ind AS 1.92	Cost of hedging – reclassified to profit or loss[3]	*31(C)*	**8**	2
Ind AS 107.20(a)(viii)	Fair value changes in debt instruments through OCI	*31(C)*	**54**	60
Ind AS 107.20(a)(viii), Ind AS 1.92	Fair value changes in debt instruments through OCI reclassified to profit or loss[3]	*31(C)*	**(64)**	-
Ind AS 1.91(b), Sch III.II.XIV.B(ii)	Income-tax relating to items that will be reclassified to profit or loss[6]	*17(B)*	**19**	(49)
			442	403
Ind AS 1.81A(b)	**Other comprehensive income for the year, net of tax**		**733**	431
Ind AS 1.81A(c)	**Total comprehensive income for the year**		**8,285**	6,405

Consolidated Statement of Profit and Loss (continued)

For the year ended 31 March 2023

Reference	In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Ind AS 1.10(b), 10A, 29, 38–38A, 81A–85, 113				
Sch III.III.1(i)	**Profit for the year attributable to:**			
Ind AS 1.81B(a)(ii)	Owners of the Company		**7,055**	5,623
Ind AS 1.81B(a)(i)	Non-controlling interests	23	**497**	351
			7,552	5,974
Sch III.III.1(i)	**Other comprehensive income for the year attributable to:**			
	Owners of the Company		**707**	409
	Non-controlling interests	23	**26**	22
			733	431
Sch III.III.1(i)	**Total comprehensive income for the year attributable to:**			
Ind AS 1.81B(b)(ii)	Owners of the Company		**7,762**	6,032
Ind AS 1.81B(b)(i)	Non-controlling interests	23	**523**	373
			8,285	6,405
Sch III.II.XVI	**Earnings per equity share - continuing operations**			
Ind AS 33.66	Basic earnings per share (INR)	33	**1.37**	1.25
Ind AS 33.66	Diluted earnings per share (INR)	33	**1.33**	1.24
Sch III.II.XVII	**Earnings per share - discontinued operations**			
Ind AS 33.66	Basic earnings per share (INR)	33	**0.08**	(0.09)
Ind AS 33.66	Diluted earnings per share (INR)	33	**0.07**	(0.09)
Sch III.II.XVIII	**Earnings per share – Continuing and discontinued operations**			
Ind AS 33.66	Basic earnings per share (INR)	33	**1.45**	1.16
Ind AS 33.66	Diluted earnings per share (INR)	33	**1.40**	1.15

* The comparative information is restated on account of correction of errors. See Note 48. Comparative information has also been re-presented due to a discontinued operation. See Note 6.

The notes on pages 23 to 258 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit and Loss (continued)

Explanatory notes to the Consolidated Statement of Profit and Loss

Ind AS 1.82

1. Ind AS 1 requires the separate presentation of specific line items in the statement of profit and loss. The Group has not presented certain line items because during the reporting period it did not have events or transactions to be reflected in those line items. See footnote 4 below for specific consideration related to separate presentation of line items in the statement of profit and loss.

2 In case there is no discontinued operation, this heading may not be given.

3 The Group has elected to present reclassification adjustments in the statement of profit and loss. Alternatively, an entity may present these adjustments in the notes with only the aggregate being given here.

Ind AS 115.113, Ind AS 1.29–30, 85,

4. An entity is not required to present revenue from contracts with customers as a separate line item in the statement of profit and loss and may aggregate it with other types of revenue considering the requirements in Ind AS 1. However, in providing a separate disclosure of revenue from contracts with customers – either in the notes or in the statement of profit and loss – an entity should not include amounts that do not fall in the scope of Ind AS 115 (see Note 9).

Ind AS 105.33(a)–(b), Ind AS 1.82(ea)

5. The Group has elected to disclose a single amount of post-tax profit or loss of discontinued operations in the statement of profit and loss, and has analysed that single amount into revenue, expenses and the pre-tax profit or loss in Note 6. Alternatively, an entity may present the analysis in the statement.

Ind AS 1.90–91

6. The Group has elected to present individual components of OCI before related tax with an aggregate amount presented for tax in the statement of profit and loss and has provided disclosures related to tax on each component of OCI in Note 17B . Alternatively, an entity may present individual components of OCI net of related tax in the statement.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

In lakhs of INR	*Note*	
Sch III.I. SOCIE — **A. Equity share capital**	31A	
Balance as at 1 April 2022		**9,300**
Changes in equity share capital due to prior period errors		**-**
Restated balance as at 1 April 2022		**9,300**
Changes in equity share capital during the year		**429**
Balance as at 31 March 2023		**9,729**
Balance as at 1 April 2021		9,300
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2021		9,300
Changes in equity share capital during the year		-
Balance as at 31 March 2022		9,300
Sch III.I. SOCIE — **B. Instruments entirely equity in nature**	31A	
Compulsorily convertible non-cumulative preference shares		
Balance as at 1 April 2022		**5,250**
Changes in compulsorily convertible non-cumulative preference shares due to prior period errors		**-**
Restated balance as at 1 April 2022		**5,250**
Changes in compulsorily convertible non-cumulative preference shares during the year		**-**
Balance as at 31 March 2023		**5,250**
Balance as at 1 April 2021		5,250
Changes in compulsorily convertible non-cumulative preference shares due to prior period errors		-
Restated balance as at 1 April 2021		5,250
Changes in compulsorily convertible non-cumulative preference shares during the year		-
Balance as at 31 March 2022		5,250

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 March 2023

	In lakhs of INR	Note	Equity component of convertible debentures	Reserves and Surplus: Securities premium	Reserves and Surplus: Share options outstanding account	Reserves and Surplus: Retained earnings	Items of OCI: Exchange differences on translating financial statements of foreign operations	Items of OCI: Cost of hedging	Items of OCI: Effective portion of cash flow hedges	Items of OCI: Equity instruments through OCI	Items of OCI: Debt instruments through OCI	Total attributable to the owners of the Company	Non-controlling interests	Total equity
Ind AS 1.10(c), 29, 108, 113			Attributable to owners of the Company											
	Balance at 1 April 2022		-	3,500	560	13,273	156	(27)	491	58	41	18,052	3,091	21,143
	Total comprehensive income for the year ended 31 March 2023													
Ind AS 1.106(d)(i)	Profit for the year		-	-	-	7,055	-	-	-	-	-	7,055	497	7,552
Ind AS 1.106(d)(ii), 106A	Other comprehensive income for the year[1]	*17(B), 31(C)*	-	-	-	197	458	27	(62)	94	(7)	707	26	733
Ind AS 1.106(a)	**Total comprehensive income for the year**		-	-	-	7,252	458	27	(62)	94	(7)	7,762	523	8,285
	Hedging gains and losses and costs of hedging transferred to the cost of inventory		-	-	-	-	-	4	4	-	-	8	-	8
	Transactions with owners of the Company													
Ind AS 1.106(d)(iii)	**Contributions and distributions**													
	Issue of equity shares	*31(B)*	-	1,160	-	-	-	-	-	-	-	1,160	-	1,160
	Issue of equity shares related to business combinations	*8(A)*	-	63	120	-	-	-	-	-	-	183	-	183
	Issue of convertible debentures	*17(C), 34(C)*	109	-	-	-	-	-	-	-	-	109	-	109
	Dividends	*31(B)*	-	-	-	(1,243)	-	-	-	-	-	(1,243)	-	(1,243)
	Equity-settled share-based payment	*13, 17(C)*	-	-	755	-	-	-	-	-	-	755	-	755
	Share options exercised	*31(A), 31(B)*	-	50	(15)	-	-	-	-	-	-	35	-	35
	Total contributions and distributions		109	1,273	860	(1,243)	-	-	-	-	-	999	-	999
Ind AS 1.106(d)(iii)	**Changes in ownership interests**													
	Acquisition of NCI without a change in control	*8(E)*	-	-	-	(93)	8	-	-	-	-	(85)	(115)	(200)
	Acquisition of subsidiary with NCI	*8*	-	-	-	-	-	-	-	-	-	-	305	305
	Total changes in ownership interests		-	-	-	(93)	8	-	-	-	-	(85)	190	105
	Total transactions with owners of the Company		109	1,273	860	(1,336)	8	-	-	94	(7)	914	190	1,104
	Balance at 31 March 2023		109	4,773	1,420	19,189	622	4	433	152	34	26,736	3,804	30,540

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 March 2022

Reference	In lakhs of INR	Note	Equity component of convertible debentures	Reserves and Surplus: Securities premium	Reserves and Surplus: Share options outstanding account	Reserves and Surplus: Retained earnings	Items of OCI: Exchange differences on translating financial statements of foreign operations	Items of OCI: Cost of hedging	Items of OCI: Effective portion of cash flow hedges	Items of OCI: Equity instruments through OCI	Items of OCI: Debt instruments through OCI	Total attributable to the owners of the Company	Non-controlling interests	Total equity
			Attributable to owners of the Company											
Ind AS 1.10(c), 29, 108, 113	Balance at 1 April 2021, as previously reported		-	3,500	310	8,130	(119)	(35)	434	17	-	12,237	2,718	14,955
Ind AS 1.106(b)	Impact of correction of errors	48	-	-	-	57	-	-	-	-	-	57	-	57
	Restated balance at 1 April 2021		-	3,500	310	8,187	(119)	(35)	434	17	-	12,294	2,718	15,012
	Total comprehensive income for the year ended 31 March 2022 (restated)													
Ind AS 1.106(d)(i)	Profit for the year		-	-	-	5,623	-	-	-	-	-	5,623	351	5,974
Ind AS 1.106(d)(ii), 106A	Other comprehensive income for the year	17(B), 31(C)	-	-	-	(13)	275	9	56	41	41	409	22	431
Ind AS 1.106(a)	**Total comprehensive income for the year (restated)**		-	-	-	5,610	275	9	56	41	41	6,032	373	6,405
	Hedging gains and losses and costs of hedging transferred to the cost of inventory		-	-	-	-	-	(1)	1	-	-	-	-	-
Ind AS 1.106(d)(iii)	**Transactions with owners of the Company**													
	Contributions and distributions													
	Dividends	31(B)	-	-	-	(524)	-	-	-	-	-	(524)	-	(524)
	Equity-settled share-based payment	13, 17(C)	-	-	250	-	-	-	-	-	-	250	-	250
	Total transactions with owners of the Company		-	-	250	(524)	-	-	-	-	-	(274)	-	(274)
	Restated balance at 31 March 2022		-	3,500	560	13,273	156	(27)	491	58	41	18,052	3,091	21,143

Sch.III.GN.8.2 1 Schedule III provides two options for presentation of remeasurement of defined benefit plans
- recognise as part of retained earnings with separate disclosure of such items.
- show as separate column under Reserves and surplus.

The Group has elected to present it as part of retained earnings.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

Ind AS 1.10(d), 29, 38–38A, 113

In lakhs of INR	*Note*	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Cash flows from operating activities[1,2] (*Ind AS 7.18(b)*)			
Profit for the year[3]		**7,552**	5,974
Adjustments for:			
– Depreciation and amortisation expense	*15*	**6,184**	5,937
– Government grants	*37*	**(38)**	-
– (Reversal of)/ impairment losses on property, plant and equipment and intangible assets	*10, 16*	**(377)**	1,408
- Impairment losses on financial assets and contract assets		**259**	203
- Change in fair value of financial assets at FVTPL	*10*	**(581)**	(245)
– Impairment loss on remeasurement of the disposal group	*7(A), 16*	**35**	-
– Change in fair value of biological assets	*10*	**(587)**	(28)
- Dividend income on equity securities at FVOCI	*10*	**(26)**	(32)
- Gain on derecognition of corporate debt securities at FVOCI – reclassified from OCI	*10*	**(64)**	-
- Interest income	*10*	**(210)**	(150)
- Re-measurement to fair value of existing interest in acquiree	*10*	**(250)**	-
– Finance costs		**1,658**	1,349
– Share of profit of joint venture and associates, net of tax		**(1,141)**	(587)
– Net gain on sale of property, plant and equipment	*10*	**(48)**	(16)
– Gain on sale of discontinued operation, net of tax	*6*	**(516)**	-
- Cash flow hedges-gain reclassified from OCI	*10*	**(17)**	(13)
- Cash flow hedges-ineffective portion of changes in fair value	*16*	**45**	11
- Net investment hedges-ineffective portion of changes in fair value	*16*	**1**	-
- Change in fair value of contingent consideration	*16*	**20**	-
- Gain on sale of investments	*10*	**(20)**	(60)
– Equity-settled share-based payment transactions	*13*	**755**	248
– Tax expense		**3,153**	2,416
		15,787	16,415

Consolidated Statement of Cash Flows (continued)

For the year ended 31 March 2023

Ind AS 1.10(d), 29, 38–38A, 113

In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Working capital adjustments			
– (Increase) in loans		**(46)**	(6)
– (Increase) in Inventories		**(1,851)**	(197)
– Decrease/ (Increase) in other assets, including financial assets		**381**	(1,087)
– (Increase) in Trade receivables		**(17,163)**	(5,657)
– Decrease/ (Increase) in Trade payables and other liabilities, including financial liabilities		**6,521**	(6,734)
– Decrease in Provisions and employee benefits		**26**	274
Cash generated from operating activities		**3,655**	3,008
Ind AS 7.35 Income taxes paid		**(400)**	(1,913)
Ind AS 7.10 **Net cash from operating activities**		**3,255**	1,095
Cash flows from investing activities			
Ind AS 7.31 Interest received		**6**	19
Ind AS 7.31 Dividends received		**26**	32
Ind AS 7.16(b) Proceeds from sale of property, plant and equipment		**3,085**	397
Ind AS 7.16(d), (h) Proceeds from sale of investments		**1,346**	534
Ind AS 7.39 Disposal of discontinued operation, net of cash and cash equivalents disposed off[4]	7	**10,890**	-
Ind AS 7.39 Acquisition of subsidiary, net of cash	8	**(1,799)**	-
Ind AS 7.16(a) Acquisition of property, plant and equipment		**(15,577)**	(2,148)
Ind AS 7.16(a) Acquisition of investment property		**(380)**	(120)
Ind AS 7.16(a) Purchase of non-current biological assets	20(A)	**(305)**	(835)
Ind AS 7.16(c), (g) Acquisition of other investments		**(359)**	(342)
Proceeds from maturity of bank deposits	30	**110**	60
Ind AS 7.16(a) Development expenditure on internally generated intangible assets	19	**(1,100)**	(373)
Receipt of asset-related government grant[5]	37	**130**	1,462
Ind AS 7.10 **Net cash used in investing activities**		**(3,927)**	(1,314)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 March 2023

	In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Ind AS 1.10(d), 29, 38–38A, 113				
	Cash flows from financing activities			
Ind AS 7.17(a)	Proceeds from issue of share capital	31	**1,550**	-
Ind AS 7.17(c)	Proceeds from issue of convertible debentures	34(C)	**5,000**	-
Ind AS 7.17(c)	Proceeds from issue of redeemable preference shares	34(D)	**2,000**	-
Ind AS 7.17(c)	Proceeds from borrowings		**591**	4,439
Ind AS 7.17(a)	Proceeds from exercise of share options	31(A)	**50**	-
Ind AS 7.16(h)	Proceeds from settlement of derivatives		**5**	11
Ind AS 7.21	Transaction costs related to borrowings	34(C)–(D)	**(311)**	-
Ind AS 7.42A	Acquisition of NCI	8(E)	**(200)**	-
Ind AS 7.17(b)	Finance costs paid[6,7]		**(1,431)**	(1,529)
Ind AS 7.17(d)	Repayment of borrowings		**(5,055)**	(2,445)
Ind AS 7.17(e)	Principal payment of lease liabilities		**(554)**	(590)
Ind AS 7.31, 34	Dividends paid	31(B)	**(1,243)**	(524)
Ind AS 7.10	**Net cash from financing activities**		**402**	(638)
	Net decrease in cash and cash equivalents		**(270)**	(857)
	Cash and cash equivalents at 1 April**		**1,237**	2,119
Ind AS 7.28	Effect of movements in exchange rates on cash held		**(12)**	(25)
	Cash and cash equivalents at 31 March**	29	**955**	1,237

* The comparative information is restated on account of correction of errors. See Note 48.

Ind AS 7.45 — ** Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The notes on pages 23 to 258 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

Explanatory notes to the Consolidated Statement of Cash Flows

Ind AS 7.18–19

1. The Group has elected to present cash flows from operating activities using the indirect method. Alternatively, an entity may present operating cash flows using the direct method.

Ind AS 107.31, 33–34, Ind AS 7.10–11, 43,

2. There is no specific guidance in Ind AS on the classification of cash flows from reverse factoring arrangements. In determining the appropriate classification an entity should apply judgement and assess whether a single cash outflow or multiple cash flows occur for the entity. The Group presents a single cash outflow for the payments made to the factor (the bank) because it considers the payment to a supplier by the bank not to be a cash transaction of the entity. The Group classifies its cash outflows for payments made to the bank within operating activities because it views the principal nature of these payments as related to the purchase of goods and services. The Group has provided disclosure of non-cash transactions (see Note 39) and disclosure of liquidity risk arising from liabilities related to reverse factoring arrangements (see Note 41 (C)(iii)). There may be other acceptable approaches depending on the legal form and structure of reverse factoring arrangements.

Ind AS 7.28, 20

3. The Group has used profit or loss after tax as the starting point for presenting operating cash flows using the indirect method. The statement can also be prepared with profit or loss before tax as the starting point.

Ind AS 7.10, Ind AS 105.33(c)

4. The Group has elected to present a statement of cash flows that includes an analysis of all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 7(B). However, there are numerous ways in which the requirements of Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations and Ind AS 7 regarding cash flow presentation may be met.

Ind AS 7.10–11

5. There is no specific guidance in Ind AS on the classification of cash flows from the receipt of government grants. Cash flows should be classified based on the nature of the activity to which they relate. The Group has classified cash flows related to asset-related grants as investing activities and those related to income-related grants as operating activities because this reflects the nature of the related activities.

6. An entity should choose an accounting policy, to be applied consistently, to classify cash flows related to capitalised interest as follows:
   - as investing activities if the other cash payments to acquire the qualifying asset are reflected as investing activities; or
   - consistently with interest cash flows that are not capitalised.

Ind AS 116.50, Ind AS 7.17(e)

7 Interest paid includes the interest portion of the lease liabilities.

Ind AS 1.10(e)

Notes to the consolidated financial statements (continued)[1]

1. Reporting entity

Ind AS 1.51(a)–(c), 138(a)–(b)

Classic Company (India) Limited ('the Company' or 'the Parent') is domiciled and incorporated as a public limited company in India under the provisions of the Companies Act, 2013 with its equity shares listed on National Stock Exchange and Bombay Stock Exchange in India. The Company's registered office is at [*address*].

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group') and Group's interest in associates and joint ventures for the year ended 31 March 2023. The Group is primarily involved in manufacturing paper and paper-related products, cultivating trees and selling wood. (see Note 5(A)).

2. Basis of preparation

A. Statement of Compliance

Ind AS 1.15, 16, 27, 112(a), 116

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ('Act').

Ind AS 10.17

The consolidated financial statements are approved for issue by the Company's Board of Directors on [date].

Details of the Group's accounting policies, including changes thereto, are included in Note 3 and Note 4.

Ind AS 1.113–114

1. Notes are presented, to the extent practicable, in a systematic order and are cross-referred to/from items in the primary statements. In determining a systematic manner of presentation, an entity considers the effect on the understandability and comparability of the financial statements. The Group has applied judgement in presenting related information together in a manner that it considers to be most relevant to an understanding of its financial performance and financial position. The order presented is only illustrative and entities need to tailor the organisation of the notes to fit their specific circumstances.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

Ind AS 1.112(a), 117(a)

B. Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items Basis	Measurement
Derivative Financial instruments	Fair Value
Non derivative financial instruments at FVTPL	Fair Value
Derivative Financial Instruments	Fair Value
Debt and equity securities at FVOCI	Fair Value
Contingent consideration assumed in a business combination	Fair Value
Biological Assets	Fair Value less cost to sell
Liabilities for cash settled share based payment arrangements	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less the present value of the defined benefit obligation, limited as explained in Note 3(E) (iv)

C. Functional and presentation currency

Ind AS 1.51(d)–(e)

Schedule III 6.11-6.12

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

D. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

Ind AS 1.122

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 9(E): revenue recognition: whether revenue from made-to-order paper products is recognised over time or at a point in time;

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

D. Use of judgements and estimates (continued)

(i) Judgements (continued)

- Note 22(B): investments accounted for using the equity method: whether the Group has significant influence over an investee;
- Note 39: reverse factoring: presentation of amounts related to supply chain financing arrangements in the balance sheet and in the statement of cash flows;
- Note 46(A): consolidation: whether the Group has de facto control over an investee; and
- Note 42(A): lease term: whether the Group is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Ind AS 1.125, 129-130

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Notes 3(D) and 40(B): revenue recognition: estimate of expected returns;
- Note 35(D)(i): measurement of defined benefit obligations: key actuarial assumptions;
- Note 17(H): recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 17(I): uncertain tax treatments;
- Note 20 (B): determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 7(D): determining the fair value less costs to sell of the disposal group on the basis of significant unobservable inputs;
- Note 19(B): impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Notes 38 and 43: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41(C)(ii): measurement of ECL allowance for trade and finance receivables, loans and contract assets: key assumptions in determining the weighted-average loss rate; and
- Notes 8(A) and (C): acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

E. Measurement of fair values

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

Ind AS 113.93(g)

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

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

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

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

Ind AS 113.95

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 36(B): share-based payment arrangements;
- Note 20(B): biological assets;
- Note 7(D): disposal group held for sale;
- Note 21(C): investment property;
- Note 41(B): financial instruments; and
- Note 8(C)(i): acquisition of subsidiary.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

F. Current/ Non-current classification

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies

A. Basis of consolidation

i. Business combinations (other than common control business combinations)[1]

Ind AS 103.3–4, 32, 34, 36, 36A,53, B5–B12

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 3(A)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired (acquisition date), as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3(Q)(ii)). Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve. Transaction costs/ acquisition related costs are expensed as incurred and services are received, except if related to the issue of debt or equity securities.

1 In these illustrative financial statements, it is assumed that there is no 'common control business combination'. In case there is a common control business combination, accounting policy for such a combination should also be given. The accounting policy may be along the following lines:

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

A. Basis of consolidation (continued)

i. Business combinations (other than common control business combinations) (continued)

Ind AS 103.B52

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Ind AS 103.40, 58

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

Ind AS 103.42

If a business combination is achieved in stages, then the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit and loss or OCI, as appropriate.

Ind AS 103.45

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the Group also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date

The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable but does not exceed one year from the acquisition date

Ind AS 103.30, B57–B61

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. Subsidiaries

Ind AS 110.6, 7

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

A. Basis of consolidation (continued)

ii. Subsidiaries (continued)

Ind AS 110.B86

Consolidation procedure followed is as under:

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

iii. Non-controlling interests (NCI)

Ind AS 103.19

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.[2]

Ind AS 110.23, B96

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

Ind AS 110.25, B98–B99

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Equity-accounted investees[3]

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Ind AS 111.15–16, Ind AS 28.3

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Ind AS 28.38–39

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Ind AS 103.19

2 An entity has a choice on a combination-by-combination basis to measure any NCI in the acquiree at either the proportionate share of the acquiree's identifiable net assets or fair value. The Group has elected the former approach.

3 In the absence of specific guidance in Indian Accounting Standards, the Group has elected to eliminate unrealized gains and losses resulting from transactions with equity-accounted investees against the investment in the investees. Alternatively, the elimination may be presented as a reduction in the underlying asset – e.g. inventory.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

A. Basis of consolidation (continued)

vi. Transactions eliminated on consolidation

Ind AS 10.B86(c), Ind AS 28.28

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency

i. Foreign currency transactions

Ind AS 21.21

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Ind AS 21.23, Ind AS 109.B5.7.3

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see 3(O)(v)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

Ind AS 21.39

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches), including goodwill and fair value adjustments arising on acquisition, are translated into INR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

ii. Foreign operations (continued)

B. Foreign currency (continued)

Ind AS 110.B94, Ind AS 21.41

Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

Ind AS 21.48–48D

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reallocated to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C. Discontinued operation

Ind AS 105.32

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

Ind AS 105.34

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative year.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 115.119, 123-126

D. Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the revenue recognition policies

Type of product/service	Revenue recognition policies
Standard paper products	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of paper, size, finish etc. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other current liabilities (see Note 40B) and the right to recover returned goods is included in inventory (see Note 25). The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.
Made-to-order paper products	Revenue and associated costs are recognised over time – i.e. before the goods are delivered to the customers' premises. Progress is determined based on the cost-to-cost method because the customer obtains control of the work in progress as the made-to-order paper products are being manufactured, and the cost measure faithfully depicts the transformation of the work in progress.
Timber products	Revenue is recognised when the goods are dispatched from the Group's warehouse.
Loyalty programme	The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.
Managing forest resources services and related services	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.
Construction contracts	Revenue is recognised over time based on the cost-to-cost method. The related costs are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

E. Employee benefits

i. Short-term employee benefits

Ind AS 19.11

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

ii. Share-based payment arrangements

Ind AS 102.14–15, 19–21, 21A

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Ind AS 102.30, 32

The fair value of the amount payable to employees in respect of share appreciation rights (“SARs”), which are settled in cash, is recognised as an employee benefits expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

Ind AS 102.B42-44

When the terms of an equity-settled award are modified, the minimum expense recognised by the Group is the grant date fair value of the unmodified award, provided the vesting conditions (other than a market condition) specified on grant date of the award are met.

Further, additional expense, if any, is measured and recognised as at the date of modification, in case such modification increases the total fair value of the share-based payment plan, or is otherwise beneficial to the employee.

iii. Defined contribution plan

Ind AS 19.28, 51

A defined contribution plan is a post-employment benefit plan where the Group’s legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Group makes specified monthly contributions towards Government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

E. Employee benefits (continued)

iv. Defined benefit plans

Ind AS 19.57, 83

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Ind AS 19.63–64, Ind AS 19 Appendix B.23-24

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Ind AS 19.122, 127–130

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Ind AS 19.103, 109–110

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits - compensated absences

Ind AS 19.11, 19.155–156

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

vi. Termination benefits

Ind AS 19.165

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

F. Government grants[4]

Ind AS 20.39(a), Ind AS 20.7, 26, 41.34–35

The Group recognises an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income[5]on a systematic basis over the useful life of the asset.

Ind AS 20.12, 20, 29

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

G. Recognition of Dividend Income, Interest income or expense

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

Interest income or expense is recognised using the effective interest method.

Ind AS 109.B5.4.1–5.4.2,

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Ind AS 20.29

4. An entity chooses a presentation format, to be applied consistently, either to offset a grant related to income against the related expenditure (net presentation) or to present it separately or under a general heading such as 'other income' (gross presentation).

5 The term "other operating revenue" is neither defined in the Indian Accounting Standards nor in Schedule III. Paragraph 9.1.8 of the Guidance Note provides that other operating revenue would include revenue arising from a group's operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from sale of products or rendering of services. Whether or not an income from government grant constitutes "other operating revenue" is to be decided based on the facts of each case and detailed understanding of the Group's activities. The Group, based on its assessment, has classified such income as 'other income' in the statement of profit and loss in these illustrative financial statements.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

H. Income tax

Ind AS 12.58

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.
The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 *Provisions, Contingent Liabilities and Contingent Assets*.[6]

i. Current tax

Ind AS 12.2, 12, 46

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

Ind AS 12.71

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

ii. Deferred tax

Ind AS 12.15, 24, 39, 44

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

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

Ind AS 12.15, 24

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.[7]

6. Interest and penalties related to income taxes are not explicitly included in the scope of Ind AS 12. An entity first needs to consider whether interest or a penalty itself is an income tax. If so, then it applies Ind AS 12. If the entity does not apply Ind AS 12, then it applies Ind AS 37 to that amount. An entity needs to apply judgement based on the specific facts and circumstances.

7. If a tax deduction is allocated to the lease liability, then a temporary difference arises on the initial recognition of the right-of-use asset because there is an asset for accounting but no corresponding asset for tax purposes. Similarly, a liability is recognised for accounting purposes that has a tax base of zero; therefore, a temporary difference arises on the initial recognition of the lease liability. Because the transaction affects neither accounting nor taxable profit on initial recognition, a question arises about whether the initial recognition exemption applies.

   In these circumstances the application of the initial recognition exemption is not appropriate. The asset and liability that arise for accounting purposes under a lease are integrally linked. Accordingly, they should be regarded as a net package (the lease) for the purpose of recognising deferred tax. This is consistent with the way in which the lease transaction is viewed for tax purposes.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

H. Income tax (continued)

ii. Deferred tax (continued)

Ind AS 12.56

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Ind AS 12.47

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

Ind AS 12.51, 51C

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Ind AS 12.74

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

I. Biological assets other than bearer plants

Ind AS 41.12–13

Biological assets, i.e. living animals or plants (other than bearer plants which are included in property, plant and equipment) are measured at fair value less costs to sell, with any change therein recognised in profit or loss.

J. Inventories

Ind AS 2.9,10,13 25, Ind AS 2.36(a)

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Ind AS 2.20

The cost of standing timber transferred from biological assets is its fair value less costs to sell at the date of harvest.

Ind AS 2.6

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.

Ind AS 2.32

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

Ind AS 2.29

The comparison of cost and net realisable value is made on an item-by-Item basis.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

K. Property, plant and equipment

i. Recognition and measurement

Ind AS 16.7, 16.30, 16.73(a)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Ind AS 16.16(a)-(c)

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Ind AS 16.22

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Ind AS 16.45

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Ind AS 16, 68

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS[8]

Ind AS 101.27AA

The cost property, plant and equipment at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

iii. Subsequent expenditure

Ind AS 16.13

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Ind AS 101. 27AA

8. This disclosure is required since the Group adopted the first time exemption option provided in accordance with paragraph D7AA of Ind AS 101, and is required to be disclosed until such time that those items of property, plant and equipment, investment properties or intangible assets, as the case may be, are significantly depreciated, impaired or derecognised from the Group's Balance Sheet.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

K. Property, plant and equipment (continued)

iv. Depreciation

Ind AS 16.53, 58, 60, Ind AS 16.73(b)

Depreciation is calculated on the cost[9] of items of property, plant and equipment less their estimated residual values using the straight-line[10] method over their estimated useful lives, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Ind AS 16.73(c)

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Asset	Management's estimate of useful life	Useful life as per Schedule II[11]
- buildings	40 years	30 years
- plant and equipment(other than major components accounted for separately)	5 - 12 years	8 - 20 years
- Major components of plant and equipment	3 - 5 years	8 - 20 years
- fixtures and fittings	5 - 10 years	10 years.

Ind AS 16.51, Sch II.A.3(i)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in the year ended 31 March 2023.
Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

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9. In case of revaluation, depreciation is provided with reference to the revalued amount

Ind AS 16.62

10 An entity should select the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Sch II

11 As per Schedule II 'where a company adopts a useful life different from what is specified in Part C or uses a residual value different from the limit specified above, the financial statements shall disclose such difference and provide justification in this behalf duly supported by technical advice.' Accordingly, to show such difference, the useful life as per Schedule II has also been given. However, many companies only give management estimate of useful life and not this information on the basis that ICAI Guidance Note on Accounting for Depreciation in Companies in the context of Schedule II to the Companies Act, 2013 states as below:

"63 Apart from the disclosures required under the accounting standards, Schedule II requires disclosure of useful life and/or residual value, if they are different from those specified under that Schedule. In this regard, following disclosures should be made:
(i) Disclosure of assets along with their useful lives where different from those specified under Schedule II including where the useful life estimated as per double/triple shift is different from that as would be estimated on the basis of increase in depreciation by 50% or 100% in case of double shift and triple shift respectively of single shift based depreciation."

Our preferred view is that this indicative useful life as per Schedule II should also be given

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

L. Goodwill and other intangible assets

i. Recognition and measurement

Ind AS 38.107–108	**Goodwill**	Goodwill arising on the acquisition of subsidiaries (See Note 3(A)(i)) is measured at cost less accumulated impairment losses.
Ind AS 38.54–55	**Research and development**	Expenditure on research activities is recognised in profit or loss as incurred.
Ind AS 38.57, 66, 71, 74		Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Ind AS 38.74	**Other intangible assets**	Other intangible assets, including those acquired by the Group in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Ind AS 38.18

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Ind AS 38.97, Ind AS 38.118(a)–(b)

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss. Goodwill is not amortised.

The estimated useful lives are as follows:

- patents and trademarks: 3–20 years
- development costs: 2–5 years
- customer relationships: 4–5 years.

Ind AS 38.104

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Ind AS 101.27AA

iv. Transition to Ind AS[12]

The cost Intangible assets at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Ind AS 101. 27AA

12. This disclosure is required since the Group adopted the first time exemption option provided in accordance with paragraph D7AA of Ind AS 101, and is required to be disclosed until such time that those items of property, plant and equipment, investment properties or intangible assets, as the case may be, are significantly depreciated, impaired or derecognised from the Group's Balance Sheet.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

M. Investment property[13]

i. Recognition and measurement

Ind AS 40.75(a)
Ind AS 40.20
Ind AS 40.56

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Ind AS 40.66, 69

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent expenditure

Ind AS 40.16

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. Depreciation

Ind AS 40.79(a),(b)
Sch II. Part A.3(i)

Based on technical evaluation and consequent advice, the management believes a period of 35 years as representing the best estimate of the period over which investment property (which is quite similar) is expected to be used. Accordingly, the Group depreciates investment property over a period of 35 years on a straight-line basis. The useful life estimate of 35 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years.[14]

iv. Reclassification from / to investment property

Ind AS 40.57, 59

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Ind AS 40.75 (c) 13 If the classification of a property as investment property or otherwise is difficult, then an entity discloses the criteria developed to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business.

Sch II 14 As per Schedule II '*where a company adopts a useful life different from what is specified in Part C or uses a residual value different from the limit specified above, the financial statements shall disclose such difference and provide justification in this behalf duly supported by technical advice.*' Accordingly, to show such difference, the useful life as per Schedule II has also been given. However, many companies only give management estimate of useful life and not this information on the basis that ICAI Guidance Note on Accounting for Depreciation in Companies in the context of Schedule II to the Companies Act, 2013 (February 2016 Edition) states as below:

"63 Apart from the disclosures required under the accounting standards, Schedule II requires disclosure of useful life and/or residual value, if they are different from those specified under that Schedule. In this regard, following disclosures should be made:

(i)Disclosure of assets along with their useful lives where different from those specified under Schedule II including where the useful life estimated as per double/triple shift is different from that as would be estimated on the basis of increase in depreciation by 50% or 100% in case of double shift and triple shift respectively of single shift based depreciation."

Our preferred view is that this indicative useful life as per Schedule II should also be given.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

M. Investment property (continued)

v. Fair value disclosure

Ind AS 40.75(e)

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Ind AS 101.27AA

vi. Transition to Ind AS[15]

The cost of investment property at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

N. Non-current assets or disposal group held for sale

Ind AS10 5.6-8

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Ind AS 105.15–15A, 18–23

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Ind AS 105.25, Ind AS 28.20

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and equity- accounted investee is no longer equity accounted.

Ind AS 105.38

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Ind AS 101. 27AA

15. This disclosure is required since the Group adopted the first time exemption option provided in accordance with paragraph D7AA of Ind AS 101, and is required to be disclosed until such time that those items of property, plant and equipment, investment properties or intangible assets, as the case may be, are significantly depreciated, impaired or derecognised from the Group's Balance Sheet.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments

i. Recognition and initial measurement

Ind AS 109.3.1.1

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Ind AS 109.5.1.1, 5.1.3, 15.D

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

Ind AS 109.4.1.1

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Ind AS 109.4.4.1, 5.6.1

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Ind AS 109.4.1.2

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Ind AS 109.4.1.2A

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Ind AS 109.4.1.4, 5.7.5

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Ind AS 109.4.1.5

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 41(A)). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

Ind AS 109.B4.1.2

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level[16] because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Ind AS 109.B4.1.2B–B4.1.2C, B4.1.4A, B4.1.5

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Ind AS 109.B4.1.1–B4.1.2

16. The objective of the entity's business model is not based on management's intentions with respect to an individual instrument, but rather is determined at a higher level of aggregation. The assessment needs to reflect the way that an entity manages its business or businesses. A single reporting entity may have more than one business model for managing its financial instruments.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.[17]

Ind AS 109.B4.1.6

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

Ind AS 109.4.1.3, B4.1.7A–B4.1.7B, B4.1.9A–B4.1.9E

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Ind AS 109.B4.1.11(b), B4.1.12

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

17 Ind AS 109 does not provide specific guidance for business model assessment related to portfolios of financial assets for which the entity's objectives include transfers of financial assets to third parties in transactions that do not qualify for derecognition. Whether such a portfolio is considered consistent with a held-to-collect business model depends on the circumstances.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Ind AS 107.B5(e)

Financial assets – Subsequent measurement and gains and losses

Ind AS 109.5.7.1	**Financial assets at FVTPL**	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 3(O)(v) for derivatives designated as hedging instruments.
Ind AS 109.5.7.2	**Financial assets at amortised cost**	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Ind AS 109.5.7.10–5.7.11	**Debt investments at FVOCI**	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Ind AS 109.5.7.5–5.7.6, B5.7.1	**Equity investments at FVOCI**	These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Ind AS 109.5.7.1

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See Note 3(O)(v) for financial liabilities designated as hedging instruments.

iii. Derecognition

Financial assets

Ind AS 109.3.2.3–3.2.6

The Group derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred;or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Ind AS 109.3.2.6(b)

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

iii. Derecognition (continued)

Financial liabilities

Ind AS 109.3.3.1–3.3.2

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Ind AS 109.3.3.3

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

Ind AS 109.5.4.7, 5.4.9

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

iv. Offsetting

Ind AS 32.42

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

Ind AS 109.4.3.3

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Ind AS 109.5.1.1, 5.2.1(c)

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

Ind AS 109.6.4.1(a), 6.4.1(c)

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

The Group adopted the Phase 2 amendments in the prior year and retrospectively applied them from 1 April 2021.

Ind AS 109.6.9.1

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform (as defined in 3(O)(iii)). For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

O. Financial instruments (continued)

v. Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform *(continued)*

Ind AS 109.6.9.2

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by IBOR reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

Ind AS 109.6.9.4

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

Ind AS 109.6.9.5

If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

Ind AS 109.6.9.7–6.9.8

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

v. Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

Ind AS 109.6.5.11

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Ind AS 109.6.5.16

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised separately within equity.[18]

Ind AS 109.6.5.16

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

Ind AS 109.6.5.6–6.5.7, 6.5.12

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

[18] The Group has adopted this as an accounting policy choice.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Ind AS 107.21

O. Financial instruments (continued)

v. Derivative financial instruments and hedge accounting (continued)

Net investment hedges

Ind AS 109.6.5.13–6.5.14

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised in OCI and presented in other equity within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

P. Compound financial instruments

Ind AS 32.28–32

Compound financial instruments issued by the Group comprise convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

Ind AS 32.38, AG31, Ind AS 109.5.1.1

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Ind AS 109.5.3.1

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Ind AS 32.AG32

Interest related to the financial liability is recognised in profit or loss (unless it qualified for inclusion in the cost of an asset). On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Q. Impairment

i. Non-derivative financial assets

Financial instruments and contract assets

Ind 109.2, 9.5.5.1, Ind AS 116.77

The Group recognises loss allowances for ECLs on:
- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group also recognises loss allowances for ECLs on finance lease receivables, which are disclosed as financial assets.

Ind AS 109.5.5.3, 5.5.5, 5.5.11, 5.5.15–5.5.16

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and finance lease receivables, loans and contract assets are always measured at an amount equal to lifetime ECLs.[19]

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

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

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

Ind AS 109.5.5.19, B5.5.38

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Ind AS 109.5.15

19 For finance lease receivables, loans, contract assets and trade receivables with a significant financing component, an entity can choose as an accounting policy either to apply the general model for measuring the loss allowance or always to measure the loss allowance at an amount equal to the lifetime ECLs. In these illustrative financial statements, we have assumed that the Group has chosen the latter policy.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Q. Impairment (continued)

Ind AS 107.35F(b), B8A

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Ind AS 107.35F(a)(i), Ind AS 109.5.5.10, B5.5.22–B5.5.24, A

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' e.g. BBB or higher as per rating agency [X or Y].

Ind AS 109.5.5.17, A, B5.5.28–B5.5.30, B5.5.33

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Q. Impairment (continued)

i. Non-derivative financial assets (continued)

Ind AS 107.35F(d), 35G(a)(iii), Ind AS 109.A

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Ind AS 109.5.5.1–5.5.2

Presentation of allowance for ECL in the balance sheet

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

Ind AS 107.35F(e), Ind AS 109.5.4.4

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

Q. Impairment (continued)

ii. Impairment of non-financial assets

Ind AS 36.9–10, 59

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

Ind AS 36.22, 80

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Ind AS 36.6, 30

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

Ind AS 36.59

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Ind AS 36.104

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Ind AS 36.117, 122, 124

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

R. Provisions (other than employee benefits)

Ind AS 37.14, 45, 47,53 63

Provisions are recognised when the Group 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. Expected future operating losses are not provided for.

Where the Group expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Ind AS 37.39	**Warranties**	A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.
Ind AS 37.72	**Restructuring**	A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.
Ind AS 37.21	**Site restoration**	In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.
Ind AS 37.66, 68, 68A, 69	**Onerous contracts**	A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see 3(Q)(ii)).

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

S. Leases

Ind AS 116.9

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

Ind AS 116.15, 45

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Ind AS 116.22–24

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Ind AS 116.29–33

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Ind AS 116.26

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Ind AS 1.112(c)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

S. Leases (continued)

i. As a lessee (continued)

Ind AS 116.27

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Ind AS 116.36, 40, 42

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Ind AS 116.39

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Ind AS 116.105

From 1 April 2021, where the basis for determining future lease payments changed as required by interest rate benchmark reform (see 3(O)(iii)), the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Ind AS 116.47–48

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the balance sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets

Ind AS 116.60, Ind AS 116.5–6, 8, B3–B8

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

S. Leases (continued)

ii. As a lessor

Ind AS 116.17

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Ind AS 116.61–62

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Ind AS 116.63

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Ind AS 116.B58

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Ind AS 116.17

If an arrangement contains lease and non-lease components, then the Group applies Ind AS 115 to allocate the consideration in the contract.

Ind AS 116.77

The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease (see Note 3(Q)(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Ind AS 116.81

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

T. Borrowing costs

Ind AS 23.8, 5, 6(e)

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

U. Contingent liability

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent Asset

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

V. Earnings per share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

W. Share capital

Ind AS 33.30, 31, 33,36

i. Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

ii. Preference shares

The Group's redeemable preference shares are classified as financial liabilities, because they bear nondiscretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Notes to the consolidated financial statements (continued)

Ind AS 8.28

4A. Changes in significant accounting policies[1],[2]

The Group has adopted *Onerous Contracts – Costs of Fulfilling a Contract*. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

Ind AS 37.68A, 94A

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 April 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 April 2022 as a result of the change. [3]

4B. Standards issued but not yet effective[4]

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Ind AS 8.28

1 The description of the nature and effects of the changes in accounting policies presented is only an example that reflects the circumstances of the Group and may not be representative of the nature and effects of the changes for other entities. It is given for illustrative purposes largely without regard to materiality.

Amendments to standards and interpretations that are effective for annual periods beginning on 1 April 2022 are described in Appendix I.

2 The Group chose to present a separate note describing its change in accounting policy since the last annual financial reporting period. Alternatively, this information could be provided in the basis of accounting note – see Note 2.

Ind AS 1.38

3 Comparative information is generally required in respect of the preceding period for all amounts reported in the current period's financial statements and, if it is relevant to understanding the current period's financial statements, also for narrative and descriptive information. However, when entities adopt new accounting standards without restating comparative information, the disclosure requirements of the new standards do not normally apply to the comparative period because the comparative information reflects the requirements of the superseded standards.

4 Companies are required to explain if there are any accounting standards which are issued but not yet effective and are expected to have a material impact on the company. As on the date of release of these illustrative financial statements, MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2023.

Notes to the consolidated financial statements (continued)

5. Operating segments[1]

A. Basis for segmentation

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

Ind AS 108. 20–22,

The Group has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments[2]	**Operations**
Non-recycled Papers	Buying, manufacturing and distributing pulp and paper
Recycled Papers	Buying, recycling and distributing pulp and paper
Packaging (sold in August 2022; see Note 6)	Designing and manufacturing packaging materials
Forestry	Cultivating and managing forest resources and related services
Timber Products	Manufacturing and distributing softwood lumber, plywood, veneer, composite panels, engineered lumber, raw materials and building materials
Research and Development (R&D)	Conducting research and development activities

Ind AS 41,46(a) (beside Forestry)

The Group's CEO reviews the internal management reports of each division at least quarterly.

Ind AS 108.16, 41.46(a)

Other operations include the cultivation and sale of farm animals (sheep and cattle), the construction of storage units and warehouses and the manufacture of furniture and related parts (see Notes 9 and 20). None of these segments met the quantitative thresholds for reportable segments in the year ended 31 March 2023 or year ended 31 March 2022.

Ind AS 108.27(a)

There are varying levels of integration between the Forestry and Timber Products segments, and the Non-recycled Papers and Recycled Papers segments. This integration includes transfers of raw materials and shared distribution services, respectively. Inter-segment pricing is determined on an arm's length basis.

Ind AS 108. 27–28

1. Operating segment disclosures are consistent with the information reviewed by the chief operating decision maker (CODM) and will vary from one entity to another and may not be in accordance with the Accounting Standards. To help users of the financial statements understand the segment information presented, an entity discloses information about the measurement basis adopted – e.g. the nature of any differences between the measurements used in reporting segment information and those used in the entity's financial statements, the nature and effect of any asymmetrical allocations to reportable segments and reconciliations of segment information to the corresponding amounts reported in the financial statements. The Group's internal measures used in reporting segment information are consistent with the Accounting Standards. Therefore, the reconciling items are limited to items that are not allocated to reportable segments, as opposed to a difference in the basis of preparation of the information.

Ind AS 108.12, 22(aa)

2. When two or more operating segments are aggregated into a single operating segment, the judgements made by management in applying the aggregation criteria are disclosed. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

B. Information about reportable segments

Ind AS 108.27

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that such information is the most relevant in evaluating the results of the certain segments relative to other entities that operate in the same industries.

		Reportable segments								
Ind AS 108.16	**Year ended 31 March 2023** *In lakhs of INR*	**Non-recycled Papers**	**Recycled Papers**	**Packaging (discontinued)*[5]**	**Forestry**	**Timber Products**	**Research and Development**	**Total reportable segments**	**All other segments[1]**	**Total**
Ind AS 108.23(a), 32	External revenues[2,3]	64,112	30,367	7,543	3,967	2,700	-	108,689	1,254	109,943
Ind AS 108.23(b)	Inter-segment revenue[3]	-	317	940	2,681	1,845	875	6,658	891	7,549
	Segment revenue	64,112	30,684	8,483	6,648	4,545	875	115,347	2,145	117,492
Ind AS 108.21(b), 23	Segment profit (loss) before tax	7,730	5,599	(162)	1,240	(263)	101	14,245	771	15,016
Ind AS 108.23(c)	Interest income[4]	109	42	-	45	10	-	206	4	210
Ind AS 108.23(d)	Interest expense[4]	(597)	(445)	-	(391)	(83)	-	(1,516)	(76)	(1,592)
Ind AS 108.23(e)	Depreciation and amortisation[3]	(2,128)	(1,583)	(623)	(1,139)	(248)	(201)	(5,922)	(262)	(6,184)
Ind AS 108.23(g)	Share of profit (loss) in associates and joint venture[3]	1,109	-	-	32	-	-	1,141	-	1,141
Ind AS 108.23(f), (i)	Other material items of income and expense and non-cash items:[3]									
	– Change in fair value of biological assets	-	-	-	407	-	-	407	180	587
	– Government grants	-	-	-	200	-	-	200	38	238
	– Settlement of pre-existing relationship with acquiree	-	-	-	-	(326)	-	(326)	-	(326)
	– Flood-related expenses	-	-	-	(519)	-	-	(519)	-	(519)
	– Other material items of income (expenses)**	-	-	(35)	-	-	-	(35)	68	33
	– Impairment losses on financial assets and contract assets	(114)	(133)	(11)	(7)	(5)	-	(270)	-	(270)
Ind AS 36.129(a), 130(d)(ii)	– Impairment losses on non-financial assets	-	-	-	-	(116)	-	(116)	-	(116)
Ind AS 36.129(b), 130(d)(ii)	– Reversal of impairment losses on non-financial assets	493	-	-	-	-	-	493	-	493

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

B. Information about reportable segments (continued)

		Reportable segments								
Ind AS 108.16	**Year ended 31 March 2023** *In lakhs of INR*	**Non-recycled Papers**	**Recycled Papers**	**Packaging (discontinued)*[5]**	**Forestry**	**Timber Products**	**Research and Development**	**Total reportable segments**	**All other segments[1]**	**Total**
Ind AS 108.21(b)	**Segment assets[3]**	43,263	23,025	-	25,209	4,521	2,323	98,341	9,059	107,400
Ind AS 108.24(a)	Investments accounted for using the equity method	2,209	-	-	280	-	-	2,489	-	2,489
Ind AS 108.24(b)	Capital expenditure during the year	8,001	5,765	-	1,158	545	1,203	16,672	560	17,232
Ind AS 108.21(b)	**Segment liabilities[3]**	39,399	12,180	-	6,390	1,236	169	59,374	237	59,611

* See Note 6.

** Other material items of income (expenses) relate to various items as detailed in Note 10 and 16.

Ind AS 108.16 1 Ind AS 108 requires that information about other business activities and operating segments that are not reportable be combined and disclosed in an "all other segments" category separately from other reconciling items in the reconciliations required by paragraph 28 of the standard. The sources of the revenue included in the "all other segments" category are described.

Business activities which do not meet the definition of an operating segment (e.g. corporate activities) should not be included in the "all other segments" category; instead the amounts for these activities should be reported in the reconciliation of the total reportable segment amounts to the financial statements.

2. Because the Group's reportable segments are based on differences in products and services, no additional disclosures of revenue information about products and services are required, i.e. the disclosures required in paragraph 32 (read with paragraph 31) of Ind AS 108 with regard to revenue from external customers for each product or service, or each group of similar products and services, are provided already in the overall table on information about reportable segments.

Ind AS 108.23 3. The Group has disclosed these amounts for each reportable segment because they are regularly reviewed by the Group's CEO.

4. An entity reports interest revenue separately from interest expense for each reportable segment unless a majority of the segment's revenues are from interest, and the CODM relies primarily on net interest revenue to assess the performance of the segment and to make decisions about resources to be allocated to the segment. In that situation, an entity may report that segment's interest revenue net of interest expense and disclose that it has done so.

5. Ind AS 108 *Operating Segments* does not specify the disclosure requirements for a discontinued operation; nevertheless, if the CODM regularly reviews the financial results of the discontinued operation (e.g. until the discontinuance is completed), and the definition of an operating segment is otherwise met, then an entity may need to disclose such information to meet the core principle of Ind AS 108. This will depend on the entity's specific facts and circumstances.

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

B. Information about reportable segments (continued)

		Reportable segments (restated)*, **								
Ind AS 108.16	**Year ended 31 March 2022** *In lakhs of INR*	**Non-recycled Papers**	**Recycled Papers**	**Packaging (discontinued)***[5]**	**Forestry**	**Timber Products**	**Research and Development**	**Total reportable segments**	**All other segments (restated)***[1]**	**Total**
Ind AS 108.23(a), 32	External revenues[2,3]	67,085	22,060	23,193	3,483	2,985	-	118,806	804	119,610
Ind AS 108.23(b)	Inter-segment revenue[3]	-	323	2,835	2,676	1,923	994	8,751	765	9,516
	Segment revenue	67,085	22,383	26,028	6,159	4,908	994	127,557	1,569	129,126
Ind AS 108.21(b), 23	Segment profit (loss) before tax	4,483	3,819	(466)	997	1,280	67	10,180	195	10,375
Ind AS 108.23(c)	Interest income[4]	91	24	-	27	7	-	149	1	150
Ind AS 108.23(d)	Interest expense[4]	(577)	(355)	-	(301)	(58)	-	(1,291)	(3)	(1,294)
Ind AS 108.23(e)	Depreciation and amortisation[3]	(2,180)	(1,276)	(1,250)	(696)	(201)	(165)	(5,768)	(169)	(5,937)
Ind AS 108.23(g)	Share of profit (loss) in associates and joint venture[3]	561	-	-	26	-	-	587	-	587
Ind AS 108.23(f), (i)	Other material items of income and expense and non-cash items:[3]									
	– Change in fair value of biological assets	-	-	-	(2)	-	-	(2)	30	28
	– Other material items of income (expenses)****	-	-	-	-	-	-	-	76	76
	– Impairment losses on financial assets and contract assets	(129)	(54)	(3)	(20)	-	-	(206)	-	(206)
Ind AS 36.129(a), 130(d)(ii)	– Impairment losses on non-financial assets	(1,408)	-	-	-	-	-	(1,408)	-	(1,408)
Ind AS 36.129(b), 130(d)(ii)	– Reversal of impairment losses on non-financial assets	-	-	-	-	-	-	-	-	-

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

B. Information about reportable segments (continued)

Ind AS 108.16	Year ended 31 March 2022 *In lakhs of INR*	Reportable segments (restated)*, ** Non-recycled Papers	Recycled Papers	Packaging (discontinued)***[5]	Forestry	Timber Products	Research and Development	Total reportable segments	All other segments (restated)***[1]	Total
Ind AS 108.21(b)	**Segment assets**[3]	26,967	16,003	13,250	18,470	3,664	1,946	80,300	3,403	83,703
Ind AS 108.24(a)	Investments accounted for using the equity method	1,700	-	-	248	-	-	1,948	-	1,948
Ind AS 108.24(b)	Capital expenditure during the year	227	296	127	722	369	123	1,864	150	2,014
Ind AS 108.21(b)	**Segment liabilities**[3]	26,907	14,316	2,959	4,540	1,456	158	50,336	454	50,790

* 31 March 2022 information is restated on account of correction of errors (see Note 48).

Ind AS 108.29 ** As a result of the acquisition of Papyrus Pty Limited (Papyrus) during the year ended 31 March 2023 (see Note 19), the Group has changed its internal organisation and the composition of its operating segments, which resulted in a change in reportable segments. Accordingly, the Group has restated the previously reported segment information for the year ended 31 March 2022.

*** See Note 6.

**** Other material items of income (expenses) relate to various items as detailed in Note 10 and 16.

Ind AS 108.16 1. Ind AS 108 requires that information about other business activities and operating segments that are not reportable be combined and disclosed in an “all other segments” category separately from other reconciling items in the reconciliations required by paragraph 28 of the standard. The sources of the revenue included in the “all other segments” category are described.

Business activities which do not meet the definition of an operating segment (e.g. corporate activities) should not be included in the “all other segments” category; instead the amounts for these activities should be reported in the reconciliation of the total reportable segment amounts to the financial statements.

2. Because the Group’s reportable segments are based on differences in products and services, no additional disclosures of revenue information about products and services are required, i.e. the disclosures required in paragraph 32 (read with paragraph 31) of Ind AS 108 with regard to revenue from external customers for each product or service, or each group of similar products and services, are provided already in the overall table on information about reportable segments.

Ind AS 108.23 3. The Group has disclosed these amounts for each reportable segment because they are regularly reviewed by the Group’s CEO.

4. An entity reports interest revenue separately from interest expense for each reportable segment unless a majority of the segment’s revenues are from interest, and the Chief Operating Decision Maker relies primarily on net interest revenue to assess the performance of the segment and to make decisions about resources to be allocated to the segment. In that situation, an entity may report that segment’s interest revenue net of interest expense and disclose that it has done so.

5. Ind AS 108 *Operating Segments* does not specify the disclosure requirements for a discontinued operation; nevertheless, if the CODM regularly reviews the financial results of the discontinued operation (e.g. until the discontinuance is completed), and the definition of an operating segment is otherwise met, then an entity may need to disclose such information to meet the core principle of Ind AS 108. This will depend on the entity’s specific facts and circumstances.

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

C. Reconciliations of information on reportable segments to the amounts reported in the financial statements[1]

In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Ind AS 108.28(a) ***i. Revenues***			
Total revenue for reportable segments		**115,347**	127,557
Revenue for other segments		**2,145**	1,569
Elimination of inter-segment revenue		**(7,549)**	(9,516)
Elimination of discontinued operations	6(A)	**(7,543)**	(23,193)
Consolidated revenue		**102,400**	96,417
Ind AS 108.28(b) ***ii. Profit before tax***			
Total profit before tax for reportable segments		**14,245**	10,180
Profit before tax for other segments		**771**	195
Elimination of inter-segment profit		**(2,263)**	(1,349)
Elimination of discontinued operation	6(A)	**162**	466
Unallocated amounts:			
Other corporate expenses		**(2,564)**	(636)
Consolidated profit before tax from continuing operations		**10,351**	8,856
Ind AS 108.28(c) ***iii. Assets***			
Total assets for reportable segments		**98,341**	80,300
Assets for other segments		**9,059**	3,403
Other unallocated amounts		**5,248**	5,762
Consolidated total assets		**112,648**	89,465
Ind AS 108.28(d) ***iv. Liabilities***			
Total liabilities for reportable segments		**59,374**	50,336
Liabilities for other segments		**237**	454
Other unallocated amounts		**7,518**	2,982
Consolidated total liabilities		**67,129**	53,772

* See Notes 5(B), 6, 19 and 48.

Ind AS 108. 27–28 1 To help users of the financial statements understand the segment information presented, an entity discloses information about the measurement basis adopted – e.g. the nature of any differences between the measurements used in reporting segment information and those used in the entity's financial statements, the nature and effect of any asymmetrical allocations to reportable segments and reconciliations of segment information to the corresponding amounts reported in the financial statements.

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

C. Reconciliations of information on reportable segments to the amounts reported in the financial statements (continued)

Ind AS 108.28(e)

v. Other material items

Year ended 31 March 2023 *In lakhs of INR*	**Reportable segment totals**	**Adjustments**	**Consolidated totals**
Interest income	**206**	**4**	**210**
Interest expense	**(1,516)**	**(76)**	**(1,592)**
Capital expenditure	**16,672**	**560**	**17,232**
Depreciation and amortisation	**(5,922)**	**(262)**	**(6,184)**
Change in fair value of biological assets	**407**	**180**	**587**
Government grants	**200**	**38**	**238**
Settlement of pre-existing relationship with acquiree	**(326)**	**-**	**(326)**
Flood-related expenses	**(519)**	**-**	**(519)**
Other material items of income (expenses)**	**(35)**	**68**	**33**
Impairment losses on non-financial assets – goodwill	**(116)**	**-**	**(116)**
Reversal of impairment losses on non-financial assets – property, plant and equipment and intangible assets	**493**	**-**	**493**
Impairment losses on financial assets and contract assets	**(270)**	**-**	**(270)**

Year ended 31 March 2022 *In lakhs of INR*	**Reportable segment totals (restated)***	**Adjustments**	**Consolidated totals**
Interest income	149	1	150
Interest expense	(1,291)	(3)	(1,294)
Capital expenditure	1,864	150	2,014
Depreciation and amortisation	(5,768)	(169)	(5,937)
Change in fair value of biological assets	28	-	28
Other material items of income or expenses**	76	-	76
Impairment losses on non-financial assets – property, plant and equipment and intangible assets	(1,408)	-	(1,408)
Impairment losses on financial assets and contract assets	(206)	-	(206)

* See Notes 5(B), 6, 19 and 48.

** Other material items of income (expenses) relate to various items as detailed in Note 10 and 16.

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

Ind AS 108.33(a)–(b)

D. Geographic information[2,3]

The Non-recycled Papers, Recycled Papers and Forestry segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in India, the Netherlands, Germany, the UK and the US.

The geographic information analyses the Group's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

2. Disclosing such information by region - e.g. Europe or Asia - does not meet the requirement to disclose information by an individual foreign country, if material. Such information is disclosed by an individual foreign country - e.g. France, the Netherlands or Singapore - when material.

Ind AS 108.32

3. As part of the required 'entity-wide disclosures', an entity discloses revenue from external customers for each product and service, or each group of similar products and services, regardless of whether the information is used by the CODM in assessing segment performance. This disclosure is based on the financial information used to produce the entity's financial statements. The Group has not provided additional disclosures in this regard, because the Group has already met that disclosure requirement by providing the external revenue information in Note 5(B), which has been prepared in accordance with the Accounting Standards, and the disaggregated revenue information in Note 9.

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

D. Geographic information (continued)

i. Revenue

In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
India (of which INR 4,149 lakhs (31 March 2022: INR 12,781 lakhs) relates to discontinued packaging operation)	**32,338**	34,826
All foreign countries		
Germany (of which INR 1,885 lakhs (31 March 2022: INR 6,005 lakhs) relates to discontinued packaging operation)	**23,556**	25,877
Netherlands	**22,194**	25,339
UK	**310**	212
US (of which INR 1,509 lakhs (31 March 2022: INR 4,407 lakhs) relates to discontinued packaging operation)	**21,995**	22,733
Other foreign countries	**9,550**	10,623
Total foreign countries	**77,605**	84,784
Packaging (discontinued)	**(7,543)**	(23,193)
	102,400	96,417

* See Notes 5(B) and 6.

ii. Non-current assets

In lakhs of INR	31 March 2023	31 March 2022
India	**16,952**	16,484
All foreign countries		
Germany	**6,239**	7,937
Netherlands	**9,608**	8,986
UK	**2,002**	1,998
US	**7,691**	7,807
Other countries	**1,087**	1,403
	26,627	28,131
	43,579	44,615

Notes to the consolidated financial statements (continued)

5. Operating segments (continued)

D. Geographic information (continued)

ii. Non-current assets (continued)

Non-current assets exclude financial instruments (other than investments accounted for using the equity method), deferred tax assets and employee benefit assets.[4]

E. Major customer

Ind AS 108.34

Revenues from one customer of the Group's Non-recycled Papers and Recycled Papers segments represented approximately INR 20,000 lakhs (31 March 2022: INR 17,500 lakhs) of the Group's total revenues.

Ind AS 108.24(a), f33(b)

4. The Group has disclosed the investments accounted for using the equity method as the geographic information of non-current assets because they are regularly provided to the Chief Operating Decision Maker. The standard does not clarify which financial instruments are excluded from non-current assets reported in the geographical information. An entity discloses the investments accounted for using the equity method within the disclosure of geographical information of non-current assets, if they are regularly provided to the Chief Operating Decision Maker.

Notes to the consolidated financial statements (continued)

6. Discontinued operation

See accounting policy in Note 3(C).

Ind AS 105.30, 41(a)–(b),41(d)

In August 2022, the Group sold its entire Packaging segment (see Note 5). Management committed to a plan to sell this segment early in 2022-23, following a strategic decision to place greater focus on the Group's key competencies – i.e. the manufacture of paper used in the printing industry, forestry and the manufacture of timber products.

The Packaging segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit and loss has been re-presented to show the discontinued operation separately from continuing operations.

Subsequent to the disposal, the Group has continued to purchase packaging from the discontinued operation. Although intra-group transactions have been fully eliminated in the consolidated financial results, management has elected to attribute the elimination of transactions between the continuing operations and the discontinued operation before the disposal in a way that reflects the continuance of these transactions subsequent to the disposal, because management believes this is useful to the users of the financial statements.

To achieve this presentation, management has eliminated from the results of the discontinued operation the inter-segment sales (and costs thereof, less unrealised profits) made before its disposal. Because purchases from the discontinued operation will continue after the disposal, inter-segment purchases made by the continuing operations before the disposal are retained in continuing operations.

Ind AS 1.98(e)

A. Results of discontinued operation[1]

In lakhs of INR	*Note*	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Revenue (*Ind AS 105.33(b)(i)*)		**8,483**	26,028
Elimination of inter-segment revenue		**(940)**	(2,835)
External revenue		**7,543**	23,193
Expenses (*Ind AS 105.33(b)(i)*)		**(8,641)**	(26,486)
Elimination of expenses related to inter-segment sales		**936**	2,827
External expenses		**(7,705)**	(23,659)

1. Considering that Ind AS 105 does not specify how the elimination should be attributed to continuing and discontinued operations (see Note 5(B)–(C)), an entity may present transactions between the continuing and discontinued operations in a way that reflects the continuance of those transactions, when that is useful to the users of the financial statements. It may be appropriate to present additional disclosure either on the face of the statement of profit and loss or in the notes. If the additional disclosure is provided in the statement of profit and loss, then judgement may be required over whether the disaggregated information should be presented as part of the statement itself or as an additional disclosure alongside the totals in that statement. Clear disclosure of the approach taken to the elimination of intra-group transactions will be relevant, including an explanation of any additional analysis of discontinued operations in the notes to the statement of profit and loss.

Notes to the consolidated financial statements (continued)

6. Discontinued operation (continued)

A. Results of discontinued operation (continued)

	In lakhs of INR	*Note*	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 105.33(b)(i)	**Pre-tax loss of discontinued operation**		**(162)**	(466)
Ind AS 105.33(b)(ii), Ind AS 112.81(h)(ii)	Income tax	17(A)	**25**	44
Ind AS 105.33(a)(i)	**Post-tax loss of discontinued operation (A)**		**(137)**	(422)
Ind AS 105.33(b)(iii)	Gain on sale of discontinued operation		**846**	-
Ind AS105.33(b)(ii) and (iv), Ind AS 12.81(h)(i)	Income tax on gain on sale of discontinued operation	17(A)	**(330)**	-
Ind AS 105.33(a)(ii)	**Post-tax gain on the disposal of the assets (B)**		**516**	-
Ind AS 105.33(a)	**Profit / (loss) after tax recorded in the statement of profit and loss from discontinued operation (A+B)**		**379**	(422)

Ind AS105.33(d)

The profit from the discontinued operation of INR 379 lakhs (31 March 2022: loss of INR 422 lakhs) is attributable entirely to the owners of the Company. Of the profit from continuing operations of INR 7,173 lakhs (31 March 2022: INR 6,396 lakhs), an amount of INR 6,676 lakhs is attributable to the owners of the Company (31 March 2022: INR 6,045 lakhs).

Notes to the consolidated financial statements (continued)

6. Discontinued operation (continued)

Ind AS 105.33(c)

B. Cash flows from (used in) discontinued operation[2]

In lakhs of INR	*Note*	Year ended 31 March 2023	Year ended 31 March 2022
Net cash used in operating activities		**(225)**	(910)
Net cash from investing activities	*(C)*	**10,890**	-
Net cash flows for the year		**10,665**	(910)

Ind AS 7.40(d)

C. Effect of disposal on the financial position of the Group

In lakhs of INR	*Note*	31 March 2023
Property, plant and equipment		**(7,986)**
Inventories		**(134)**
Trade receivables		**(3,955)**
Cash and cash equivalents (Ind AS 7.40(c))		**(110)**
Deferred tax liabilities	*17(E)*	**110**
Trade payables		**1,921**
Assets net of liabilities		**(10,154)**
Consideration received, satisfied in cash (Ind AS 7.40(a)–(b))		**11,000**
Cash and cash equivalents disposed of		**(110)**
Net cash inflows	*(B)*	**10,890**

Ind AS 105.33(c) 2. Net cash flow attributable to the operating, investing and financing activities of discontinued operations can be presented separately in the statement of cash flows.

Notes to the consolidated financial statements (continued)

7. Disposal group held for sale[1]

See accounting policy in Note 3(N).

Ind AS 105.41(a)–(b), 41(d)

In June 2022, management committed to a plan to sell part of a manufacturing facility within the Non-recycled Papers segment. Accordingly, part of that facility is presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected by September 2023.

Ind AS 105.41(c)

A. Impairment losses (write-down) relating to the disposal group

Impairment losses of INR 35 lakhs for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been recognised in 'other expenses' (see Note 16). The impairment losses have been applied to reduce the carrying amount of property, plant and equipment within the disposal group.

Ind AS 105.38

B. Assets and liabilities of disposal group held for sale[2]

At 31 March 2023, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

In lakhs of INR	***Note***	
Property, plant and equipment	*18(A), 7(A)*	**8,129**
Inventories		**2,775**
Trade receivables		**3,496**
Assets held for sale		**14,400**
Trade payables		**4,270**
Deferred tax liabilities	*17(E)*	**140**
Liabilities held for sale		**4,410**

1. The part of the Group's manufacturing facility that has been presented as a disposal group held for sale does not meet the definition of a discontinued operation in Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations*. If it did, then additional disclosures applicable to the discontinued operation would be required.

Ind AS 105.38

2 The Group has elected to disclose major classes of assets and liabilities classified as held-for-sale in the notes. Alternatively, this information may be provided in the Balance Sheet

Notes to the consolidated financial statements (continued)

7. Disposal group held for sale (continued)

Ind AS 105.38

C. Cumulative income or expenses included in OCI

There are no cumulative income or expenses included in OCI relating to the disposal group.

D. Measurement of fair values

i. Fair value hierarchy

Ind AS 113.93(a)–(b)

The non-recurring fair value measurement for the disposal group of INR 10,050 lakhs (before costs to sell of INR 60 lakhs) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(E)).[3]

Ind AS 113.93(d)

ii. Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Cost approach and discounted cash flows: The Group considers both approaches and reconciles and weighs the estimates under each technique based on its assessment of the judgement that market participants would apply. The cost approach considers the current replacement costs of replicating the manufacturing facility, including the costs of transportation, installation and start-up. Discounted cash flows consider the present value of the net cash flows expected to be generated from the facility, taking into account the budgeted EBITDA growth rate and budgeted capital expenditure growth rate; the expected net cash flows are discounted using a risk-adjusted discount rate.	- Budgeted EBITDA growth rate (4.2–5.1%, weighted average 4.7%). - Budgeted capital expenditure growth rate (3–4%, weighted average 3.5%). - Risk-adjusted discount rate (7.7%).

Ind AS 113.93(a)

3 A non-recurring fair value measurement – e.g. related to an asset classified as held-for-sale – may occur during the reporting period. The disclosures required for a non-recurring fair value measurement are applicable in the financial statements for the period in which the fair value measurement occurred.

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest [1]

See accounting policy in Note 3(A)(i)–(iii).

Ind AS 103.B64(a)–(c)

On 30 June 2022, the Group acquired 65% of the shares and voting interests in Papyrus. As a result, the Group's equity interest in Papyrus increased from 25 to 90%, granting it control of Papyrus (see Note 22(B)).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Papyrus are inputs (a head office, several factories, patented technology, inventories and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Ind AS 103.B64(d)

Taking control of Papyrus will enable the Group to modernise its production process through access to Papyrus's patented technology. The acquisition is also expected to provide the Group with an increased share of the standard paper market through access to Papyrus's customer base. The Group also expects to reduce costs through economies of scale.

Ind AS 103.B64(q)

For the nine months ended 31 March 2023, Papyrus contributed revenue of INR 20,409 lakhs and profit of INR 425 lakhs to the Group's results. If the acquisition had occurred on 1 April 2022, management estimates that consolidated revenue would have been INR 107,091 lakhs, and consolidated profit for the year would have been INR 8,128 lakhs. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2022.

1 If the initial accounting for an acquisition is based on provisional values, and those provisional values are adjusted within 12 months of the acquisition date, then comparative information is restated, including recognition of any additional depreciation, amortisation or other profit or loss effect resulting from finalising the provisional values. An entity discloses adjustments to amounts recognised for prior period business combinations that were determined provisionally. In these illustrative financial statements, there were no business combinations in the comparative period; hence comparative information has not been illustrated.

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest (continued)

Ind AS 103.B64(f)

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	In lakhs of INR	**Note**	
Ind AS 103.B64(f)(i), Ind AS 7.40(a)–(b)	Cash		**2,500**
Ind AS 103.B64(f)(iv), Ind AS 7.43	Equity shares (8 lakhs shares)	*31(A), 31(B)*	**87**
	Replacement share-based payment awards	*8(A)(ii)*	**120**
Ind AS 103.B64(f)(iii)	Contingent consideration	*41(B)(iii)*	**250**
	Settlement of pre-existing relationship	*8(A)(iv), 16*	**(326)**
	Total consideration		**2,631**

i. Equity shares issued

Ind AS 103.B64(f)(iv)

The fair value of the equity shares issued was based on the listed share price of the Company at 30 June 2022 of INR 10.88 per share.

ii. Replacement share-based payment awards

Ind AS 103.B64(l)

In accordance with the terms of the acquisition agreement, the Group exchanged equity-settled share-based payment awards held by employees of Papyrus (the acquiree's awards) for equity-settled share-based payment awards of the Company (the replacement awards). The details of the acquiree's awards and replacement awards were as follows.

	Acquiree's awards	**Replacement awards**
Terms and conditions	Grant date: 1 July 2021 Vesting date: 30 June 2025 subject to fulfilment of service condition	Vesting date: 30 June 2025 subject to fulfilment of service condition
Fair value at date of acquisition	INR 527 lakhs	INR 571 lakhs

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest (continued)

A. Consideration transferred (continued)

ii. Replacement share-based payment awards (continued)

The value of the replacement awards is INR 520 lakhs, after taking into account an estimated forfeiture rate of 9%. The consideration for the business combination includes INR 120 lakhs transferred to employees of Papyrus when the acquiree's awards were substituted by the replacement awards, which relates to past service. The balance of INR 400 lakhs will be recognised as post-acquisition compensation cost. For further details on the replacement awards, see Note 36(A)(ii).

iii. Contingent consideration

Ind AS 103.B64(g), B67(b)

The Group has agreed to pay the selling shareholders in three years' time additional consideration of INR 600 lakhs if the acquiree's cumulative EBITDA over the next three years exceeds INR 10,000 lakhs. The Group has included INR 250 lakhs as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. The estimates are based on a discount rate of 15% and assumed probability-adjusted cumulative EBITDA over the next three years of acquired subsidiary of between INR 8,000 lakhs and INR 12,000 lakhs. At 31 March 2023, the contingent consideration had increased to INR 270 lakhs (see Note 40A).

iv. Settlement of pre-existing relationship

Ind AS 103.B64(l)

The Group and Papyrus were parties to a long-term supply contract under which Papyrus supplied the Group with timber products at a fixed price. Under the contract, the Group could terminate the agreement early by paying Papyrus INR 326 lakhs. This pre-existing relationship was effectively terminated when the Group acquired Papyrus.

The Group has attributed INR 326 lakhs of the consideration transferred to the extinguishment of the supply contract and has included the amount in 'other expenses' (see Note 16). This amount is the lower of the termination amount and the value of the off-market element of the contract. The fair value of the contract at the date of acquisition was INR 600 lakhs, of which INR 400 lakhs related to the unfavourable aspect of the contract to the Group relative to market prices.

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest (continued)

B. Acquisition-related costs

Ind AS 103.B64(l)–(m)

The Group incurred acquisition-related costs of INR 50 lakhs on legal fees and due diligence costs. These costs have been included in 'legal and professional fees' under 'other expenses'. (See note 16)

Ind AS 103.B64(i), Ind AS 7.40(c)–(d)

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Ind AS 103.B64(h)(i)

Ind AS 7.40(c)

In lakhs of INR	***Note***	
Property, plant and equipment	*18(A)*	**1,955**
Intangible assets	*19(A)*	**250**
Inventories		**825**
Trade receivables		**848**
Cash and cash equivalents		**375**
Loans and borrowings		**(500)**
Deferred tax liabilities	*17(E)*	**(79)**
Contingent liabilities (litigations)	*38*	**(20)**
Site restoration provision	*38*	**(150)**
Trade payables		**(460)**
Total identifiable net assets acquired		**3,044**

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest (continued)

C. Identifiable assets acquired and liabilities assumed (continued)

Ind AS 103.61

i. Measurement of fair values[2]

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique:* The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	*Relief-from-royalty method and multi-period excess earnings method:* The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Inventories	*Market comparison technique:* The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

ii. Acquired receivables

Ind AS 103.B64(h)(ii)–(iii)

Fair value of the acquired trade receivables at the date of acquisition is INR 848 lakhs. The trade receivables comprise gross contractual amounts due of INR 900 lakhs, of which INR 52 lakhs was expected to be uncollectable at the date of acquisition.

iii. Fair values measured on a provisional basis

Ind AS 103.B67(a), Ind AS 1.125

The following amounts have been measured on a provisional basis:

- The fair value of Papyrus's intangible assets (patented technology and customer relationships) has been measured provisionally, pending completion of an independent valuation.

[2] The Group has disclosed information about the fair value measurement of assets acquired in a business combination, although the disclosure requirements of Ind AS 113 do not apply to the fair value of these assets if they are subsequently measured at other than fair value. This disclosure is voluntary, provided for illustrative purposes only.

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest (continued)

C. Identifiable assets acquired and liabilities assumed (continued)

iii. Fair values measured on a provisional basis (continued)

Ind AS 103.B64(j), B67(c), Ind AS 37.86

- Papyrus is the defendant in legal proceedings brought by a customer that alleges that Papyrus supplied defective goods. Management's assessment, based on its interpretation of the underlying sales contract and independent legal advice, is that the basis for the customer's claim has little merit and it is not probable that an outflow will be required to settle the claim. Management's assessment of the fair value of this contingent liability, taking into account the range of possible outcomes of the judicial process, is INR 20 lakhs (see Note 43).
- Papyrus's operations are subject to specific environmental regulations. The Group has conducted a preliminary assessment of site restoration provisions arising from these regulations and has recognised a provisional amount. The Group will continue to review these matters during the measurement period.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	In lakhs of INR	*Note*	**31 March 2023**
	Consideration transferred	*(A)*	**2,631**
Ind AS 103.B64(o)(i)	NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Papyrus		**305**
Ind AS 103.B64(p)(i)	Fair value of pre-existing interest in Papyrus		**649**
	Fair value of identifiable net assets	*(C)*	**(3,044)**
	Goodwill	*19(A)*	**541**

Ind AS 103.B64(p)(ii)

The remeasurement to fair value of the Group's existing 25% interest in Papyrus resulted in a gain of INR 250 lakhs (INR 649 lakhs less the INR 419 lakhs carrying amount of the investments accounted for using the equity method at the date of acquisition plus INR 20 lakhs of translation reserve reclassified to profit or loss). This amount has been included in 'other income' (see Note 10).

Ind AS 103.B64(e), B64(k)

The goodwill is attributable mainly to the skills and technical talent of Papyrus's work force and the synergies expected to be achieved from integrating the company into the Group's existing Standard Papers business. None of the goodwill recognised is expected to be deductible for tax purposes.

Notes to the consolidated financial statements (continued)

8. Acquisition of subsidiary and non-controlling interest (continued)

E. Acquisition of NCI

See accounting policies in Note 3(A)(ii)–(iii).

Ind AS 112.10(b)(iii), 18

In June 2022, the Group acquired an additional 15% interest in Swissolote, increasing its ownership from 60 to 75%. The carrying amount of Swissolote's net assets in the Group's consolidated financial statements on the date of the acquisition was INR 767 lakhs.

In lakhs of INR	
Carrying amount of NCI acquired (INR767 x 15%)	**115**
Consideration paid to NCI	**(200)**
A decrease in equity attributable to owners of the Company	**(85)**

The net decrease in equity attributable to owners of the Company comprised:

- a decrease in retained earnings of INR 93 lakhs; and
- an increase in the foreign exchange translation reserve of INR 8 lakhs.

Notes to the consolidated financial statements (continued)

9. Revenue from operations[1]

- **A. Revenue streams**

The Group generates revenue primarily from the sale of paper and timber products and provision of forestry services to its customers (see Note5(A)). Other sources of revenue immaterial amounts related to hedge accounting and hedging gains.

		Continuing operations		Discontinued operation (see Note 6)		Total	
In lakhs of INR	*Note*	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 115.113(a) **Revenue from contracts with customers[2] (A)**		**102,394**	96,421	**7,543**	23,193	**109,937**	119,614
• Sale of finished products		**93,177**	88,068	**7,543**	23,193	**100,720**	111,261
• Sale of traded goods		**5,250**	4,870	**-**	-	**5,250**	4,870
• Sale of services		**3,967**	3,483	**-**	-	**3,967**	3,483
Other operating revenues							
Hedging gains[3]	*41(C)(iv)*	**6**	(4)	**-**	-	**6**	(4)
Total other operating revenue (B)		**6**	(4)	**-**	-	**6**	(4)
Total revenue from operations (A+B)		**102,400**	96,417	**7,543**	23,193	**109,943**	119,610

Ind AS 115.119(b), 127–128

1. Ind AS 115 requires an entity to provide disclosure about costs to obtain or fulfil a contract with a customer. The Group does not incur such costs, and therefore the related disclosures are not illustrated in this guide. Similarly, the Group has determined that its contracts with customers do not contain a significant financing component, and therefore the related disclosures are not illustrated.

Ind AS 115.113, Ind AS 1.29–30, 85,

2. In providing a separate disclosure of revenue from contracts with customers – either in the notes or in the statement of profit and loss –an entity should not include amounts that do not fall in the scope of Ind AS 115.

Ind AS 109.B6.5.29(a),

3. When an entity hedges a sale, whether in a forecast transaction or a firm commitment, the costs of hedging related to that sale are reclassified to profit or loss as part of the cost related to that sale in the same period as the revenue from the hedged sale is recognised. When these costs of hedging are reclassified to profit or loss, an entity may choose an accounting policy, to be applied consistently, to present them:
   - *as revenue:* because they relate to a hedge of revenue. However, they should not be presented or disclosed as revenue from contracts with customers in the scope of Ind AS 115, because they are not; or
   - *in another appropriate line item of income or expense:* because the term 'cost related to that sale' could be interpreted as precluding presentation as revenue.

   The Group has chosen to present the costs of hedging related to sales transactions as revenue.

Notes to the consolidated financial statements (continued)

9. Revenue from operations (continued)

B. Disaggregation of revenue from contracts with customers

Ind AS 115.114–115

In the following table, revenue from contracts with customers (including revenue related to a discontinued operation) is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 5).[1, 2, 3]

	Reportable segments															
For the year ended 31 March	**Non-recycled Papers**		**Recycled Papers**		**Packaging (discontinued)[4]**		**Forestry**		**Timber Products**		**Total reportable segments**		**All other segments**		**Total**	
In lakhs of INR	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Primary geographical markets																
India	**51,276**	54,335	**24,290**	17,873	**6,034**	18,786	**3,174**	2,821	**2,160**	2,418	**86,934**	96,233	**1,003**	651	**87,937**	96,884
Europe	**12,832**	12,752	**6,075**	4,189	**1,509**	4,407	**793**	662	**540**	567	**21,749**	22,577	**251**	153	**22,000**	22,730
	64,108	67,087	**30,365**	22,062	**7,543**	23,193	**3,967**	3,483	**2,700**	2,985	**108,683**	118,810	**1,254**	804	**109,937**	119,614
Major products/service lines																
Standard paper products	**48,081**	50,315	**22,774**	16,547	**-**	-	**-**	-	**-**	-	**70,855**	66,862	**-**	-	**70,855**	66,862
Made-to-order paper products	**16,027**	16,772	**7,591**	5,515	**-**	-	**-**	-	**-**	-	**23,618**	22,287	**-**	-	**23,618**	22,287
Forestry services	**-**	-	**-**	-	**-**	-	**3,967**	3,483	**-**	-	**3,967**	3,483	**-**	-	**3,967**	3,483
Timber products	**-**	-	**-**	-	**-**	-	**-**	-	**2,700**	2,985	**2,700**	2,985	**-**	-	**2,700**	2,985
Packaging and other	**-**	-	**-**	-	**7,543**	23,193	**-**	-	**-**	-	**7,543**	23,193	**1,254**	804	**8,797**	23,997
	64,108	67,087	**30,365**	22,062	**7,543**	23,193	**3,967**	3,483	**2,700**	2,985	**108,683**	118,810	**1,254**	804	**109,937**	119,614
Timing of revenue recognition																
Products transferred at a point in time	**48,081**	50,315	**22,774**	16,547	**7,543**	23,193	**-**	-	**2,700**	2,985	**81,098**	93,040	**831**	359	**81,929**	93,399
Products and services transferred over time	**16,027**	16,772	**7,591**	5,515	**-**	-	**3,967**	3,483	**-**	-	**27,585**	25,770	**423**	445	**28,008**	26,215
Revenue from contracts with customers	**64,108**	67,087	**30,365**	22,062	**7,543**	23,193	**3,967**	3,483	**2,700**	2,985	**108,683**	118,810	**1,254**	804	**109,937**	119,614

Notes to the consolidated financial statements (continued)

9. Revenue from operations (continued)

For the year ended 31 March	Reportable segments: Non-recycled Papers		Recycled Papers		Packaging (discontinued)[4]		Forestry		Timber Products		Total reportable segments		All other segments		Total	
In lakhs of INR	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Other operating revenue	**4**	(2)	**2**	(2)	**-**	-	**-**	-	**-**	-	**6**	(4)	**-**	-	**6**	(4)
Ind AS 115.115 **External revenue as reported in Note 5**	**64,112**	67,085	**30,367**	22,060	**7,543**	23,193	**3,967**	3,483	**2,700**	2,985	**108,689**	118,806	**1,254**	804	**109,943**	119,610

Ind AS 115.114, B87–B89,

1. The extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the entity's contracts with customers.
In determining the appropriate categories, an entity considers how revenue is disaggregated in:
   - disclosures presented outside the financial statements: e.g. earnings releases, annual reports or investor presentations;
   - information reviewed by the CODM for evaluating the financial performance of operating segments; and
   - other similar information that is used by the entity or users of the entity's financial statements to evaluate performance or make resource allocation decisions.

Examples of categories that might be appropriate in disclosing disaggregated revenue include, but are not limited to, the following.

TYPE OF CATEGORY	EXAMPLE
Type of good or service	Major product lines
Geographic region	Country or region
Market or type of customer	Government and non-government customers
Type of contract	Fixed-price and time-and-materials contracts
Contract duration	Short-term and long-term contracts
Timing of transfer of goods or services	Goods or services transferred to customers: at a point in time over time
Sales channels	Goods or services sold: directly to consumers through intermediaries

Ind AS 115.112, 114

2. Some entities may not be able to meet the objective in paragraph 114 of Ind AS 115 for disaggregating revenue by providing segment revenue information and may need to use more than one type of category. Other entities may meet the objective by using only one type of category. Even if an entity uses consistent categories in the segment note and in the revenue disaggregation note, further disaggregation of revenue may be required because the objective of providing segment information under Ind AS 108 is different from the objective of the disaggregation disclosure under Ind AS 115 and, unlike Ind AS 108, there are no aggregation criteria in Ind AS 115.
Nonetheless, an entity does not need to provide disaggregated revenue disclosures if the information about revenue provided under Ind AS 108 meets the requirements of paragraph 114 of Ind AS 115 and those revenue disclosures are based on the recognition and measurement requirements in Ind AS 115.

Ind AS 115.115

3. An entity is required to disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment, if the entity applies Ind AS 108.

Ind AS 115.114

4 Although it is not explicitly required to include discontinued operations as part of the disaggregation of revenue from contracts with customers, the Group has provided that information voluntarily as it is also considered while reporting operating segments as it is reviewed by the CODM. (See Note 5).

Notes to the consolidated financial statements (continued)

9. Revenue from operations (continued)

C. Reconciliation of revenue recognised with contract price

Ind AS 115.126AA

In Lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	**103,430**	97,346
Adjustments for:		
Contract liabilities – Loyalty programme	**(48)**	(42)
Refund liabilities	**(988)**	(883)
Total Revenue from contract with customers	**102,394**	96,421

Ind AS 115.116–118

- ### D. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

In Lakhs of INR	*Note*	31 March 2023	31 March 2022
Receivables, which are included in 'trade receivables'	*26*	**32,094**	22,010
Receivables, which are included in 'assets included in disposal group held for sale'	*7(B)*	**3,496**	-
Contract assets		**1,271**	782
Contract liabilities		**(160)**	(166)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order paper products as the billing is conditional upon completion of another milestone. The contract assets were impacted by an impairment charge of INR 4 lakhs (31 March 2022: INR 2 lakhs). There was no impact on contract assets as a result of an acquisition of the subsidiary (see Note 8). The contract assets are transferred to receivables when the rights become unconditional.

Ind AS 115.120(b)

The contract liabilities primarily relate to the advance consideration received from customers for construction of storage units and warehouses, for which revenue is recognised over time, and to the unredeemed customer loyalty points. The amount of unredeemed customer loyalty points is INR 50 lakhs (31 March 2022: INR 2 lakhs). This will be recognised as revenue when the points are redeemed by customers, which is expected to occur over the next two years.

Ind AS 115.116(b)

The amount of INR 166 lakhs included in contract liabilities at 31 March 2022 has been recognised as revenue during the year ended 31 March 2023 (31 March 2022: INR 140 lakhs).

Ind AS 115.116(c)

The amount of revenue recognised in the year ended 31 March 2023 from performance obligations satisfied (or partially satisfied) in previous periods is INR 8 lakhs (31 March 2022: INR 4 lakhs). This is mainly due to changes in the estimate of the stage of completion of construction of storage units and warehouses.

Ind AS 115.121–122

No information is provided about remaining performance obligations at 31 March 2023 or at 31 March 2022 that have an original expected duration of one year or less, as allowed by Ind AS 115.

Notes to the consolidated financial statements

9. Revenue from operations (continued)

Ind AS 115.119, 123–126, Ind AS 1.122

E. Performance obligations

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms. For the accounting policy for revenue recognition see Note 3 (D) and for onerous contracts, see Note 3 (R).

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms
Standard paper products	Customers obtain control of standard paper products when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 30 days. No discounts are provided for standard paper products, but customers may earn loyalty points instead (see Loyalty programme). Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.
Made-to-order paper products	The Group has determined that for made-to-order paper products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts paper products are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Conditional rights to receive consideration are presented as contract assets. Customers may earn loyalty points (see Loyalty programme).
Timber products	Customers obtain control of timber products when the goods are dispatched from the Group's warehouse. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days. No discounts, loyalty points or returns are offered for timber products.
Loyalty programme	Customers who purchase paper products may enter the Group's customer loyalty programme and earn points that are redeemable against any future purchases of the Group's products. The points accumulate and do not expire.
Managing forest resources services and related services	Invoices for forestry services are issued on a monthly basis and are usually payable within 30 days.
Construction contracts	The Group builds storage units and warehouses for customers in the Timber Products segment based on their designs and on their land. Each project commences on receipt of a full prepayment from a customer and its length depends on the complexity of the design. However, projects usually do not extend beyond six months.

Notes to the consolidated financial statements (continued)

Ind AS 1.97

10. Other income [1]

In lakhs of INR

Reference		Note	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 107.20(b)	Interest income under the effective interest method on:[2]			
	Corporate debt securities-at FVOCI		**8**	27
	Corporate debt securities and loans at amortised cost		**198**	122
	Cash and cash equivalents and other bank balances		**2**	1
Ind AS 116.90(a)(ii)	Interest income of finance lease receivable	*42(B)(i)*	**2**	-
Ind AS 107.11A(d)	Dividend income on equity securities –at FVOCI-investments held at reporting date	*24*	**26**	32
	Other non-operating income:			
Ind AS 103.B64(p)(ii)	Re-measurement to fair value of existing equity interest in acquiree in business combination	*8(D)*	**250**	-
Ind AS 41.40	Change in fair value of biological assets	*20(A)*	**587**	28
Ind AS 107.20(a)(viii)	Gain on derecognition of corporate debt securities at FVOCI – reclassified from OCI		**64**	-
Ind AS 107.24C(b)(iv)	Cash flow hedges - gain reclassified from OCI	*41(C)(iv)*	**17**	13
Ind AS 107.20(a)(i)	Financial assets at FVTPL-net change in fair value:			
	Mandatorily measured at FVTPL-held for trading		**74**	-
	Mandatorily measured at FVTPL-others		**507**	264
	Reversal of impairment loss (net)	*19(B)*	**377**	-
Sch III.II.GI.7(g), Ind AS 1.98(d)	Gain on sale of investments (net)		**20**	60
Ind AS 1.98(c), 16.68	Net gain on sale of property, plant and equipment	*42(B)(i)*	**48**	16
Ind AS 20.29	Government grants[3]	*37*	**238**	-
	Rental income from investment property and property subleases	*42(A)(ii), 21(B)*	**610**	392
			3,028	955

Sch III.II.GI.7 (c)

1. Any item of income which exceeds one per cent of the revenue from operations or INR 10 lakhs, whichever is higher, should be disclosed separately.

Ind AS 107.20(b), Ind AS 1.97

2. Under Ind AS 107, an entity is required to disclose the total interest income (calculated using the effective interest method) for financial assets that are measured at amortised cost or at FVOCI – showing these amounts separately.

3. The term "other operating revenue" is neither defined in the Indian Accounting Standards nor in Schedule III. Paragraph 9.1.8 of the Guidance Note provides that other operating revenue would include revenue arising from a group's operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from sale of products or rendering of services. Whether or not an income from government grant constitutes "other operating revenue" is to be decided based on the facts of each case and detailed understanding of the Group's activities. The Group, based on its assessment, has classified such income as 'other income' in the statement of profit and loss in these illustrative financial statements.

Notes to the consolidated financial statements (continued)

Sch III.II.IV

11. Cost of materials consumed

In lakhs of INR

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory of materials at the beginning of the year	**6,914**	5,060
Add: Purchases	**42,605**	44,564
Less: Inventory of materials at the end of the year	**(7,415)**	(6,914)
Cost of materials consumed	**42,104**	42,710

Sch III. II.IV

12. Changes in inventories of finished goods, stock-in-trade and work-in progress

In lakhs of INR

	Year ended 31 March 2023			Year ended 31 March 2022		
	Opening inventory	Closing inventory	(Increase)/ decrease in inventory	Opening inventory	Closing inventory	(Increase)/ decrease in inventory
Finished goods	**4,285**	**3,633**	**652**	3,897	4,285	(388)
Stock-in-trade	**320**	**475**	**(155)**	625	320	305
Work-in-progress	**600**	**625**	**(25)**	340	600	(260)
	5,205	**4,733**	**472**	4,862	5,205	(343)

Notes to the consolidated financial statements (continued)

Sch III.II.IV

13. Employee benefits expense

Reference	In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022
Sch III.II.GI.7(a)	Salaries, wages and bonus[1]	35(B)	**18,314**	16,345
Ind AS 19.53; Ind AS 19.135; Sch III.II.GI.7(a); GN on Sch III.9.5.4.1.	Contributions to provident and other funds	35(B)	**801**	737
	Expenses related to compensated absence		**26**	12
	Share-based payments			
Ind AS 102.51(a)	- Equity-settled	36	**755**	248
Ind AS 102.51(a),(b)	- Cash-settled [2]	36	**440**	380
Sch III.II.GI.7(a)	Staff welfare expenses		**1,558**	1,267
	Termination benefits	38(B)	**260**	450
			22,154	19,439

Sch III.II.GI.7(a)

1 In case the defined benefit plan is unfunded, the related expense should be disclosed under Salaries, wages and bonus. In these illustrative financial statements, the expense in relation to plan B (see Note 35(B)) is disclosed under Salaries, wages and bonus as the plan is unfunded.

2 The Group has included the remeasurement of the liability in relation to its cash-settled share-based payment arrangement in 'employee benefits expense'. Alternatively, an entity may include the amount in 'other income' or 'finance costs'.

Notes to the consolidated financial statements (continued)

14. Finance costs[1]

See accounting policy in Note 3(O), 3(S), 3(P), 3(T) and 3(W).

In lakhs of INR

		Note	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 107.20(b)	Interest expense on financial liabilities measured at amortised cost		**1,221**	1,056
Sch III.II.GI.4(b)	Dividends on redeemable preference shares classified as financial liabilities measured at amortised cost		**51**	-
Ind AS 37.84(e)	Unwinding of discount on site restoration provision	*38*	**60**	50
	Ineffective portion of fair value changes on interest rate swaps designated as cash flow hedges		**6**	5
Ind AS 116.53(b)	Interest expense on lease liabilities	*42(A)(ii)*	**320**	238
			1,658	1,349

Sch III. II.GI.7(b)

15. Depreciation and amortisation expense

See accounting policy 3(K), (L), (M) and (S).

	In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 16.75(a)	Depreciation of property, plant and equipment	*18, 42*	**5,339**	5,122
Ind AS 38.118(d)	Amortisation of intangible assets	*19*	**785**	795
Ind AS 40	Depreciation on investment property	*21*	**60**	20
			6,184	5,937

Sch. III.II.GI.4(c) 1 For presenting foreign exchange differences arising on foreign currency borrowings in statement of profit and loss, there is no specific requirement to apply the limit prescribed in paragraphs 6(e) and 6A of Ind AS 23 since the nature of the exchange difference on foreign currency borrowing is effectively a cost of borrowing. Accordingly, the entire foreign exchange differences relating to foreign currency borrowings to the extent not capitalised in accordance with Ind AS 23 can be presented under the head ‘finance costs’.

Notes to the consolidated financial statements (continued)

Sch III. II.GI.7

16 Other expenses[1]

In lakhs of INR	Note	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
Power and fuel		630	548
Rent	42(A)(ii)	145	209
Repairs and maintenance			
- Flood-related		519	-
- Others		8,038	7,688
Rates and taxes		102	90
Traveling and conveyance		342	245
Legal and professional fees		4,866	2,732
Sch III. II.GI.7.(i) Payments to auditors	16(i)	181	159
Advertising and sales promotion		2,505	1,610
Impairment loss on non-current assets (non-financial)	19(B)	-	1,408
Ind AS 105.41(c) Impairment loss on disposal group held for sale	7(A)	35	-
Settlement of pre-existing relationship with acquiree	8(A)	326	-
Warranties	38	440	200
Litigations	38	120	140
Restructuring (net)	38	180	460
Site restoration	38	660	123
Sch III. II.GI.7.(j) Expenditure on corporate social responsibility	16(ii)	41	19
Ind AS 21.52 Net loss on foreign currency transactions		186	250
Change in fair value of contingent consideration	41(B)(iii)	20	-
Financial assets mandatorily measured at FVTPL-net change in fair value		-	19
Cash flow hedges-ineffective portion of changes in fair value		45	11
Net investment hedges-ineffective portion of changes in fair value		1	-
Miscellaneous		585	289
		19,967	16,200

*See Note 48

Sch III.II.GI.7 (c) 1. Any item of expenditure which exceeds one per cent of the revenue from operations or INR 10 lakhs, whichever is higher, should be disclosed separately.

Notes to the consolidated financial statements (continued)

16 Other expenses (continued)

Sch III. II.GI.7.(i)

(i) *Payments to auditors*[2]

In lakhs of INR

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
Statutory audit	**95**	85
Tax audit	**18**	16
Limited review of quarterly results	**29**	28
In other capacity		
Taxation matters	**20**	15
Company law matters	**2**	-
Reimbursement of expenses	**17**	15
	181	159

(ii) *Details of corporate social responsibility expenditure*[2]

In lakhs of INR

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Amount required to be spent by the Group during the year	**41**	19
(b) Amount approved by the Board to be spent during the year	**41**	19
(c) Amount spent during the year		
(i) Construction/ acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**25**	19
(d) Details of related party transactions	**-**	-

2. Although is it not specifically required, the Group has provided this disclosure in consolidated financial statements. This disclosure is voluntary and is provided only for illustrative purposes.

Notes to the consolidated financial statements (continued)

16 Other expenses (continued)

(ii) Details of corporate social responsibility expenditure (continued)

(e) Details of unspent obligations

Details of ongoing project and other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2022		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance as at 31 March 2023**	
With Company	**In Separate CSR Unspent account**		**From Company's bank account**	**From Separate CSR Unspent account**	**With Company**	**In Separate CSR Unspent account**
-	**-**	**21**	**11**	**-**	**10**	**-**

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)				
Opening Balance as at 1 April 2022	**Amount deposited in specified fund of Schedule VII within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing balance as at 31 March 2023**
-	**-**	**20**	**14**	**6**

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 March 2022	
With Company	In Separate CSR Unspent account		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	-	10	10	-	-	-

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)				
Opening Balance as at 1 April 2021	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance as at 31 March 2022
-	-	9	9	-

Notes to the consolidated financial statements (continued)

17. Income tax[1]

See accounting policy in Note 3(H).

A. Amounts recognised in profit or loss[2]

	In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022 Restated*
	Current tax expense		
Ind AS 12.80(a)	Current year	**3,063**	3,594
Ind AS 12.80(b)	Changes in estimates related to prior years	**116**	(34)
		3,179	3,560
	Deferred tax expense *Attributable to -*		
Ind AS 12.80(c)	Origination and reversal of temporary differences	**77**	(865)
Ind AS 12.80(d)	Reduction in tax rate	**(15)**	(5)
Ind AS 12.80(f)	Recognition of previously unrecognised tax losses (see Note 17(H))	**(50)**	(240)
Ind AS 12.80(f)–(g)	Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	**(13)**	10
		(1)	(1,100)
	Tax expense on continuing operations	**3,178**	2,460

* See Note 48.

Ind AS 12.81(h)(i)–(ii)

'Tax expense on continuing operations' excludes the Group's share of the tax expense of investments accounted for using the equity method of INR 492 lakhs (31 March 2022: INR 261 lakhs), which has been included in 'share of profit in associates and joint venture, net of tax'. The amount also excludes the tax income from the discontinued operation of INR 25 lakhs (31 March 2022: INR 44 lakhs) and the tax expense on the gain on sale of the discontinued operation of INR 330 lakhs (31 March 2022: nil); both of these have been included in 'profit (loss) from discontinued operation, net of tax' (see Note 6).

1. The changes in tax laws and the tax rates disclosed or applied throughout this guide to calculate the tax impact amounts are for illustrative purposes only and do not reflect actual changes in tax laws or corporate tax rates in the respective jurisdictions. In practice, the applicable changes in tax laws need to be considered and tax rates of the respective entities need to be used. All tax impacts in this guide are calculated using the tax rate of 33%.

2. The Group has allocated the entire amount of current income tax related to cash contributions to funded post-employment benefit plans to profit or loss because the cash contributions relate primarily to service costs. The allocation of the current income tax effect to profit or loss and OCI should reflect the nature of the cash contribution, unless it is impracticable to identify whether the cost to which the funding relates affects profit or loss or OCI. A number of allocation approaches are acceptable if the nature of the cash contribution is unclear.

Notes to the consolidated financial statements (continued)

17. Income tax

Ind AS 10.22(h), 12.81(d), 88

In March 2023, a new corporate tax law was enacted in France. Consequently, as of 1 July 2023, the corporate tax rate in France will be reduced from 30 to 29%. This change resulted in a gain of INR 15 lakhs related to the remeasurement of deferred tax assets and liabilities of the Group's French subsidiary, Baguette S.A., being recognised during the year ended 31 March 2023. In addition, on 23 June 2023, an increase in the corporate tax rate in the Netherlands from 25 to 30% was substantively enacted, effective from 1 April 2024. This increase does not affect the amounts of current or deferred income taxes recognised at 31 March 2023. However, this change will increase the Group's future current tax charge accordingly. If the new tax rate were applied to calculate taxable temporary differences and tax losses recognised as at 31 March 2023, then the net deferred tax assets would increase by INR 27 lakhs.

Ind AS 12.81(d)

During year ended 31 March 2022, numerous changes to the tax law were enacted in Denmark, including a decrease in the corporate tax rate from 35 to 21%. This change resulted in a gain of INR 5 lakhs related to the remeasurement of deferred tax assets and liabilities of the Group's consolidated Danish entity, Mermaid A/S, being recognised during the year ended 31 March 2022.

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

B. Amounts recognised in other comprehensive income

Ind AS 1.90–91, 12.81(ab)

	31 March 2023			31 March 2022 Restated		
In lakhs of INR	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	**25**	**(8)**	**17**	(13)	5	(8)
Fair value changes on equity investments through OCI	**141**	**(47)**	**94**	59	(18)	41
Share of OCI in associates and joint venture	**180**	**-**	**180**	(5)	-	(5)
	346	**(55)**	**291**	41	(13)	28
Items that are or may be reclassified subsequently to profit or loss						
Foreign operations – foreign currency translation differences	**679**	**-**	**679**	471	-	471
Net investment hedge	**(3)**	**-**	**(3)**	(8)	-	(8)
Cash flow hedges:						
– Effective portion of changes in fair value	**(62)**	**21**	**(41)**	95	(31)	64
– Net amount reclassified to profit or loss	**(31)**	**10**	**(21)**	(12)	4	(8)
Cost of hedging:						
– Net change in fair value	**34**	**(12)**	**22**	10	(3)	7
– Net amount reclassified to profit or loss	**8**	**(3)**	**5**	2	-	2
Debt instruments at FVOCI:						
– Net change in fair value	**54**	**(18)**	**36**	60	(19)	41
– Net amount reclassified to profit or loss	**(64)**	**21**	**(43)**	-	-	-
Reclassification of foreign currency differences on loss of significant influence	**(20)**	**-**	**(20)**	-	-	-
Share of OCI in associates and joint venture	**(172)**	**-**	**(172)**	(166)	-	(166)
	423	**19**	**442**	452	(49)	403
	769	**(36)**	**733**	493	(62)	431

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

C. Amounts recognised directly in equity

	In lakhs of INR	31 March 2023 Before tax	31 March 2023 Tax	31 March 2023 Net of tax	31 March 2022 Before tax	31 March 2022 Tax	31 March 2022 Net of tax
AS 12.81(a)	Temporary difference arising from Convertible debentures	**163**	**(54)**	**109**	-	-	-
AS 12.81(a)	Share-based payments	**-**	**-**	**-**	-	2	2

For amounts recognised directly in equity relating to correction of an error – see Note 48.

D. Reconciliation of effective tax rate[3, 4]

	In lakhs of INR	31 March 2023		31 March 2022 Restated*	
AS 12.81(c)	Profit before tax from continuing operations		**10,351**		8,856
	Tax using the Company's domestic tax rate	**33.00%**	**3,416**	33.00%	2,922
	Effect of tax rates in foreign jurisdictions	**(0.71%)**	**(73)**	(0.55%)	(49)
	Reduction in tax rate	**(0.14%)**	**(15)**	(0.06%)	(5)
	Tax effect of:				
	– Share of profit of equity-accounted investees reported, net of tax	**(3.64%)**	**(377)**	(2.19%)	(194)
	– Non-deductible expenses	**2.37%**	**245**	0.41%	36
	– Tax-exempt income	**(0.23%)**	**(24)**	(0.56%)	(50)
	– Tax incentives	**(0.85%)**	**(88)**	(0.71%)	(63)
	– Current-year losses for which no deferred tax asset is recognised	**0.40%**	**41**	1.43%	127
	Recognition of previously unrecognised tax losses (see Note 17(H))	**(0.48%)**	**(50)**	(2.71%)	(240)
	Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	**(0.13%)**	**(13)**	0.11%	10
	Changes in estimates related to prior years	**1.12%**	**116**	(0.38%)	(34)
		30.70%	**3,178**	27.78%	2,460

* See Notes 6 and 48.

Ind AS 12.85 3. The Group's reconciliation of the effective tax rate is based on its domestic tax rate, with a reconciling item in respect of tax rates applied by Group companies in other jurisdictions. The reconciliation of the effective tax rate is based on an applicable tax rate that provides the most meaningful information to users. In some cases, it might be more meaningful to aggregate separate reconciliations prepared using the domestic tax rate in each individual jurisdiction.

Ind AS 12.81(c) 4. Rather than presenting either a numerical reconciliation between total tax expense and the product of accounting profit multiplied by the applicable tax rates, or a numerical reconciliation between the average effective tax rate and the applicable tax rate, the Group has elected to present both.

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

Ind AS 12.81(g)(i)–(ii)

E. Movement in deferred tax balances [5,6,7]

31 March 2023 *In lakhs of INR*	Net balance at 1 April	Recognised in profit or loss (see (A))	Recognised in OCI (see (B))	Recognised directly in equity (see (C))	Acquired in business combinations (see Note 8(C))	Other (see Notes 6(C) and 7(B))	Balance at 31 March 2023 Net	Balance at 31 March 2023 Deferred tax assets	Balance at 31 March 2023 Deferred tax liabilities
Property, plant and equipment	448	(125)	(66)	-	(35)	210	432	553	(121)
Leases[8]	132	54	-	-	-	-	186	186	-
Intangible assets	56	4	-	-	(38)	-	22	98	(76)
Biological assets	(22)	(182)	-	-	-	-	(204)	-	(204)
Investment property	(30)	(7)	-	-	-	-	(37)	-	(37)
Investment in securities	(56)	(7)	(44)	-	-	-	(107)	32	(139)
Trade receivables, including contract assets and finance lease receivables	53	17	-	-	-	-	70	70	-
Derivatives	(39)	(5)	16	-	-	-	(28)	3	(31)
Inventories	64	96	-	-	(3)	40	197	197	-
Loans and borrowings	-	-	-	(54)	(9)	-	(63)	-	(63)
Employee benefits	(91)	21	(24)	-	-	-	(94)	160	(254)
Equity-settled share-based payments	225	88	-	-	-	-	313	313	-
Provisions	508	(13)	-	-	6	-	501	501	-
Deferred income	54	(15)	-	-	-	-	39	39	-
Other items	14	25	-	-	-	-	39	50	(11)
Tax losses carried forward	386	50	-	-	-	-	436	436	-
Tax assets (liabilities) before set-off	1,702	1	(118)	(54)	(79)	250	1,702	2,638	(936)
Set-off of tax							-	(387)	387
Net tax assets (liabilities)							1,702	2,251	(549)

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

Ind AS 12.81(g) (i)–(ii)

E. Movement in deferred tax balances [5,6,7]

31 March 2022 *In lakhs of INR*	**Net balance at 1 April**	**Recognised in profit or loss (see (A)) Restated***	**Recognised in OCI (see (B))**	**Recognised directly in equity (see (C))**	**Acquired in business combinations (see Note 8(C))**	**Other (see Notes 6(C) and 7 (B))**	**Balance at 31 March 2022**		
							Net	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	89	359	-	-	-	-	448	531	(83)
Leases	125	7	-	-	-	-	132	132	-
Intangible assets	(38)	94	-	-	-	-	56	94	(38)
Biological assets	(25)	3	-	-	-	-	(22)	-	(22)
Investment property	(10)	(20)	-	-	-	-	(30)	-	(30)
Investment in securities	(18)	1	(38)	-	-	-	(55)	16	(71)
Trade receivables, including contract assets and finance lease receivables	-	53	-	-	-	-	53	53	-
Derivatives	(12)	1	(29)	-	-	-	(40)	3	(43)
Inventories	8	56	-	-	-	-	64	64	-
Employee benefits	(90)	(6)	5	-	-	-	(91)	150	(241)
Equity-settled share-based payments[9]	141	82	-	2	-	-	225	225	-
Provisions	290	218	-	-	-	-	508	508	-
Deferred income	46	8	-	-	-	-	54	54	-
Other items	10	4	-	-	-	-	14	18	(4)
Tax losses carried forward	146	240	-	-	-	-	386	386	-
Tax assets (liabilities) before set-off	662	1,100	(62)	2	-	-	1,702	2,234	(532)
Set-off of tax							-	(126)	126
Net tax assets (liabilities)							1,702	2,108	(406)

* See Note 48.

5. Ind AS 12 *Income Taxes* requires disclosure of the amount of recognised deferred tax assets and liabilities in respect of each type of temporary difference. The Accounting Standards are unclear on what constitutes a 'type', and the Group has provided the disclosures based on the classes of assets and liabilities related to the temporary differences. Another possible interpretation is to present disclosures based on the reason for the temporary difference – e.g. depreciation.

6. It is not appropriate to disclose the tax effects of both recognised and unrecognised deferred tax assets as a single amount – e.g. similar to the 'gross' approach under US GAAP – because under Ind AS it is *recognised* deferred tax assets that are required to be disclosed.

7. The Group does not plan to dispose of its investments in associates in the foreseeable future, and therefore has measured deferred tax relating to these investments using the tax rates applicable to dividends, which are zero because such dividends are tax-exempt. As a result, no deferred tax has been recognised.

8. The Group accounts for deferred tax on leases applying the 'integrally linked' approach. The Group has disclosed the amount of recognised deferred tax in respect of leases.

Ind AS 12.68C

9. When the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative share-based payment expense, the excess of the associated income tax is recognised directly in equity. Any subsequent reduction in the excess is also recorded in equity.

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

F. Unrecognised deferred tax liabilities[10]

Ind AS 12.81(f), 87

At 31 March 2023, there was a deferred tax liability of INR 1,523 lakhs (31 March 2022: INR 1,146 lakhs) in respect of temporary differences of INR 4,615 lakhs (31 March 2022: INR 3,473 lakhs) related to investments in subsidiaries and the joint venture. However, this liability was not recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its joint venture – i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.[11]

Ind AS 12.82A

In some of the countries in which the Group operates, local tax laws provide that gains on the disposal of certain assets are tax-exempt, provided that the gains are not distributed. At 31 March 2023, the resultant total tax-exempt reserves amounted to INR 613 lakhs (31 March 2022: INR 540 lakhs), which would result in a tax liability of INR 202 lakhs (31 March 2022: INR 178 lakhs) if the subsidiaries paid dividends from these reserves.

G. Unrecognised deferred tax assets

Ind AS 12.81(e)

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	31 March 2023		31 March 2022	
In lakhs of INR	Gross amount	Unrecognised Tax effect[12]	Gross amount	Unrecognised Tax effect[12]
Deductible temporary differences	**161**	**53**	200	66
Tax losses	**644**	**213**	672	222
	805	**266**	872	288

Ind AS 12.81(f), 87

10. In addition to the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements for which deferred tax liabilities have not been recognised, the Group has also provided the encouraged disclosure of the amounts of unrecognised deferred tax liabilities. This disclosure is provided for illustrative purposes only and not mandatory.

11. The ability of a joint venturer to veto the payment of dividends is sufficient to demonstrate control for the purpose of recognising deferred tax.

Ind AS 12.81(e)

12. Although Ind AS 12 only requires the disclosure of the amount of deductible temporary differences and unused tax losses for which no deferred tax asset has been recognised, the Group has also disclosed their respective tax effects. This disclosure is for illustrative purposes only and not mandatory.

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

H. Tax losses carried forward

Ind AS 12.81(e)

Tax losses for which no deferred tax asset was recognised expire as follows.

In lakhs of INR	**31 March 2023**	**Expiry date**	**31 March 2022**	**Expiry date**
Expire	**644**	**2025–2029**	520	2025–2026
Never expire	**-**	**-**	152	-

G. Unrecognised deferred tax assets (continued)

Ind AS 1.125, 129, 12.82

During the year ended 31 March 2023, one of the Group's UK subsidiary, Paper Pabus Co, successfully launched a new type of paper and entered into a number of long-term supply contracts. As a result, management revised its estimates of future taxable profits and the Group recognised the tax effect of INR 152 lakhs of previously unrecognised tax losses (tax impact: INR 50 lakhs) because management considered it probable that future taxable profits would be available against which such losses can be used.

During the year ended 31 March 2022, the Group's Danish subsidiary, Mermaid A/S, launched a new production line that would allow it to reduce costs significantly going forward and improve profitability. As a result, management revised its estimates of future taxable profits and the Group recognised the tax effect of INR 727 lakhs of previously unrecognised tax losses (tax impact: INR 240 lakhs) because management considered it probable that future taxable profits would be available against which such losses can be used. During the year ended 31 March 2023, Mermaid A/S achieved its planned profitability; therefore, management continues to consider it probable that future taxable profits would be available against which the tax losses can be recovered and, therefore, the related deferred tax asset can be realised.

Notes to the consolidated financial statements (continued)

17. Income tax (continued)

H. Tax losses carried forward (continued)

During the year ended 31 March 2023, the Group's Romanian subsidiary, Lei Sure Limited, incurred a tax loss of INR 124 lakhs, increasing cumulative tax losses to INR 644 lakhs (31 March 2022: INR 520 lakhs). Management has determined that the recoverability of cumulative tax losses, which expire in 2026–2030, is uncertain due to surplus capacity/supply depressing paper prices in Romania. Based on the five-year business plan and taking into account the reversal of existing taxable temporary differences, Lei Sure Limited is not expected to generate taxable profits until 2028. However, if paper prices improve more quickly than forecast or new taxable temporary differences arise in the next financial year, then additional deferred tax assets and a related income tax benefit of up to INR 213 lakhs could be recognised.

I. Uncertainty over income tax treatments[13, 14]

Ind AS 1.122, 125, 129, 12.88

From year ended 31 March 2018 until year ended 31 March 2022, the Group's Canadian subsidiary Maple-leaf Inc benefited from a tax ruling of the Canadian tax authorities allowing it to qualify for a reduced corporate tax rate. During the year ended 31 March 2023, there was a change in the Canadian government. The new government is currently debating certain tax rulings granted in the past, which include the tax ruling applied by the Group. If the tax ruling applied in the past is retroactively revoked, then additional tax expenses for the period March 2018– March 2022 of up to INR 53 lakhs may be incurred. This amount has not been recognised in these consolidated financial statements because the Group believes that the tax ruling granted in the past was in compliance with the applicable law and, if revoked, the Group believes that it is probable that it would successfully defend the Group's tax treatment in court.

Of the Group's current tax provision, INR 63 lakhs (31 March 2022: nil) relates to management's estimation of the amount of tax payable by the Group's German subsidiary Papier GmbH for the ongoing tax review, which its tax authority opened in June 2022. The uncertain tax treatment relates to the interpretation of how the tax legislation applies to the Group's transfer pricing arrangements. Due to the uncertainty involved, there is a possibility that the outcome of the tax review is significantly different from the amount currently recognised. Although management has used a single best estimate of the tax amount expected to be paid, it is anticipated that the reasonably possible outcome of current tax liabilities sits within a range between INR 51 lakhs and INR 72 lakhs.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Ind AS 1.125

13. Management of the Group analysed the specific facts and circumstances of the open tax review and determined that it is necessary to provide information about assumptions and estimates related to the uncertain tax treatment as required by Ind AS.

Ind AS 1.129

14. The Group provided quantitative disclosure of the sensitivity of the amount of the uncertain tax treatment to the method, assumptions and estimates underlying the calculation. Other approaches to the disclosure may be acceptable to meet the requirements of Ind AS.

Notes to the consolidated financial statements (continued)

18. Property, plant and equipment and capital work-in-progress

See accounting policies in Notes 3(K), (Q)(ii) and (S)(ii).

A. Reconciliation of carrying amount

	In lakhs of INR	*Note*	Freehold Land	Buildings	Plant and equipment	Fixtures and fittings	Total property, plant and equipment	Capital work-in-progress
	Cost [1]							
Ind AS 16.73(d)	Balance at 1 April 2021		2,400	8,031	29,509	5,289	45,229	-
Ind AS 16.73(e)(i)	Additions		-	193	1,540	675	2,408	-
Ind AS 16.73(e)(ii)	Disposals[2]		-	-	(1,081)	-	(1,081)	-
Ind AS 16.73(e)(viii)	Exchange differences on translation of foreign operations		-	-	316	171	487	-
Ind AS 16.73(d)	**Balance at 31 March 2022**		2,400	8,224	30,284	6,135	47,043	
Ind AS 16.73(d)	Balance at 1 April 2022		**2,400**	**8,224**	**30,284**	**6,135**	**47,043**	**-**
Ind AS 16.73(e)(iii)	Acquisitions through business combinations	*8(C)*	**-**	**185**	**1,580**	**190**	**1,955**	**-**
Ind AS 16.73(e)(i)	Additions		**-**	**1,750**	**9,694**	**657**	**12,101**	**4,100**
Ind AS 16.73(e)(ix)	Reclassification to investment property	*(F)*	**-**	**(1,100)**	**-**	**-**	**(1,100)**	**-**
Ind AS 16.73(e)(ii)	Reclassification to assets held for sale	*7(B)*	**-**	**-**	**(9,222)**	**-**	**(9,222)**	**-**
Ind AS 16.73(e)(ii)	Disposals		**-**	**(89)**	**(11,972)**	**(2,100)**	**(14,161)**	**-**
Ind AS 16.73(e)(viii)	Exchange differences on translation of foreign operations		**-**	**-**	**91**	**50**	**141**	**-**
Ind AS 16.73(d)	**Balance at 31 March 2023**		**2,400**	**8,970**	**20,455**	**4,932**	**36,757**	**4,100**

Sch III GN.8.1.1 and 8.5.3, 8.5.3.1; Ind AS 16.73(e)(iv) and Ind AS 113.93

1. If there is any change in the value of property, plant and equipment pursuant to revaluation, the Group is required to disclose such change in the reconciliation i.e. that reconciliation of the gross and net carrying amounts of each class of assets should include the amount of change due to revaluation.
While Schedule III -Division II (Ind AS) requires such disclosure in reconciliation only if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment, Ind AS 16.73(e)(iv) requires such disclosure irrespective of the change in the aggregate of the net carrying value.
Further, if the Company has revalued its property, plant and equipment (including Right-of-Use Assets), Schedule III - Division II (Ind AS) requires disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. If not, such fact needs to be disclosed in the financial statements. Quantitative disclosures in relation to fair valuation may be disclosed in a tabular format, unless another format is more appropriate.

2. If any disposals have been made consequent to a demerger, they may be disclosed separately from other disposals.

Notes to the consolidated financial statements (continued)

18. Property, plant and equipment and capital work-in-progress (continued)

A. Reconciliation of carrying amount (continued)

Reference	*In lakhs of INR*	*Note*	Freehold Land	Buildings	Plant and equipment	Fixtures and fittings	Total property, plant and equipment	Capital work-in-progress
Sch III.GN.8.1.1.1.	**Accumulated depreciation and impairment losses**							
Ind AS 16.73(d)	Balance at 1 April 2021		-	1,615	5,557	939	8,111	-
Ind AS 16.73(e)(vii)	Depreciation	*15*	-	123	4,240	759	5,122	-
Ind AS 16.73(e)(v)	Impairment loss	*(B), 16*	-	-	1,123	-	1,123	-
Ind AS 16.73(e)(ii)	Disposals		-	-	(700)	-	(700)	-
Ind AS 16.73(e)(viii)	Exchange differences on translation of foreign operations		-	-	98	59	157	-
Ind AS 16.73(d)	**Balance at 31 March 2022**		-	1,738	10,318	1,757	13,813	-
Ind AS 16.73(d)	Balance at 1 April 2022		**-**	**1,738**	**10,318**	**1,757**	**13,813**	**-**
Ind AS 16.73(e)(vii)	Depreciation	*15*	**-**	**120**	**4,478**	**741**	**5,339**	**-**
Ind AS 16.73(e)(vi)	Reversal of impairment loss	*(B), 10*	**-**	**-**	**(393)**	**-**	**(393)**	**-**
Ind AS 16.73(e)(ix)	Reclassification to investment property	*(F)*	**-**	**(300)**	**-**	**-**	**(300)**	**-**
Ind AS 16.73(e)(ii)	Reclassification to assets held for sale	*7(B)*	**-**	**-**	**(1,058)**	**-**	**(1,058)**	**-**
Ind AS 16.73(e)(ii)	Disposals		**-**	**-**	**(3,808)**	**(1,127)**	**(4,935)**	**-**
Ind AS 16.73(e)(viii)	Exchange differences on translation of foreign operations		**-**	**-**	**63**	**38**	**101**	**-**
Ind AS 16.73(d)	**Balance at 31 March 2023**		**-**	**1,558**	**9,600**	**1,409**	**12,567**	**-**

Notes to the consolidated financial statements (continued)

18. Property, plant and equipment and capital work-in-progress (continued)

A. Reconciliation of carrying amount (continued)

In lakhs of INR	*Note*	Freehold Land	Buildings	Plant and equipment	Fixtures and fittings	Total property, plant and equipment	Capital work-in-progress
Carrying amounts							
At 31 March 2022		2,400	6,486	19,966	4,378	33,230	-
At 31 March 2023		**2,400**	**7,412**	**10,855**	**3,523**	**24,190**	**4,100**

Ind AS 1.78(a) 16.73(e), Sch III.I.6AI(iii)

Ind AS 116.47

Property, plant and equipment includes right-of-use assets of INR 3,593 lakhs (31 March 2022: INR4,153 lakhs) related to leased properties that do not meet the definition of investment property (see Note 42(A)(i)).

B. Impairment loss and subsequent reversal

Ind AS 36.126(a)–(b)

During the year ended 31 March 2022, due to regulatory restrictions imposed on the manufacture of a new product in the Non-recycled Papers segment, the Group tested the related product line for impairment and recognised an impairment loss of INR 1,123 lakhs with respect to plant and equipment. During the current year, INR 393 lakhs of the loss was reversed. Further information about the impairment loss and subsequent reversal is included in Note 19(C)(ii).

C. Leased property, plant and equipment

Ind AS 7.43

During the current year, the Group leased certain buildings and recognised a right-to-use asset of INR 150 lakhs (31 March 2022: INR 180 lakhs of production equipment). Some leases provide the Group with the option to buy the equipment at a beneficial price (see Note 42(A)(i)).

D. Security

Ind AS 16.74(a)

At 31 March 2023, properties with a carrying amount of INR 8,318 lakhs (31 March 2022: INR 4,088 lakhs) are subject to first charge to secure bank loans (see Note 34(A) and (C)).

E. Capital work-in-progress

Ind AS 16.74(b)

During the current year, the Group acquired a piece of land for INR 3,100 lakhs, with the intention of constructing a new factory on the site.

Notes to the consolidated financial statements (continued)

18. Property, plant and equipment and capital work-in-progress (continued)

Ind AS 23.26

The Group has started construction and costs incurred up to 31 March 2023 totalled INR 1,000 lakhs (31 March 2022: nil). Included in this amount are capitalised borrowing costs related to the acquisition of the land and the construction of the factory of INR 194 lakhs, calculated using a capitalisation rate of 5.2%.

Sch III.I.6L(vi)

E (i) Ageing of Capital work-in-progress[3]:

As at 31 March 2023	Amount in CWIP for a period of				
	Less than one year	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
(i) Projects in progress	4,100	-	-	-	4,100
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**4,100**	**-**	**-**	**-**	**4,100**

E (ii) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

In case of Project A, the costs have exceeded the original plan approved by the Board of Directors in April 2022. There are no projects as on 31 March 2023 where the project timelines are overdue.

As at 31 March 2023	CWIP to be completed in			
	Less than one year	**1 – 2 years**	**2 – 3 years**	**More than 3 years**
(i) Projects in progress				
Project A	-	500	-	-
(ii) Projects temporarily suspended	-	-	-	-

[3] The above disclosure is required to be given for the comparative period presented. In the given instance, there were no ongoing projects as at 31 March 2022 and hence disclosure for year ended 31 March 2022 is not applicable.

Notes to the consolidated financial statements (continued)

18. Property, plant and equipment and capital work-in-progress (continued)

F. Transfer to investment property

During the current year, a building was transferred to investment property (see Note 21(A)), because it was no longer used by the Group and it was decided that the building would be leased to a third party.

G. Change in estimates

Ind AS 8.39, 16.76

During the current year, the Group conducted an operational efficiency review at one of its plants, which resulted in changes in the expected usage of certain dyeing equipment. The dyeing equipment, which management had previously intended to sell after five years of use, is now expected to remain in production for 12 years from the date of purchase. As a result, the expected useful life of the equipment increased and its estimated residual value decreased. The effect of these changes on actual and expected depreciation expense is as follows[4] -

In lakhs of INR	YE March 2023	**YE March 2024**	**YE March 2025**	**YE March 2026**	**YE March 2027**	**Later**
(Decrease) increase in depreciation expense	**(256)**	(113)	150	150	130	170

H. Temporarily idle property, plant and equipment

Ind AS 16.79

At 31 March 2023, plant and equipment with a carrying amount of INR 503 lakhs were temporarily idle, but the Group plans to operate the assets in 2023-24.[5]

Ind AS 8.39, 16.76 4 If the amount of the effect in subsequent periods is not disclosed because estimating it is impracticable, the entity should disclose such fact

Ind AS16.79(b)-(d) 5 If relevant to the users of the financial statements and if applicable to the Group, the Group is encouraged to disclose the information of gross carrying amount of any fully depreciated property, plant and equipment that is still in use; carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with Ind AS 105; and when cost model is used, the fair value of property, plant and equipment when this is materially different from the carrying amount

Notes to the consolidated financial statements (continued)

18. Property, plant and equipment and capital work-in-progress (continued)

I. Title deeds of immovable properties not held in name of the Company[6]

Sch III.I.6L(i)

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company except as disclosed below –

Amount in lakhs of INR

Relevant line item in the Balance Sheet	**Description of item of property**	**Gross carrying value**	**Title deeds held in the name of**	**Whether title deed holder is a promoter, director or relative of promoter/ director/ employee of promoter/ director**	**Property held since which date**	**Reason for not being held in the name of the company**
Property, plant and equipment	Land	250	XYZ Co. Ltd.	No	1 April 2020	Refer note A below

Note A – Land in Karnataka is in the name of XYZ Co. Ltd., a company amalgamated with the Group for which name change is in process.

[6] Although is it not specifically required, the Group has provided this disclosure in the consolidated financial statements. This disclosure is voluntary and is provided only for illustrative purposes

Notes to the consolidated financial statements (continued)

19. Intangible assets

See accounting policies in Notes 3(L) and (Q)(ii) .

A. Reconciliation of carrying amount

	In lakhs of INR	Note	Patents and trademarks	Development costs	Customer relationships	Total	Goodwill
Sch III Div II							
	Cost						
Ind AS 103.B67(d)(i), Ind AS 38.118(c)	Balance at 1 April 2021		1,264	4,011	-	5,275	3,545
Ind AS 38.118(e)(i)	Acquisitions Internally developed		-	515	-	515	-
Ind AS 38.118(e)(vii)	Exchange differences on translation of foreign operations		(171)	(95)	-	(266)	-
Ind AS 103.B67(d)(viii), Ind AS 38.118(c)	**Balance at 31 March 2022**		1,093	4,431	-	5,524	3,545
Ind AS 103.B67(d)(i), Ind AS 38.118(c)	Balance at 1 April 2022		**1,093**	**4,431**	**-**	**5,524**	**3,545**
Ind AS 103.B67(d)(ii), Ind AS 38.118(e)(i)	Acquisitions through business combinations	*8(C)*	**170**	**-**	**80**	**250**	**541**
Ind AS 38.118(e)(i)	Internally developed		**-**	**1,272**	**-**	**1,272**	**-**
Ind AS 38.118(e)(vii)	Exchange differences on translation of foreign operations		**186**	**200**	**-**	**386**	**-**
Ind AS 103.B67(d)(viii), Ind AS 38.118(c)	**Balance at 31 March 2023**		**1,449**	**5,903**	**80**	**7,432**	**4,086**

Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)[1]

A. Reconciliation of carrying amount (continued)

Reference	In lakhs of INR	Note	Patents and trademarks	Development costs	Customer relationships	Total	Goodwill
Sch III - Div II							
	Accumulated amortisation and impairment losses						
Ind AS 103.B67(d)(i), Ind AS 38.118(c)	Balance at 1 April 2021		552	2,801	-	3,353	138
Ind AS 38.118(e)(vi)	Amortisation	15	118	677	-	795	-
Ind AS 38.118(e)(iv)	Impairment loss	19(B), 16	-	285	-	285	-
Ind AS 38.118(e)(vii)	Exchange differences on translation of foreign operations		(31)	(12)	-	(43)	-
Ind AS 103.B67(d)(viii), Ind AS 38.118(c)	**Balance at 31 March 2022**		639	3,751	-	4,390	138
Ind AS 103.B67(d)(i), Ind AS 38.118(c)	Balance at 1 April 2022		**639**	**3,751**	**-**	**4,390**	**138**
Ind AS 38.118(e)(vi)	Amortisation	15	**129**	**646**	**10**	**785**	**-**
Ind AS 103.B67(d)(v), Ind AS 38.118(e)(iv)	Impairment loss	19(B), 16	**-**	**-**	**-**	**-**	**116**
Ind AS 38.118(e)(v)	Reversal of impairment loss	19(B)(ii)	**-**	**(100)**	**-**	**(100)**	**-**
Ind AS 38.118(e)(vii)	Exchange differences on translation of foreign operations		**61**	**17**	**-**	**78**	**-**
Ind AS 103.B67(d)(viii), Ind AS 38.118(c)	**Balance at 31 March 2023**		**829**	**4,314**	**10**	**5,153**	**254**
	Carrying amounts						
Ind AS 38.118(c)	At 31 March 2022		454	680	-	1,134	3,407
Ind AS 38.118(c)	**At 31 March 2023**		**620**	**1,589**	**70**	**2,279**	**3,832**

Sch.III.GN 8.5.7(a), 8.5.7 (b)

1. Similar to disclosure for Capital work in progress, Schedule III also requires a Company to disclose the ageing schedule and other details for overdue projects of intangible asset under development. As there is no intangible asset under development in the Group, the aforesaid disclosure has not been made.

Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

B. Impairment test

Ind AS 36.131(b)

The impairment loss and its subsequent reversal were recognised in relation to the manufacture of a new product in the Non-recycled Papers segment and the goodwill in the Timber Products CGU as follows.

In lakhs of INR	***Note***	**31 March 2023**	**31 March 2022**
Non-recycled Papers			
Plant and equipment and development costs	*(ii)*	**(493)**	1,408
Timber Products			
Goodwill	*(iii)*	**116**	-
(Reversal of) / Impairment loss		**(377)**	1,408

Ind AS 36.130(d)(ii)

Ind AS 36.130(d)(ii)

Ind AS 36.126(a)–(b)

The net reversal of impairment loss has been included in other income (See Note 10) (31 March 2022 : net impairment loss was included in 'other expenses' (See Note 16))

i. Impairment testing for CGUs not containing goodwill - Recoverability of development costs[2]

Ind AS 36.132

Included in the carrying amount of development costs at 31 March 2023 is an amount of INR 400 lakhs related to a development project for a new process in one of the Group's factories in the Non-recycled Papers segment. The regulatory approval that would allow this new process was delayed; consequently, the benefit of the new process will not be realised as soon as previously expected and management has carried out an impairment test.

The recoverable amount of the CGU that included these development costs (the factory using the process) was estimated based on the present value of the future cash flows expected to be derived from the CGU (value in use), assuming that the regulatory approval would be passed by July 2024 and using a pre-tax discount rate of 12% and a terminal value growth rate of 2% from 2027. The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required.

Ind AS 1.125, 129

Management considers it possible that the regulatory approval may be delayed by a further year to July 2025. This further delay would result in an impairment of approximately INR100 lakhs in the carrying amount of the factory.

Ind AS 36.130(a), (d)(i)

During year ended 31 March 2022, a regulatory inspection revealed that a new product in the Non-recycled Papers segment did not meet certain environmental standards, necessitating substantial changes to the manufacturing process. Before the inspection, the product was expected to be available for sale in the year ended 31 March 2023; however, as a result of the regulatory restrictions, production and the expected launch date were deferred.

Ind AS 36.132, 134

[2] The Group has disclosed the key assumptions used (discount rate and terminal growth rate) to determine the recoverable amount of assets and CGUs, although disclosures beyond the discount rate are required only for CGUs containing goodwill or indefinite-lived intangible assets.

Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

B. Impairment test (continued)

ii. Impairment loss and subsequent reversal in relation to a new product

Ind AS 36.130(e)

Accordingly, management estimated the recoverable amount of the CGU (the product line) in the year ended 31 March 2022. The recoverable amount was estimated based on its value in use, assuming that the production line would go live in August 2024.

During the year ended 31 March 2023, following certain changes to the recovery plan, the Group reassessed its estimates and reversed part of the initially recognised impairment.

Ind AS 36.130(g), 132

The estimate of value in use was determined using a pre-tax discount rate of 10.5% (31 March 2022: 9.8%) and a terminal value growth rate of 3% from 2027 (31 March 2022: 3% from 2026).[3]

In lakhs of INR	***Note***	**31 March 2023**	**31 March 2022**
Plant and equipment	*18(B)*	**(393)**	1,123
Development costs		**(100)**	285
(Reversal of) / Impairment loss		**(493)**	1,408

Ind AS 36.130(e)

At 31 March 2022, the recoverable amount of the CGU was as follows.

In lakhs of INR	**31 March 2023**	**31 March 2022**
Recoverable amount	**1,576**	1,083

iii. Impairment testing for CGUs containing goodwill [4]

Ind AS 36.134(a)

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

In lakhs of INR	**31 March 2023**	**31 March 2022**
European Paper manufacturing and distribution	**2,676**	2,135
Timber Products	**960**	1,076
	3,636	3,211
Multiple units without significant goodwill (*Ind AS 36.135*)	**196**	196
	3,832	3,407

Ind AS 36.132, 134 3 The Group has disclosed the key assumptions used (discount rate and terminal growth rate) to determine the recoverable amount of assets and CGUs, although disclosures beyond the discount rate are required only for CGUs containing goodwill or indefinite-lived intangible assets.

Ind AS 36.134 4 Separate disclosures are required for each CGU (or group of CGUs) for which the carrying amount of goodwill or intangible assets with an indefinite useful life allocated to the CGU is significant in comparison with its carrying amount.

Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

B. Impairment test (continued)

iii. Impairment testing for CGUs containing goodwill (continued)

European Paper manufacturing and distribution

Ind AS 36.134(c), (e)

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see Note 2(E)).

Ind AS 36.134(e)(i)

The key assumptions[5] used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	(In percent)	31 March 2023	31 March 2022
Ind AS 36.134(e)(v), (f)(ii)	Discount rate	**8.7**	8.5
Ind AS 36.134(e)(iv)	Terminal value growth rate	**1.0**	0.9
Ind AS 36.134(e)(i), (f)(ii)	Budgeted EBITDA growth rate (average of next five years)	**5.2**	4.8

Ind AS 36.134(e)(ii)

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 40% at a market interest rate of 7%.

Ind AS 36.134(e)(ii)–(iii)

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Ind AS 36.134(e)(ii)

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows.

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.
- Significant one-off environmental costs have been factored into the budgeted EBITDA, reflecting various potential regulatory developments in a number of European countries in which the CGU operates. Other environmental costs are assumed to grow with inflation in other years.
- Estimated cash flows related to a restructuring that is expected to be carried out in 31 March 2023 were reflected in the budgeted EBITDA.

Ind AS 36.134(f)(i)

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately INR 300 lakhs (31 March 2022: INR 250 lakhs). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Ind AS 36.134(d)(ii),(iv)–(v), (e)(ii), (iv)–(v), (f)

[5] Ind AS 36 *Impairment of Assets* specifically requires quantitative disclosures (i.e. values) in respect of the discount rates and growth rates used to extrapolate cash flow projections. Narrative disclosures are sufficient for other key assumptions, having regard to the requirement for an entity to disclose a description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information. An entity also discloses additional quantitative information if a reasonably possible change in key assumptions would result in an impairment.

Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

B. Impairment test (continued)

iii. Impairment testing for CGUs containing goodwill (continued)

European Paper manufacturing and distribution (continued)

		Change required for carrying amount to equal recoverable amount	
	(In percent)	**31 March 2023**	**31 March 2022**
Ind AS 36.134(f)(iii)	Discount rate	**1.6**	1.3
Ind AS 36.134(f)(iii)	Budgeted EBITDA growth rate	**(4.4)**	(3.6)

Timber Products

Ind AS 1.125, 36.134(c)–(d)

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount of INR 960 lakhs and an impairment loss of INR 116 lakhs during 31 March 2023 (31 March 2022: nil) was recognised. The impairment loss was fully allocated to goodwill and was included in net reversal of impairment loss in ‘other income’.

Ind AS 36.134(d)(i)

The key assumptions used in the estimation of value in use were as follows.[6]

	(In percent)	**31 March 2023**	**31 March 2022**
Ind AS 36.134(d)(v)	Discount rate	**9.6**	10.0
Ind AS 36.134(d)(iv)	Terminal value growth rate	**1.8**	2.0
Ind AS 36.134(d)(i), (f)(ii)	Budgeted EBITDA growth rate (average of next five years)	**8.0**	9.0

Ind AS 36.134(d)(ii), (iv)–(v), (e)(ii), (iv)–(v), (f)

6 Ind AS 36 specifically requires quantitative disclosures (i.e. values) in respect of the discount rates and growth rates used to extrapolate cash flow projections. Narrative disclosures are sufficient for other key assumptions, having regard to the requirement for an entity to disclose a description of management’s approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information. An entity also discloses additional quantitative information if a reasonably possible change in key assumptions would result in an impairment.

Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

B. Impairment test (continued)

iii. Impairment testing for CGUs containing goodwill (continued)

Timber Products (continued)

Ind AS 36.134(d)(ii)

The discount rate was a pre-tax measure[7] based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Ind AS 36.134(d)(ii)–(iii)

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product (GDP) rates for the countries in which the CGU operates and the long-term compound annual EBITDA growth rate estimated by management.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years, in line with information obtained from external brokers who publish a statistical analysis of long-term market trends.

Ind AS 36.134(f)

Following the impairment loss recognised in the Group's Timber Products CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

C. Development costs

Ind AS 23.26(a)–(b)

Included in development costs is an amount of INR 37 lakhs (31 March 2022: INR 12 lakhs) that represents borrowing costs capitalised during the year using a capitalisation rate of 5.1% (31 March 2022: 5.4%).

Ind AS 36.50(b), 55, A20,

7. Ind AS 36 prima facie requires value in use to be determined using pre-tax cash flows and a pre-tax discount rate. However, it is more common to use post-tax cash flows and a post-tax discount rate such as the weighted-average cost of capital. Challenges arise in following a post-tax approach appropriately so that the resulting value in use is consistent with the pre-tax principle.

Whichever rate is used (pre- or post-tax), the pre-tax discount rate needs to be disclosed. When value in use is determined using post-tax cash flows and a post-tax discount rate, the pre-tax discount rate needs to be calculated to comply with the disclosure requirements.

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants

See accounting policies in Note 3(l).

Sch III.GN.8.1.7

A. Reconciliation of carrying amount

	In lakhs of INR	*Note*	Standing timber	Livestock	Total
Ind AS 41.50, Ind AS 113.93(e)	Balance at 1 April 2021		3,240	196	3,436
Ind AS 41.50(b), Ind AS 113.93(e)(iii)	Purchases		743	92	835
Ind AS 41.50(c), Ind AS 113.93(e)(iii)	Sales of livestock		-	(63)	(63)
Ind AS 41.50(d), Ind AS 113.93(e)(iii)	Harvested timber transferred to inventories		(293)	-	(293)
Ind AS 41.40, 50(a)	Change in fair value less costs to sell:				
Ind AS 41.51	– Due to price changes	10	(17)	22	5
Ind AS 41.51	– Due to physical changes	10	15	8	23
Ind AS 41.50(f)	Exchange differences on translation of foreign operations		68	45	113
Ind AS 41.50	**Balance at 31 March 2022**		3,756	300	4,056
	Non-current		3,756	269	4,025
	Current		-	31	31
			3,756	300	4,056

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants (continued)

Sch II.GN. 8.1.7

A. Reconciliation of carrying amount (continued)

	In lakhs of INR	*Note*	Standing timber	Livestock	Total
Ind AS 41.50, Ind AS 113.93(e)	Balance at 1 April 2022		3,756	300	4,056
Ind AS 41.50(b), Ind AS 113.93(e)(iii)	Purchases		294	11	305
Ind AS 41.50(c), Ind AS 113.93(e)(iii)	Sales of livestock		-	(127)	(127)
Ind AS 41.50(d), Ind AS 113.93(e)(iii)	Harvested timber transferred to inventories		(135)	-	(135)
Ind AS 41.40, 50(a)	Change in fair value less costs to sell:				
Ind AS 41.51	– Due to price changes	10	92	59	151
Ind AS 41.51	– Due to physical changes	10	315	121	436
Ind AS 41.50(f)	Exchange differences on translation of foreign operations		30	14	44
Ind AS 41.50	**Balance at 31 March 2023**		4,352	378	4,730
	Non-current		4,352	346	4,698
	Current		-	32	32
			4,352	378	4,730

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants (continued)

A. Reconciliation of carrying amount (continued)

Ind AS 41.41, 43, 46(b)(i)

At 31 March 2023, standing timber comprised approximately 3,310 hectares of pine tree plantations (31 March 2022: 3,230 hectares), which ranged from newly established plantations to plantations that were 30 years old. INR 282 lakhs (31 March 2022: INR 513 lakhs) of the standing timber was less than one year old and considered to be immature assets[1]

Ind AS 41.41, 43, 46(b)(i)–(ii)

At 31 March 2023, livestock comprised 1,875 cattle and 3,781 sheep (31 March 2022: 1,260 cattle and 3,314 sheep). During the year ended 31 March 2022, the Group sold 289 cattle and 286 sheep (31 March 2022: 150 cattle and 175 sheep).[1]

B. Measurement of fair values

i. Fair value hierarchy

Ind AS 113.93(b)

The fair value measurements for the standing timber have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The fair value measurements of livestock have been categorised as Level 2 fair values based on observable market sales data (see Note 2(E)).

ii. Level 3 fair values

The following table shows a breakdown of the total gains (losses) recognised in respect of Level 3 fair values (standing timber).[2]

	In lakhs of INR	**31 March 2023**	**31 March 2022**
Ind AS 113.93(e)(i)	**Gain included in 'other income'**		
	Change in fair value (realised)	**60**	3
Ind AS 113.93(f)	Change in fair value (unrealised)	**347**	(5)
Ind AS 113.93(e)(ii)	**Gain included in OCI**		
Ind AS 113.93(e)(ii)	Effect of movements in exchange rates	**30**	68

Ind AS 41.43

1. This is an example of encouraged disclosure (and not mandatory) providing a quantified description of each group of biological assets, distinguishing between mature and immature biological assets (for standing timber), and the basis for making such distinctions.

2. Because the Group classifies the entire category of standing timber as Level 3 in the fair value hierarchy, this table illustrates only those disclosures that are incremental to the information in the reconciliation in Note 20(A).

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants (continued)

B. Measurement of fair values (continued)

iii. Valuation techniques and significant unobservable inputs

Ind AS 113.93(d), (h), 99

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing timber Standing timber older than 25 years (the age at which it becomes marketable)	*Discounted cash flows:* The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for [*X*] years. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Estimated future timber market prices per tonne (31 March 2023: INR 12.8–17.9, weighted average INR 16.25; 31 March 2022: INR 11.6–16.3, weighted average INR 15.15). • Estimated yields per hectare (31 March 2023: 6–10, weighted average 8; 31 March 2022: 5–10, weighted average 7.5). • Estimated harvest and transportation costs (31 March 2023: 6.4–8.3%, weighted average 7.5%; 31 March 2022: 6.3–7.8%, weighted average 6.7%). • Risk-adjusted discount rate (31 March 2023: 7.9–9.0%, weighted average 8.6%; 31 March 2022: 7.1–8.3%, weighted average 7.8%).	The estimated fair value would increase (decrease) if: • the estimated timber prices per tonne were higher (lower); • the estimated yields per hectare were higher (lower); • the estimated harvest and transportation costs were lower (higher); or • the risk-adjusted discount rates were lower (higher).

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants (continued)

B. Measurement of fair values (continued)

iii. Valuation techniques and significant unobservable inputs (continued)

Ind AS 113.93(d), (h), 99

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used (continued).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Younger standing timber	*Cost approach and discounted cash flows:* The Group considers both approaches, and reconciles and weighs the estimates under each approach based on its assessment of the judgement that market participants would apply. The cost approach considers the costs of creating a comparable plantation, taking into account the costs of infrastructure, cultivation and preparation, buying and planting young trees with an estimate of the profit that would apply to this activity. Discounted cash flows consider the present value of the net cash flows expected to be generated by the plantation at maturity, the expected additional biological transformation and the risks associated with the asset; the expected net cash flows are discounted using risk-adjusted discount rates.	• Estimated costs of infrastructure per hectare (31 March 2023: INR 0.8–1.1, weighted average INR 0.95; 31 March 2022: INR 0.8–1.2, weighted average INR 0.97). • Estimated costs of cultivation and preparation per hectare (31 March 2023: INR 0.2–0.4, weighted average INR 0.3; 31 March 2022: INR 0.3–0.4, weighted average INR 0.35). • Estimated costs of buying and planting young trees (31 March 2023: INR 1.0–1.3, weighted average INR 1.25; 31 March 2022: INR 1.1–1.3, weighted average INR 1.2). • Estimated future timber market prices per tonne (31 March 2023: INR 13.8–19.8, weighted average INR 17.05; 31 March 2022: INR 13.7–19.5, weighted average INR 16.6). • Estimated yields per hectare (31 March 2023: 6–11, weighted average 8.6; 31 March 2022: 7–11, weighted average 8.9). • Risk-adjusted discount rate (31 March 2023: 8.9–9.9%, weighted average 9.4%; 31 March 2022: 9.3–9.9%, weighted average 9.6%).	The estimated fair value would increase (decrease) if: • the estimated costs of infrastructure, cultivation and preparation and buying and planting trees were higher (lower); • the estimated timber prices per tonne were higher (lower); • the estimated yields per hectare were higher (lower); or • the risk-adjusted discount rates were lower (higher).
Livestock Livestock comprises cattle and sheep, characterised as commercial or breeders	*Market comparison technique:* The fair values are based on the market price of livestock of similar age, weight and market values.	Not applicable.	Not applicable.

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants (continued)

B. Measurement of fair values (continued)

iii. Valuation techniques and significant unobservable inputs (continued)

The estimated yields per hectare of pine tree plantations are determined mainly based on the age of the plantation, historical yields, the potential impact of extreme weather events and harvest loss due to disease and pests. Historical yields of younger standing timber have been adjusted downwards by 0.8% (31 March 2022: 0.78%) to reflect potential losses due to severe storms and high winds and by 0.3% (31 March 2022: 0.26%) for all other factors. The risk of potential losses due to fire is reflected in the cash flows by including the estimated cost of fire insurance.

Ind AS 1.31, 112

The Group assessed the impact of climate change on the estimated yields per hectare for younger standing timber. By considering the impact of higher temperatures (an increase of 2ºC by 2050) on the growth rate of pine trees and on the intensity and frequency of storms, the Group concluded that, overall, the positive effects (accelerated growth) and negative effects (increase in the frequency of storms) would have an immaterial impact on yields. Due to the high degree of estimation uncertainty around the impact of climate change on the intensity and frequency of storms, this conclusion may change in the future.

Ind AS 1.125, 129

The fair value of younger timber reflects on average five days per year of intense high winds. Fair value would decrease by INR 323 lakhs assuming 10 days per year of intense high winds.

As described in Note 37(C), a flood occurred in year ended 31 March 2022 in an area near one of the Group's standing timber plantations, temporarily affecting the access roads to it but not the plantation itself. Although employees were temporarily unable to access the plantation, there was no damage to the plantation itself and no significant impact on the fair value of the standing timber.

Ind AS 41.49(c)

C. Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its pine tree plantations. These risks and management's strategies to mitigate them are described below.

i. Regulatory and environmental risks

The Group is subject to environmental and other laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with these laws.

ii. Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

Notes to the consolidated financial statements (continued)

20. Biological assets other than bearer plants (continued)

C. Risk management strategy related to agricultural activities (continued)

iii. Climate-related risks

The Group's pine plantations are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate conditions could intensify one or more of these events. Periods of drought and associated high temperatures may increase the risk of forest fires and insect outbreaks. In addition to their effects on forest yields, extreme weather events may also increase the cost of operations. The Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. The Group has incorporated considerations for climate change into its reforestation practices, such as the establishment and maintenance of fire breaks and increased monitoring during fire danger periods.

Physical risks arising from fires and drought are to a great extent subject to risk transfer and thereby within the cover of the Group's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

Notes to the consolidated financial statements (continued)

21. Investment property[1]

See accounting policy in Note 3(M).

A. Reconciliation of carrying amount

	In lakhs of INR	***Note***	
	Gross carrying amount		
Ind AS 40.79(c)	Balance as at 1 April 2021		350
Ind AS 40.79(d) (i)	Additions		120
Ind AS 40.79(c)	Balance as at 31 March 2022		470
Ind AS 40.79(c)	**Balance as at 1 April 2022**		**470**
Ind AS 40.79(d) (i)	**Additions**		**380**
Ind AS 40.79(d)(vii)	**Reclassification from property, plant and equipment**	***18(F)***	**800**
Ind AS 40.79(c)	**Balance as at 31 March 2023**		**1,650**
	Accumulated depreciation		
Ind AS 40.79(c)	Balance as at 1 April 2021		50
Ind AS 40.79(d)(iv)	Depreciation for the year ended 31 March 2022		20
Ind AS 40.79(c)	Balance as at 31 March 2022		70
Ind AS 40.79(c)	**Balance as at 1 April 2022**		**70**
Ind AS 40.79(d)(iv)	**Depreciation for the year ended 31 March 2023**		**60**
Ind AS 40.79(c)	**Balance as at 31 March 2023**		**130**
Ind AS 40.79(d)	**Carrying amount**		
	As at 31 March 2022		400
	As at 31 March 2023		**1,520**
Ind AS 40.79(e)	**Fair value**		
	As at 31 March 2022		1,050
	As at 31 March 2023		**2,070**

[1] Because Ind AS 40 *Investment Property* makes no reference to making disclosures on a class-by-class basis, it could be assumed that the minimum requirement is to make the disclosures on an aggregate basis for the whole investment property portfolio. If investment property represents a significant portion of the assets, then it may be appropriate to disclose additional analysis – e.g. portfolio by types of investment property.

Notes to the consolidated financial statements (continued)

21. Investment property (continued)

Ind AS 116.92(a)

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 10 years. Subsequent renewals are negotiated with the lessee and historically the average renewal period is four years. Further information about these leases is included in Note 42(B). One property has been transferred from property, plant and equipment (see Note 18) to investment property, since the building was no longer used by the Group and as such it was decided that the building would be leased to a third party.

Ind AS 40.75(c)
Ind AS 1.122

The Group has sublet a vacated warehouse but has not classified this property as investment property because it is not the Group's intention to hold it for long-term capital appreciation or rental. Accordingly, the property is still treated as a lease of property, plant and equipment (see Note 42(A)).

Ind AS 40.75(g)

The Group has no restrictions on the realisability of its investment property.

B. Amounts recognised in profit or loss

Ind AS 40.75(f)(i)–(iii)

Rental income recognised by the Group during the year ended 31 March 2023 was INR 460 lakhs (31 March 2022: INR 302 lakhs) and was included in 'Other income' (see Note 10). Repairs and maintenance expense, included in 'other expenses' (see Note 16), was as follows.

In lakhs of INR	Year ended 31 March 2023	**Year ended 31 March 2022**
Income-generating property	**45**	30
Vacant property	**20**	15
	65	45

C. Measurement of fair values

i. Fair value hierarchy

Sch. III.I.GI.6.L(ii)

The fair value of investment property was determined by an accredited external independent property valuer. The said property valuer is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

Ind AS 113.93(b)

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(E)).

ii. Valuation technique

Ind AS 113.97

The Group follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Notes to the consolidated financial statements (continued)

22. Investments accounted for using the equity method

See accounting policies in Notes 3(A)(v)-(vi) and (Q)(i).

In lakhs of INR	**Note**	31 March 2023	**31 March 2022**
Interest in joint venture	*(A)*	**2,217**	1,048
Interests in associates	*(B)*	**272**	900
Balance at 31 March		**2,489**	1,948

A. Joint venture[1]

Ind AS 112.20(a), 21(a)(i)–(iii), (b)(iii)

Paletel AG (Paletel) is a joint venture in which the Group has joint control and a 40% ownership interest. It is one of the Group's strategic suppliers and is principally engaged in the production of paper pulp in Himmerland, Denmark. Paletel is not publicly listed.

Ind AS 112.7(c), 20(b), 23(a), B18

Paletel is structured as a separate vehicle and the Group has a residual interest in the net assets of Paletel. Accordingly, the Group has classified its interest in Paletel as a joint venture. In accordance with the agreement under which Paletel is established, the Group and the other investor in the joint venture have agreed to make additional contributions in proportion to their interests to make up any losses, if required, up to a maximum amount of INR 6,000 lakhs. This commitment has not been recognised in these consolidated financial statements.

Ind AS 112.21–23, B12–B13

[1] The extent of disclosures required by Ind AS 112 for individually material joint ventures and joint operations is different. For example, the disclosure of summarised financial information, fair value (if there is a quoted market price) and commitments is not required for joint operations.

Notes to the consolidated financial statements (continued)

22. Investments accounted for using the equity method (continued)

A. Joint venture (continued)

Ind AS 112.21(b), B12–B14

The following table summarises the financial information of Paletel as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Paletel.

	In lakhs of INR	31 March 2023	31 March 2022
Ind AS 112.21(a)(iv)	**Percentage ownership interest**	**40%**	40%
IndAS 112.B12(b)(ii)	Non-current assets	**5,953**	3,259
Ind AS 112.B12(b)(i), B13(a)	Current assets (including cash and cash equivalents – 31 March 2023: INR 200 lakhs, 31 March 2022: INR 150 lakhs)	**1,089**	821
Ind AS 112.B12(b)(iv), B13(c)	Non-current liabilities (including non-current financial liabilities excluding trade and other payables and provisions– 31 March 2023: INR 1,211 lakhs, 31 March 2022: INR 986 lakhs)	**(1,716)**	(1,320)
Ind AS 112.B12(b)(iii), B13(b)	Current liabilities (including current financial liabilities excluding trade and other payables and provisions – 31 March 2023: INR 422 lakhs, 31 March 2022: INR 930 lakhs)	**(543)**	(1,130)
	Net assets (100%)	**4,783**	1,630
	Group's share of net assets (40%)	**1,913**	652
	Elimination of unrealised profit on downstream sales	**(96)**	(4)
	Goodwill	**400**	400
	Carrying amount of interest in joint venture	**2,217**	1,048
Ind AS 112.B12(b)(v)	Revenue	**25,796**	21,405
Ind AS 112.B13(d)	Depreciation and amortisation	**(445)**	(350)
Ind AS 112.B13(f)	Interest expense	**(396)**	(218)
Ind AS 112.B13(g)	Income tax expense	**(1,275)**	(290)
Ind AS 112.B12(b)(vi)	Profit	**3,243**	1,035
Ind AS 112.B12(b)(ix)	Other comprehensive income	**418**	(345)
	Total Comprehensive income (100%)	**3,661**	690
	Group's share of profit (40%)	**1,297**	414
	Group's share of other comprehensive income (40%)	**167**	(138)
	Group's share of Total comprehensive income (40%)	**1,464**	276
	Elimination of unrealised profit on downstream sales	**(92)**	(4)
	Group's share of total comprehensive income	**1,372**	272
Ind AS 112.B12(a)	**Dividends received by the Group**	-	-

Notes to the consolidated financial statements (continued)

22. Investments accounted for using the equity method (continued)

B. Associates

Ind AS 112.20, 21(a)(i)–(iii), (b)(iii)

On 30 June 2022, the Group's equity interest in its material associate, Papyrus, increased from 25 to 90% and Papyrus became a subsidiary from that date (see Note 8). Papyrus is one of the Group's strategic suppliers and is principally engaged in the production of paper pulp in Kentucky, United States. Papyrus is not publicly listed.

Ind AS 112.21(b), B12–B14

The following table summarises the financial information of Papyrus as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Papyrus. The information for the year ended 31 March 2022 presented in the table includes the results of Papyrus for the period from 1 April 2021 to 31 March 2022. The information for the year ended 31 March 2023 includes the results of Papyrus only for the period from 1 April 2022 to 30 June 2022, because Papyrus became a subsidiary on 30 June 2022.

Reference	*In lakhs of INR*	31 March 2023	**31 March 2022**
Ind AS 112.21(a)(iv)	**Percentage ownership interest**	**25%**	25%
Ind AS 112.B12(b)(ii)	Non-current assets	-	1,280
Ind AS 112.B12(b)(i)	Current assets	-	1,975
Ind AS 112.B12(b)(iv)	Non-current liabilities	-	(1,087)
Ind AS 112.B12(b)(iii)	Current liabilities	-	(324)
	Net assets (100%)	-	1,844
	Group's share of net assets (25%)	-	461
	Elimination of unrealised profit on downstream sales	-	(8)
	Carrying amount of interest in associate	-	453
Ind AS 112.B12(b)(v)	Revenue	**7,863**	19,814
Ind AS 112.B12(b)(vi)	Profit from continuing operations (100%)	**271**	857
Ind AS 112.B12(b)(viii)	Other comprehensive income (100%)	**(408)**	(284)
Ind AS 112.B12(b)(ix)	Total comprehensive income (100%)	**(137)**	573

Notes to the consolidated financial statements (continued)

22. Investments accounted for using the equity method (continued)

B. Associates (continued)

In lakhs of INR	31 March 2023	31 March 2022
Total comprehensive income (25%)	(34)	143
Elimination of unrealised profit on downstream sales	1	(1)
Group's share of total comprehensive income	(33)	142

Ind AS 112.7(b), 12.9(e), Ind AS 1.122

The Group also has interests in a number of individually immaterial associates. For one of these associates, the Group owns 20% of the equity interests but has less than 20% of the voting rights; however, the Group has determined that it has significant influence because it has meaningful representation on the board of the investee.

Ind AS 112.21(c), B16

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates.[2]

In lakhs of INR	31 March 2023	31 March 2022
Carrying amount of interests in associates	272	447
Share of:		
– (Loss)/ Profit from continuing operations	(133)	(36)
– OCI	(57)	38
	(190)	2

Ind AS 112.22(c)

The Group has not recognised losses totalling INR 15 lakhs (31 March 2022: nil) in relation to its interests in associates, because the Group has no obligation in respect of these losses.

During the year ended 31 March 2023, the Group obtained and repaid a loan of INR 200 lakhs received from one of its associates (see Notes 34 and 45(C)).

Ind AS 112.21(a)

[2] The extent of disclosures required by Ind AS 112, Disclosure of Interest In Other Entities, for individually material interests in joint arrangements and associates differs from that for individually immaterial interests. For example, required financial information may be disclosed in aggregate for all individually immaterial associates .

Notes to the consolidated financial statements (continued)

23. Non-controlling interests

Ind AS 112.10(a)(ii), 12(c)-(g), B10–B11

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 March 2023 *In lakhs of INR*	**Papyrus Pty Limited**	**Oy Kossu AG**	**Swissolote AG**	**Maple-leaf Inc**	**Silver Fir S.A.**	**Other individually immaterial subsidiaries**	**Intra-group eliminations**	**Total** [1]
NCI percentage [2]	10%	10%	25%	55%	52%			
Non-current assets	2,500	9,550	7,438	1,550	4,948			
Current assets	1,780	5,120	1,115	890	1,272			
Non-current liabilities	(715)	(5,230)	(6,575)	(1,280)	(533)			
Current liabilities	(43)	(5,084)	(915)	(442)	(1,018)			
Net assets	3,522	4,356	1,063	718	4,669			
Net assets attributable to NCI/accumulated NCI	352	436	266	395	2,428	7	(80)	3,804
Revenue	20,409	10,930	9,540	8,112	15,882			
Profit	450	566	410	245	309			
OCI	25	-	-	44	-			

1 Although it is not required by Ind AS 112, the Group has reconciled the summarised financial information about subsidiaries with material NCI to the total amounts in the financial statements. This disclosure is voluntary and is provided for illustrative purposes only.

Ind AS 112.12(d)

2 If the proportion of voting rights held by non-controlling interests is different from the proportion of ownership interests held, the same should be disclosed separately.

Notes to the consolidated financial statements (continued)

23. Non-controlling interests (continued)

31 March 2023 *In lakhs of INR*	Papyrus Pty Limited	Oy Kossu AG	Swissolote AG	Maple-leaf Inc	Silver Fir S.A.	Other individually immaterial subsidiaries	Intra-group eliminations	Total[3]
Total comprehensive income	475	566	410	289	309			
Profit allocated to NCI	45	57	103	135	161	3	(7)	497
OCI allocated to NCI	3	-	-	24	-	-	(1)	26
Cash flows from/ (used in) operating activities	430	210	166	(268)	(135)			
Cash flows from/ (used in) investment activities	(120)	510	75	-	(46)			
Cash flows from/ (used in) financing activities (dividends to NCI: nil)	12	(600)	(320)	-	130			
Net increase (decrease) in cash and cash equivalents	322	120	(79)	(268)	(51)			

3 Although it is not required by Ind AS 112, the Group has reconciled the summarised financial information about subsidiaries with material NCI to the total amounts in the financial statements. This disclosure is voluntary and is provided for illustrative purposes only.

Notes to the consolidated financial statements (continued)

23. Non-controlling interests (continued)

31 March 2022 *In lakhs of INR*	Papyrus Pty Limited**	Oy Kossu AG Restated*	Swissolote AG Restated*	Maple-leaf Inc	Silver Fir S.A.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
NCI percentage	-	10%	40%	55%	52%			
Non-current assets	-	9,120	7,322	1,394	4,874			
Current assets	-	4,960	1,278	850	638			
Non-current liabilities	-	(5,900)	(6,900)	(1,200)	-			
Current liabilities	-	(4,390)	(1,047)	(615)	(1,152)			
Net assets	-	3,790	653	429	4,360			
Net assets attributable to NCI/ accumulated NCI	-	379	261	236	2,267	2	(54)	3,091
Revenue	-	8,660	9,390	6,259	13,743			
Profit	-	150	252	236	285			
OCI	-	-	-	40	-			
Total comprehensive income	-	150	252	276	285			

Notes to the consolidated financial statements (continued)

23. Non-controlling interests (continued)

31 March 2022 *In lakhs of INR*	Papyrus Pty Limited**	Oy Kossu AG Restated*	Swissolote AG Restated*	Maple-leaf Inc	Silver Fir S.A.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Profit allocated to NCI	-	15	101	130	148	(5)	(38)	351
OCI allocated to NCI	-	-	-	22	-	-	-	22
Cash flows from/ (used in) operating activities	-	300	115	530	(100)			
Cash flows from/ (used in) investment activities	-	(25)	(40)	(788)	(30)			
Cash flows from/ (used in) financing activities (dividends to NCI: nil)	-	(200)	(50)	190	130			
Net increase (decrease) in cash and cash equivalents	-	75	25	(68)	-			

* See Note 48.

** On 30 June 2022, the Group's equity interest in Papyrus increased from 25 to 90% and Papyrus became a subsidiary from that date (see Note 8). Accordingly, the information relating to Papyrus is only for the period from 1 July 2022 to 31 March 2023.

Notes to the consolidated financial statements (continued)

24. Investments

See accounting policies in Notes 3(O) and (Q)(i).

In lakhs of INR		31 March 2023	31 March 2022
	A. Non-current investments		
Ind AS 107.8(f)	**Investments at amortised cost**		
	Investments in Redeemable debentures		
	Quoted		
	23,420 (31 March 2022 : 22,400) debentures of P Ltd.	**2,481**	2,256
	Less : Loss allowance in investment value	**(60)**	(13)
	Net investment value	**2,421**	2,243
Ind AS 107.8(h), 11A	**Investments designated at fair value through other comprehensive income**		
Ind AS 107.8(h)(ii)	*Investments in Equity instruments*		
	Quoted		
	22,500 (31 March 2022 : 17,800) equity shares of MSE Limited (Face value INR 10 each (31 March 2022 : INR 10 each)	**710**	511
	Investments in Redeemable debentures		
	Unquoted		
	4,200 (31 March 2022 : 6,750) debentures of M Pvt. Ltd.	**118**	373
Ind AS 107.8(a)	**Investments mandatorily at fair value through profit and loss**		
	Investment in equity instruments		
	Quoted		
	600 (31 March 2022 : 650) equity shares of XYZ Limited (Face value INR 2 each (31 March 2022 : INR 2 each)	**251**	254
		3,500	3,381
	Aggregate book value of quoted investments	**3,382**	3,008
	Aggregate market value of quoted investments	**3,833**	3,081
	Aggregate value of unquoted investments	**118**	373
	Aggregate amount of impairment in value of investments	**62**	13

Notes to the consolidated financial statements (continued)

24. Investments (continued)

In lakhs of INR	**31 March 2023**	31 March 2022
B. Current investments		
Investments mandatorily at fair value through profit and loss		
Investment in Government debt securities		
Quoted		
430 (31 March 2022: 660) government debt securities	**243**	591
	243	591
Aggregate book value of quoted investments	**243**	591
Aggregate market value of quoted investments	**243**	591
Aggregate value of unquoted investments	**-**	-
Aggregate amount of impairment in value of investments[1]	**-**	-

Ind AS 107.8(a)

Ind AS 107.7

Redeemable debentures classified as at amortised cost have interest rates of 6.3 to 7.8% (31 March 2022: 7.5 to 8.3%) and mature in two to five years. Redeemable debentures measured at FVOCI have stated interest rates of 5.2 to 7.0% (31 March 2022: 6.5 to 8.0%) and mature in two to three years

Government debt securities at FVTPL have stated interest rates of 3.5 to 4.0% (31 March 2022: 3.2 to 3.8%). Government debt securities and equity instruments at FVTPL are held for trading.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 41(C) .

Sch III.GN. 8.1.8.3

1. As per Ind AS 109, in case of debt investments measured at fair value through other comprehensive income, the fair value changes will be presented in other comprehensive income. A company shall estimate a portion of fair value change, if any, attributable to a change in credit risk of such investment, by applying the impairment requirements of Ind AS 109 in recognising and measuring the loss allowance and disclose the same in the profit and loss section of the statement of profit and loss with a corresponding impact in other comprehensive income section. In other words, the company shall not reduce the carrying amount (which is the fair value) of such investment in the balance sheet as it already includes the effect of credit risk. Hence, investment needs to be presented at fair value.

Notes to the consolidated financial statements (continued)

24. Investments (continued)

Equity securities designated as at fair value through other comprehensive income

Ind AS 107.11A

The Group designated the investments shown below as equity instruments at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

In lakhs of INR	Fair value at 31 March 2023	Fair value at 31 March 2022	Dividend income recognised during 2023	Dividend income recognised during 2022
Investment in MSE Limited	**710**	511	**26**	32
	710	511	**26**	32

Ind AS 107.11A(e)

No strategic investments were disposed of during the year ended 31 March 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Notes to the consolidated financial statements (continued)

25. Inventories

See accounting policy in Notes 3 (J) and 3 (D).

In Lakhs of INR		31 March 2023	31 March 2022
Ind AS 1.78(c), 2.36(b), Sch III GN. 8.1.13.	Raw materials (including raw material-In-transit amounting to INR 415 lakhs (31 March 2022: INR 512 lakhs)	7,415	6,914
Ind AS 1.78(c), 2.36(b)	Work-in-progress	625	600
Ind AS 1.78(c), 2.36(b)	Finished goods	3,100	3,785
Ind AS 1.78(c), 2.36(b)	Stock-in-trade	475	320
	Right to recover returned goods[1]	533	500
	Inventories	**12,148**	12,119
Ind AS 2.36(h)	Carrying amount of inventories pledged as security for liabilities	2,450	5,090

Ind AS 2.36(e)–(g), Ind AS 1.98(a)

During the year ended 31 March 2022, due to regulatory restrictions imposed on the manufacture of a new product in the Non-recycled Papers segment, the Group tested the related product line for impairment (see Note 19(C)(ii)) and wrote down the related inventories to their net realisable value, which resulted in a loss of INR 42 lakhs.

During the year ended 31 March 2023, following a change in estimates, INR 10 lakhs of the write-down was reversed.

In addition, inventories of finished goods have been reduced by INR 345 lakhs (31 March 2022: INR 125 Lakhs) as a result of the write-down to net realisable value.

The write-downs and reversals are included in changes in inventories of finished goods.

Ind AS 115 .B21

[1] Ind AS 115 and other standards do not specify where assets for rights to recover products from customers with regards to sales with a right of return should be presented. The Group has included the assets in 'inventories' and disclosed them separately in the note. Other presentation (e.g. other current assets) may also be acceptable provided it is appropriately disclosed by the entity and is followed consistently.

Notes to the consolidated financial statements (continued)

Sch III – Div II

26. Trade receivables

See accounting policies in Notes 3(O)(i)-(ii) and(Q)(i).

In lakhs of INR	31 March 2023	31 March 2022
Trade receivables		
Trade receivables considered good - secured	**3,880**	1,771
Trade receivables considered good - unsecured	**28,300**	20,226
Trade receivables which have significant increase in credit risk[1]	**-**	-
Trade receivables - credit impaired	**223**	216
Total Trade Receivables	**32,403**	22,213
Less: Loss allowance	**(309)**	(203)
Net Trade receivables[2]	**32,094**	22,010

Ind AS 24.18(b), (c)

Of the above, trade receivables from related parties are as below:		
Trade receivables due from related parties	**1,242**	645
Loss allowance -	**(6)**	(3)
Net trade receivables	**1,236**	642

For terms and conditions of trade receivables owing from related parties, see Note 45

Notes to the consolidated financial statements (continued)

26. Trade receivables (continued)

Sch III, GN Sch III 8.1.9, 8.1.15

Ageing of trade receivables

As at 31 March 2023

Particulars	Unbilled[3]	Not due	Outstanding for following periods from due date of payment[4]					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	-	760	25,481	4,645	1,040	190	-	32,116
Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables- credit impaired	-	-	-	-	36	85	102	223
Disputed Trade receivables- considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-

Notes to the consolidated financial statements (continued)

26. Trade receivables (continued)

Ageing of trade receivables (continued)

Sch III
GN Sch III 8.1.9
GN Sch III 8.1.15

As at 31 March 2022

Particulars	Unbilled[3]	Not due	Outstanding for following periods from due date of payment[4]					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	-	844	14,641	4,172	1,056	120	-	20,833
Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables- credit impaired	-	-	-	-	64	70	82	216
Disputed Trade receivables- considered good	-	-	1,123	-	-	-	-	1,123
Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 41(C).

Notes to the consolidated financial statements (continued)

26. Trade receivables (continued)

Transfer of trade receivables[5]

Ind AS 107, 42D(a)–(c)

The Group sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet, because the Group retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a secured bank loan (see Note 34). The arrangement with the bank is such that the customers remit cash directly to the Group and the Group transfers the collected amounts to the bank.

The receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities.

Ind AS 107.42D(e)

In lakhs of INR	**31 March 2023**	**31 March 2022**
Carrying amount of trade receivables transferred to a bank	**600**	1,000
Carrying amount of associated liabilities	**598**	985

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Sch.III.GN.8.1.9.

1 For trade receivables and contract assets under Ind AS 115 that do not contain a significant financing component, an entity is required to apply a simplified approach while for trade receivables and contract assets under Ind AS 115 that contain a significant financing component, and for lease receivables, a choice between a general approach or a simplified approach is available. If the entity choses to calculate impairment under the general approach for trade receivables and contract assets containing significant financing component, then the disclosure for different categories of Trade Receivables including for trade receivable with significant increase in credit risk would be required. However, when the impairment is calculated under the simplified approach for trade receivables, an entity is not required to separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure of trade receivables in the manner as required by Schedule III for significant increase in credit risk is not required except when a company has a trade receivable for which credit risk is assessed individually. Further, the disclosure of 'trade receivables – credit impaired' will be made if such trade receivables meet the definition of 'credit impaired' as per Ind AS 109. Based on the Group's assessment, it does not have any trade receivables with significant credit risk.

The Group uses simplified approach to calculate impairment on trade receivables and has not assessed credit risk individually. This disclosure (of significant increase in credit risk) has been made for illustrative purpose only.

Sch III

2 Schedule III Division II requires disclosures for trade receivables due from directors or other officers of the company either severally or jointly with any other person or due from firms or private companies respectively in which any director is a partner, a director or a member. However, the group does not have such outstanding receivables requiring disclosure.

Sch III, Ind As 115.107

3 The group does not have any unbilled due which meets the definition of a 'receivable' as per the requirement of Ind AS 115 (i.e. entity's right to consideration that is unconditional). This has been disclosed only for illustrative purpose in the ageing schedule.

Sch III

4 The ageing of the trade receivables needs to be determined from the due date of the invoice. Due date is generally considered to be the date on which the payment of an invoice falls due. In case if the due date is neither agreed in writing nor orally, then the ageing related disclosure needs to be prepared from the transaction date.

5 There is no specific guidance in Ind AS on the classification of cash flows from factoring arrangements – e.g. whether the entity should classify the cash inflows from the factor as operating or financing in the statement of cash flows. The primary consideration for the classification of cash flows is the nature of the activity to which they relate and judgement may be needed to apply this to factoring arrangements.

Considering that the Group has classified the cash inflows as borrowings, it has presented a financing cash inflow for the proceeds received from the bank, followed by an operating cash inflow for the proceeds received from the customer and a financing cash outflow for the settlement of amounts due to the bank.

Notes to the consolidated financial statements (continued)

Sch III.I.GI.B.V..

27A. Loans

See accounting policies in Notes 3(O)(i)-(ii) and(Q)(i).

(unsecured considered good unless otherwise stated).

In lakhs of INR	Note	31 March 2023	31 March 2022
Loans to related parties			
Loans to directors	*45*	**55**	22
Other loans			
Loans to employees		**26**	13
Loss allowance*		**(3)**	(3)
Net loans		**78**	32

All loans are 'current'

*The loss allowance on loans including those to directors has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans considered good on the basis that credit risk exists even though it may be very low.

Sch III.I.GI.B.V..

27B. Other assets

See accounting policies in Notes 3(E) and(Q)(i).

		31 March 2023		31 March 2022	
In lakhs of INR	Note	Non-current	Current	Non-current	Current
Contract assets		**-**	**1,280**	-	792
Less: Loss allowance	*41(C)*	**-**	**(9)**	-	(10)
Contract assets (net)		**-**	**1,271**	-	782
Net defined benefit asset – Gratuity plan	*35*	**671**	**-**	731	-
Prepayments		**-**	**330**	-	720
		671	**1,601**	731	1,502

Notes to the consolidated financial statements (continued)

28. Other financial assets

See accounting policies in Notes 3(O)(v), (S)(ii) and (Q)(i)

			31 March 2023		31 March 2022	
	In lakhs of INR	Note	Non-current	Current	Non-current	Current
Sch.III.GN.8.1.11	Finance lease receivables	*42B*	**323**	**103**	281	35
	Less: Loss allowance		**(2)**	**-**	(1)	-
	Finance lease receivables (net)		**321**	**103**	280	35
Ind AS 107.22B(a)	**Derivatives**					
	Interest rate swap used for hedging		**116**	**-**	131	-
	Forward exchange contracts used for hedging			**297**	-	352
	Other forward exchange contracts		**-**	**122**	-	89
			437	**522**	411	476

Notes to the consolidated financial statements (continued)

29. Cash and cash equivalents

See accounting policies in Notes 3(O)(i)–(ii) and (Q)(i).

Sch III

In lakhs of INR	**31 March 2023**	31 March 2022
Balances with Bank[1]		
-On Current account	**50**	988
-Deposits with original maturity of less than three months[2]	**1,112**	511
Cheques, drafts on hand	**102**	-
Cash on hand	**25**	20
Cash and cash equivalents in the balance sheet	**1,289**	1,519
Bank overdrafts repayable on demand and used for cash management purposes (Ind AS 7.8)	**(334)**	(282)
Cash and cash equivalents in the statement of cash flows	**955**	1,237

Ind AS 7.48,49
Sch III.GN.8.1.11

Bank balance includes INR 7 lakhs (31 March 2022: INR 7 lakhs) held in foreign country which are not freely remissible because of exchange restrictions

Ind AS 1.31

An amount of INR 300 lakhs (31 March 2022: Nil) included in demand deposits is subject to restrictions imposed by certain customers. While the amount can be withdrawn at any time from the bank without penalty, the agreements with the customers require the Group to keep an aggregate amount of INR 300 lakhs in a demand deposit account and to use it only for the purpose of meeting warranty claims arising in the next 12 months (see Note 38(A))

30. Bank balances other than cash and cash equivalents

Sch III

In lakhs of INR	**31 March 2023**	31 March 2022
Deposits with banks with original maturity of more than three months but less than twelve months	**240**	350
	240	350

Sch III.GN.8.1.16

[1] Earmarked balances with banks (for e.g., for unpaid dividend) should be separately stated. Also, balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.

[2] Interest accrued on deposits is included in the carrying value of financial asset as these assets are measured at amortised cost.

Notes to the consolidated financial statements (continued)

31A. Share Capital

See accounting policies in Notes 3(B)(i)-(ii), (E)(iv), (O)(ii), (O)(iv),(v), (P) and (W).

A. Share capital

In lakhs of INR

Ind AS 1.79(a)(i), (iii)

Authorised	31 March 2023	31 March 2022
10,000 lakh (31 March 2022: 10,000 lakh) equity shares of INR 3 each	30,000	30,000
2,000 lakh (31 March 2022: 2,000 lakh) 8.34% compulsorily convertible non-cumulative preference shares of INR 3 each	6,000	6,000
1,000 lakh (31 March 2022: Nil) 12.4% redeemable non-cumulative preference shares of INR 2 each	2,000	-

Ind AS 1.79(a)(ii)

Issued, subscribed and paid-up[1]		
3,243 lakh (31 March 2022: 3,100 lakh) equity shares of INR 3 each	9,729	9,300
1,750 lakh (31 March 2022: 1,750 lakh) 8.34% compulsorily convertible non-cumulative preference shares of INR 3 each	5,250	5,250
	14,979	14,550

1,000 lakh 12.40% redeemable non-cumulative preference shares of INR 2 each (total face value of INR 2,000) have been issued during the year and are classified as financial liability (see Note 34).

All issued shares are fully paid up[2].

[1] Calls unpaid if any, should be reduced and disclosed under each category of shares as-:

Calls unpaid on XX (31 March 2022: Nil) equity shares of INR XX each

— By directors and officers

— By others

Sch III.II.GI.D.I(b) [2] An entity discloses the number of shares issued but not fully paid.

Notes to the consolidated financial statements (continued)

31A. Share Capital (continued)

Ind AS 1.79 (a)(iv)

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

In lakhs of INR	31 March 2023		31 March 2022	
	Number	Amounts	Number	Amounts
Equity shares				
At the commencement of the period	3,100	9,300	3,100	9,300
Shares issued on exercise of employee stock options	5	15	-	-
Shares issued for cash	130	390	-	-
Shares issued in business combination	8	24		
At the end of the period	**3,243**	**9,729**	**3,100**	**9,300**

Ind AS 1.79 (a)(ii)

Ind AS 1.79(a)

In October 2022, the general meeting of shareholders approved the issue of 130 lakhs equity shares at a price of INR 11.92 per share (31 March 2022: Nil).

Ind AS 1.79(a)

Additionally, 5 lakhs equity shares were issued as a result of the exercise of vested options arising from the 2017 share option programme granted to key management personnel (31 March 2022: Nil) (see Note 36). Options were exercised at an average price of INR 10 per share.

Ind AS 7.43

During the year ended 31 March 2023, 8,lakhs equity shares were also issued as a result of the acquisition of Papyrus (see Note 8(A)) (31 March 2022: Nil).

In lakhs of INR	31 March 2023		31 March 2022	
	Number	Amounts	Number	Amounts
8.34% compulsorily convertible non-cumulative preference shares				
At the commencement and end of the period	1,750	5,250	1,750	5,250

Notes to the consolidated financial statements (continued)

31A. Share Capital (continued)

Reconciliation of shares outstanding at the beginning and at the end of the reporting period (continued)

1,000 lakh 12.40% redeemable non-cumulative preference shares of INR 2 each (total face value of INR 2,000) have been issued during the year and are classified as financial liability (see Note 34).

The group has also issued share options and has a share purchase plan for its employees. (see Note 36)

Ind AS 1.79(a)(v)

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Ind AS 1.79(a)(v)

Rights, preferences and restrictions attached to preference shares

Compulsorily convertible non-cumulative preference shares were issued at par in December 2020 and each share is convertible by its holder into one equity share of par value INR 3 at any time on or after 1 April 2025 but not later than 31 December 2027. Failing this, preference shares shall be converted into equity shares by the Company on 31 December 2027. The holders of these shares are entitled to a non-cumulative dividend of 8.34%[3] .

For rights, preferences and restrictions attached to 12.40% redeemable, non-cumulative preference shares of INR 2 each, classified as financial liability, see Note 34.

Preference shares of both classes carry a preferential right as to dividend over equity shareholders. Where dividend is not declared in respect of a financial year in the case of non-cumulative preference shares, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the company directly affecting their rights. However, a preference shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

Employee stock options/ share purchase plan

Terms attached to stock options granted/ share purchase plan to employees are described in Note 36 regarding share-based payments.

[3] In these illustrative financial statements it is assumed that the convertible non-cumulative preference share are compulsorily convertible in all cases. In a specific case, the exact facts and conditions need to be evaluated.

Notes to the consolidated financial statements (continued)

31A. Share Capital (continued)

Ind AS .79(a)(vi), Sch III.I.GI.6.D.I (f)

Shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates[4]

In lakhs of INR	31 March 2023		31 March 2022	
	Number	Amounts	Number	Amounts
Equity shares of INR 3 each fully paid up held by[5] holding company	**2,263**	**6,789**	2,263	6,789

Sch III.I.GI. 6.D.I (g)

Particulars of shareholders holding more than 5% shares of a class of shares

In lakhs of INR	31 March 2023		31 March 2022	
	Number	% of holding	Number	% of holding
Equity shares of INR 3 each fully paid-up held by				
- Brown Products Corporation (holding company as at 31 March 2022)	**-**	**-**	2,263	73%
- Cameron Paper Co (holding company as at 31 March 2023)	**2,263**	**70%**	-	-
- Red Corporation	**217**	**7%**	217	7%
8.34% compulsorily convertible non-cumulative preference shares of INR 3 each held by				
- Green Products Limited	**525**	**30%**	525	30%
- Red Corporation	**175**	**10%**	175	10%

[4] Disclosure is required of shares in respect of each class in the company held by its holding company or ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate for each category.

[5] This disclosure is on the basis of legal ownership except where information regarding beneficial ownership is available from the records of the company or from the depositories.

Notes to the consolidated financial statements (continued)

31A. Share Capital (continued)

Ind AS 1.79(a)(vii)

Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestment:[6]

In lakhs of INR	31 March 2023		31 March 2022	
	Number	Amounts	Number	Amounts
a. Under Employee Stock Option Scheme, 2022: 475 lakh equity shares of INR 3 each, at an exercise price of INR 10.9 per share (see Note 36)	**475**	**1,425**	-	-
b. Under Employee Stock Option Scheme, 2021: 200 lakh equity shares of INR 3 each, at an exercise price of INR 10.5 per share (see Note 36)	**200**	**600**	200	600
c. Under Employee Stock Option Scheme, 2017: 400 lakh equity shares of INR 3 each, at an exercise price of INR 10 per share (see Note 36)	**325**	**975**	350	1,050
d. For compulsorily convertible non-cumulative preference shares: 1,750 lakh equity shares of INR 3 each	**1,750**	**5,250**	1,750	5,250
e. For convertible debentures: 250 lakh equity shares of INR 3 each (see Note 34)	**250**	**750**	-	-

The Group also has a share purchase plan for its employees (see Note 36).

Sch III.GI.6.D.I (i)

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date[7]**:**

During the five-year period ended 31 March 2023 (31 March 2022):

8 lakh (31 March 2022: nil) equity shares of INR 3 each have been allotted as fully paid up pursuant to acquisition of Papyrus Pty Limited (see Note 8(A)).

Ind AS 1.79(a)(vii) [6] An entity discloses details of shares reserved for issue under options and sales contracts, including the terms and amounts.

[7] Schedule III also requires an entity to disclose details for last five years in respect of any shares issued by way of bonus shares; and shares bought back. In these illustrative financial statements it is assumed that there has been no buy back or bonus issue in the last 5 years.

Notes to the consolidated financial statements (continued)

31A. Share Capital (continued)

Sch III.I.GI.6.D.I (m)

Shareholding of promoters[8]

As at 31 March 2023

	Promoter name	No. of shares at the commencement of the period (in lakhs)	Change during the year	No. of shares at the end of the period (in lakhs)	% of total shares	% change during the year
Equity shares of INR 3 each fully paid-up	**Promoter A**	**62**	**-**	**62**	**2%**	**-**

As at 31 March 2022

	Promoter name	No. of shares at the commencement of the period (in lakhs)	Change during the year	No. of shares at the end of the period (in lakhs)	% of total shares	% change during the year
Equity shares of INR 3 each fully paid-up	Promoter A	62	-	62	2%	-

Sch III. I.GI.6.D.I.(i) (d)

31B Other equity – Reserves and surplus

A. Movement in reserves and surplus

In lakhs of INR

Reserves and surplus	***Note***	**31 March 2023**	31 March 2022
Securities premium	*i.*	**4,773**	3,500
Share options outstanding account	*ii.*	**1,420**	560
Retained earnings	*iii.*	**19,189**	13,273
Total reserves and surplus		**25,382**	17,333

i. Securities premium	**31 March 2023**	31 March 2022
Opening balance	**3,500**	3,500
Issue of equity shares for cash	**1,160**	-
Issue of equity shares pursuant to business combination	**63**	-
Share options exercised	**50**	-
Closing balance	**4,773**	3,500

8 'Promoters' for purpose of this disclosure means promoters as defined under Section 2(69) of the Companies Act, 2013. Disclosure is required to be given separately for each class of shares. Percentage change during the year shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Notes to the consolidated financial statements (continued)

31B. Other equity – Reserves and surplus (continued)

Movement in reserves and surplus (continued)

ii. Share options outstanding account	31 March 2023	31 March 2022
Opening balance	**560**	310
Equity settled share based payments	**755**	250
Transfer to securities premium	**(15)**	-
Issue of equity shares pursuant to business combination	**120**	-
Closing balance	**1,420**	560

iii. Retained earnings	31 March 2023	31 March 2022
Opening balance	**13,273**	8,187
Profit for the year	**7,055**	5,623
Remeasurements of defined benefit liability (asset)	**17**	(8)
Share of OCI in joint ventures and associates	**180**	(5)
Dividends	**(1,243)**	(524)
Acquisition of non-controlling interests	**(93)**	-
Closing balance	**19,189**	13,273

B. Nature and purpose of reserves

Ind AS 1.79(b)

Securities premium

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

Ind AS 1.79(b)

Share options outstanding account

The Group has established various equity-settled share-based payment plans for certain categories of employees of the Group. See Note 36 for further details on these plans.

C. Dividends

Ind AS 1.107

The following dividends were declared and paid by the Company during the year:

In lakhs of INR	31 March 2023	31 March 2022
INR 0.2682 per equity share (31 March 2022: INR 0.0487)	**870**	151
INR 0.2134 per compulsorily convertible non-cumulative preference shares (31 March 2022: INR 0.2134)	**373**	373
	1,243	524

Notes to the consolidated financial statements (continued)

31B. Other equity – Reserves and surplus (continued)

C. Dividends (continued)

Ind AS 1.137(a), Ind AS 10.13, Ind AS 12.81(i)

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

In lakhs of INR	31 March 2023	31 March 2022
INR 0.2344 per equity share (31 March 2022: INR 0.2682)	**760**	870
INR 0.2134 per compulsorily convertible non-cumulative preference shares (31 March 2022: INR 0.2134)	**373**	373
	1,133	1,243

A "dividend" of INR 0.064 per redeemable non-cumulative preference share has been proposed by directors subject to approval at the annual general meeting. Since the aforesaid preference shares have been classified as 'financial liability', the aforesaid amount has been shown as part of finance cost.

31C Other equity - Analysis of accumulated OCI, net of tax

a. Other items of OCI

i. Cost of hedging

In lakhs of INR

	31 March 2023	31 March 2022
Opening balance	**(27)**	(35)
Changes in fair value	**22**	7
Reclassified to profit or loss	**5**	2
Costs of hedging transferred to the cost of inventory	**4**	(1)
Closing balance	**4**	(27)

Notes to the consolidated financial statements (continued)

Ind AS 1.106(d)(ii), 106A

31C. Other Equity - Analysis of accumulated OCI, net of tax (continued)[9]

b. Disaggregation of changes in items of OCI

Reference	*In lakhs of INR*	Exchange differences on translation of foreign operations (see (C)(i))	Effective portion of cash flow hedges (see (C)(ii))	Debt instruments through OCI (see (C)(iv))	Equity instruments through OCI (see (C)(iii))	Cost of hedging (see (C)(v))	Total attributable to the owners of the Company	Attributable to NCI (see Note 23)	Total OCI
		Attributable to the owners of the Company							
	Year ended 31 March 2023								
Ind AS 107.20(a)(vii)	Fair value changes on equity investments through OCI	**-**	**-**	-	**94**	**-**	**94**	**-**	**94**
Ind AS 21.52(b)	Exchange differences on translating financial statements of foreign operations	**653**	**-**	**-**	**-**	**-**	**653**	**26**	**679**
Ind AS 21.52(b)	Reclassification of exchange differences on loss of significant influence	**(20)**	**-**	**-**	**-**	**-**	**(20)**	**-**	**(20)**
Ind AS 21.52(b)	Net loss on hedge of net investment in foreign operation	**(3)**	**-**	**-**	**-**	**-**	**(3)**	**-**	**(3)**
Ind AS 107.24C(b)(ii)	Effective portion of gains (losses) on hedging instruments in cash flow hedges	**-**	**(41)**	**-**	**-**	**-**	**(41)**	**-**	**(41)**
Ind AS 107.24C(b)(iv)	Effective portion of gains (losses) on hedging instruments in cash flow hedges reclassified to profit or loss	**-**	**(21)**	**-**	**-**	**-**	**(21)**	**-**	**(21)**
	Cost of hedging – changes in fair value	**-**	**-**	**-**	**-**	**22**	**22**	**-**	**22**
	Cost of hedging – reclassified to profit or loss	**-**	**-**	**-**	**-**	**5**	**5**	**-**	**5**
Ind AS 107.20(a)(viii)	Fair value changes in Debt instruments through OCI	**-**	**-**	**36**	**-**	**-**	**36**	**-**	**36**
Ind AS 107.20(a)(viii)	Fair value changes in Debt instruments through OCI reclassified to profit or loss	**-**	**-**	**(43)**	**-**	**-**	**(43)**	**-**	**(43)**
	Share of OCI in associates and joint ventures	**(172)**	**-**	**-**	**-**	**-**	**(172)**	**-**	**(172)**
	Total	**458**	**(62)**	**(7)**	**94**	**27**	**510**	**26**	**536**
	Year ended 31 March 2022								
Ind AS 107.20(a)(vii)	Fair value changes on equity investments through OCI	-	-	-	41	-	41	-	41
Ind AS 21.52(b)	Exchange differences on translating financial statements of foreign operations	449	-	-	-	-	449	22	471
Ind AS 21.52(b)	Net loss on hedge of net investment in foreign operation	(8)	-	-	-	-	(8)	-	(8)
Ind AS 107.24C(b)(ii)	Effective portion of gains (losses) on hedging instruments in cash flow hedges	-	64	-	-	-	64	-	64
Ind AS 107.24C(b)(iv)	Effective portion of gains (losses) on hedging instruments in cash flow hedges reclassified to profit or loss	-	(8)	-	-	-	(8)	-	(8)
	Cost of hedging – changes in fair value	-	-	-	-	7	7	-	7
	Cost of hedging – reclassified to profit or loss	-	-	-	-	2	2	-	2
Ind AS 107.20(a)(viii)	Fair value changes in Debt instruments through OCI	-	-	41	-	-	41	-	41
	Share of OCI in associates and joint ventures	(166)	-	-	-	-	(166)	-	(166)
	Total	**275**	**56**	**41**	**41**	**9**	**422**	**22**	**444**

Ind AS 1.106A · The Group has elected to present the disaggregation of changes in each component of equity arising from transactions recognised in OCI in the notes. Alternatively, an entity may present the disaggregation in the statement of changes in equity.

Notes to the consolidated financial statements (continued)

31C. Other Equity - Analysis of accumulated OCI, net of tax (Continued)

i. Exchange differences on translation of foreign operations

Ind AS 1.79(b)

This comprise of all exchange differences arising from translation of financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Ind AS 1.79(b)

ii. Effective portion of cash flow hedges

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Ind AS 1.79(b)

iii. Equity instruments through OCI

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

iv. Debt instruments through OCI

Ind AS 1.79(b)

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

v. Cost of hedging

Ind AS 1.79(b)

Cost of hedging represents the change in fair value of the forward element of a forward contract that hedges a transaction related hedged item to the extent that it relates to the hedged item.

Notes to the consolidated financial statements (continued)

32. Capital management

Ind AS 1.134–135

For the purpose of the Group's capital management, capital (total equity)[1]includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. The Company's policy is to keep the gearing ratio between 1.40 and 1.60.

Ind AS 1.135(a)

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio[1], which is net debt divided by adjusted equity. Net debt[2] is calculated as total liabilities (as shown in the balance sheet) less cash and cash equivalents and other bank balances. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging and cost of hedging. The Group's net debt to adjusted equity ratio i.e. capital gearing ratio at 31 March 2023 was as follows:

In lakhs of INR	31 March 2023	31 March 2022 Restated*
Total liabilities	**67,129**	53,772
Less: cash and cash equivalents and other bank balances (See Notes 29 and 30)	**(1,529)**	(1,869)
Adjusted Net debt	**65,600**	51,903
Total equity	**45,519**	35,693
Less: hedging reserve	**(433)**	(491)
Less: cost of hedging	**(4)**	27
Adjusted equity	**45,082**	35,229
Net debt to adjusted equity ratio	**1.45**	1.47

* See Note 48.

Ind AS 1.135(a)

Amongst other things, the Group's objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest-bearing loans and borrowings and upholds investor confidence.

[1] The Group has disclosed a gearing ratio as this is the measure it uses to monitor capital. The Group considers both capital and net debt as relevant components of funding and, hence, part of its capital management. However, other measures or a different type of gearing ratio may be more suitable for other entities.

[2] The Group has provided the definitions of 'net debt' and 'adjusted equity' because they are relevant to understanding how it manages capital and are not defined in Indian Accounting Standards. It has also provided the reconciliations between these measures and items presented in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

33. Earnings per share ("EPS")[1]

A. Basic earnings per share

The calculation of basic EPS has been based on the following profit attributable to equity shareholders and weighted-average number of equity shares outstanding.

Ind AS 33.70(a)

i. Profit (loss) attributable to equity shareholders (basic)

In lakhs of INR	Year ended 31 March 2023 Continuing operations	Year ended 31 March 2023 Discontinued operation	Year ended 31 March 2023 Total	Year ended 31 March 2022 Continuing operations (restated)*	Year ended 31 March 2022 Discontinued operation (restated)*	Year ended 31 March 2022 Total (restated)*
Profit (loss) for the year, attributable to the owners of the Company	**6,676**	**379**	**7,055**	6,045	(422)	5,623

Ind AS 33.70(b)

ii. Weighted-average number of equity shares (basic)[2]

	In lakhs of shares	*Note*	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Ind AS 33.23	Opening balance	*31(A)*	**4,850**	4,850
	Effect of share options exercised	*31(A)*	**3**	-
Ind AS 33.22	Effect of shares issued related to a business combination	*31(A)*	**6**	-
Ind AS 33.21	Effect of shares issued in October 2022	*31(A)*	**23**	-
	Weighted-average number of equity shares for the year		**4,882**	4,850

* See Notes 6 and 48.

1 It is noted that the convertible preference shares are to be converted mandatorily; there is no cash settlement option either with the Company or with the holder. In this regard paragraph 23 of Ind AS 33, Earnings per Share states as below:

'Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.'

Where an instrument is mandatorily convertible into equity shares, the issue of equity shares is solely dependent on the passage of time. Consequently, equity shares that are issuable on conversion of a mandatorily convertible instrument should be included in basic EPS from the date the contract is entered into. In other words, the equity shares to be issued on conversion are, in terms of economic substance, as good as issued as of date the contract is entered into. Accordingly, the number of equity shares to be issued on conversion has been included in the calculation of basic EPS as shown above. Since these shares are included in the denominator, the dividend is merely a distribution of the profits on a category of equity share capital itself. Hence, in the numerator i.e. profits attributable to the equity shareholders, the aforesaid dividend has not been deducted.

2 In addition to disclosing the weighted-average number of ordinary shares used as a denominator in calculating basic earnings per share, the Group has disclosed information to show how the number is calculated. This information is not specifically required by Ind AS 33 *Earnings per Share* – it is provided for illustrative purposes only.

Notes to the consolidated financial statements (continued)

33. Earnings per share ("EPS") (continued)

B. Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to equity shareholders and weighted-average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

Ind AS 33.70(a)

i. Profit (loss) attributable to equity shareholders (diluted)

		Year ended 31 March 2023			Year ended 31 March 2022		
In lakhs of INR	*Note*	Continuing operations	Discontinued operation	Total	Continuing operations (restated)*	Discontinued operation (restated)*	Total (restated)*
Profit (loss) attributable to equity shareholders (basic)		**6,676**	**379**	**7,055**	6,045	(422)	5,623
Ind AS 33.32(a), 33 Interest expense on convertible debentures, net of tax	*34(C)*	**61**	**-**	**61**	-	-	-
Profit (loss) attributable to equity shareholders (diluted)		**6,737**	**379**	**7,116**	6,045	(422)	5,623

* Sees Notes 6 and 48.

Notes to the consolidated financial statements (continued)

33. Earnings per share ("EPS") (continued)

Ind AS 33.70(b)

ii. Weighted-average number of equity shares (diluted)

In lakhs of shares	*Note*	Year ended 31 March 2023	Year ended 31 March 2022
Weighted-average number of equity shares (basic)		**4,882**	4,850
Ind AS 33.49 Effect of conversion of convertible debentures	*34(C)*	**148**	-
Ind AS 33.45 Effect of share options on issue		**47**	18
Weighted-average number of equity shares (diluted) for the year		**5,077**	4,868

Ind AS 33.70(c)

At 31 March 2023 135,000 options (31 March 2022: 44,000) were excluded from the diluted weighted-average number of equity shares calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.[3]

3 The method used to determine the average market price for equity shares should be disclosed in the notes.

Notes to the consolidated financial statements (continued)

34. Borrowings

See accounting policies in Notes 3(B)(i)-(ii), (O)(i), (O)(iii), (Q)(ii),(R), (S)

Ind AS 1.77
Sch III GN 8.2.3

In lakhs of INR	***Note***	**31 March 2023**	**31 March 2022**
Non-current Borrowings			
Bond issues (unsecured)		**6,136**	9,200
Term loans			
From Banks			
Secured bank loans		**3,512**	4,593
Unsecured bank loans		**6,106**	2,500
From related parties			
Associate (unsecured)		**1,000**	1,000
Liability component of compound financial instruments			
Convertible debentures (secured)		**4,678**	-
Redeemable preference shares (unsecured)		**1,939**	-
		23,371	17,293

Ind AS 1.77
Sch III GN 8.2.3

Current Borrowings			
Loans from Banks			
Current portion of secured bank loans		**1,055**	3,985
Unsecured bank loans		**503**	117
Bank overdrafts		**334**	282
		1,892	4,384

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 41 (C).

Notes to the consolidated financial statements (continued)

34. Borrowings (continued)

Ind AS 107.7

A. Terms and repayment schedule

The terms and conditions of outstanding borrowings are as follows.

Ind AS 1.77
Sch III GN 8.2.3

In lakhs of INR	Currency	Nominal interest rate	Year of maturity	31 March 2023 Carrying amount	31 March 2022 Carrying amount
Secured bank loan	CHF	3.90%	2026	**1,140**	1,257
Secured bank loan	USD	4.70%	2024–25	**1,047**	1,521
Secured bank loan	INR	7.50%	2024–25	**880**	1,460
Secured bank loan	GBP	SONIA+1.1%	2022–24	**1,500**	4,340
Unsecured bank loan	INR	11.80%	2024	**3,609**	2,500
Unsecured bank loan	INR	MIBOR + 3%	2023	**3,000**	117
Unsecured bond issues	EUR	Euribor+1%	2027	**5,113**	9,200
Unsecured bond issues	EUR	Euribor+0.5%	2026	**1,023**	-
Secured Convertible debentures	INR	11.30%	2025	**4,678**	-
Loan from associate	INR	14.80%	2023	**1,000**	1,000
Redeemable preference shares	INR	8.40%	2028	**1,939**	-
Bank Overdrafts	INR	9.30%	On demand	**334**	282
Total interest-bearing liabilities				**25,263**	21,677

Ind AS 107.7, 14,
Ind AS 16.74(a)

Sch III GN 8.2.3

The secured CHF bank loan is secured by first charge on certain items of immovable properties (comprising land and buildings) with a carrying amount of INR 1,902 lakhs (31 March 2022: INR 2,120 lakhs) (see Note 18(D)).

The secured USD bank loan is secured against the book debts, present and future, with a carrying amount of INR 600 lakhs (31 March 2022: INR 1,000 lakhs) (see Note 26).

The secured INR bank loan is secured by first charge on certain items of immovable properties (comprising land and buildings) with a carrying amount of INR 1,616 lakhs (31 March 2022: INR 1,968 lakhs) (see Note 18(D)).

The secured GBP bank loan is secured by first charge on inventory with a carrying amount of INR 2,450 lakhs (31 March 2022: INR 5,090 lakhs) (see Note 25).

Notes to the consolidated financial statements (continued)

34. Borrowings (continued)

B. Breach of loan covenant

Ind AS 107.18–19

The Group has a secured bank loan with a carrying amount of INR 880 lakhs at 31 March 2023 (31 March 2022: INR 1,460 lakhs). This loan is repayable in tranches within five years. However, the loan contained a covenant stating that at the end of each quarter the Group's debt (defined in the covenant as the Group's loans and borrowings and trade payables) cannot exceed 2.5 times the Group's quarterly revenue from continuing operations, otherwise the loan will be repayable on demand.

The Group exceeded its maximum leverage threshold (loan covenant ratio, calculated as debt to quarterly revenue from continuing operations) in the third quarter of year ended 31 March 2023 i.e. quarter ended December 2022 and the threshold was still exceeded as at 31 March 2023. However, management obtained a waiver from the bank in November 2022, which extends until March 2024. Accordingly, the loan was not payable on demand at 31 March 2023.[1] The Group obtained a waiver of the breach of covenant in January 2023 for a period of 18 months. Subsequent to 31 March 2023, the bank revised the loan covenant ratio from 2.5 to 3.5 and the waiver was lifted. On the basis of the new covenant and its forecasts, management believes that the risk of the new covenant being breached is low.

C. Convertible debentures

In lakhs of INR	***Note***	
Proceeds from issue of convertible debentures (1,250 lakh debentures of INR 4 par value)		**5,000**
Transaction costs		**(250)**
Net proceeds		**4,750**
Amount classified as equity (net of transaction costs of INR 9 lakhs)	*17(C)*	**(163)**
Accreted interest		**91**
Carrying amount of liability at 31 March 2023		**4,678**

These Debentures were issued on 29 May 2022. They are convertible into 250,000 ordinary shares in May 2025 at the option of the holder. Any unconverted notes become payable on demand. These debentures are secured by an equitable mortgage of plant and equipment with a carrying amount of INR 4,800 lakh (See Note 18 (D))

D. Redeemable preference shares

In lakhs of INR	
Proceeds from issue of redeemable preference shares	**2,000**
Transaction costs	**(61)**
Carrying amount at 31 March 2023	**1,939**

During year ended 31 March 2023, 1,000 lakhs redeemable preference shares were issued as fully paid with a par value of INR 2 per share (31 March 2022: nil). The redeemable preference shares are mandatorily redeemable at par on 31 May 2028 and the Group is obliged to pay holders of these shares annual dividends of 8.4% of the par amount on 31 May each year until and including on maturity, subject to availability of distributable profits. Redeemable preference shares do not carry the right to vote.

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1. In some circumstances, an entity may – before the reporting date – obtain from a lender an agreement to amend a lending arrangement. Such amendments may defer the date as at which information is assessed for testing covenant compliance from a date at or before the reporting date to a later date. In these situations whether the entity would have breached the related covenant had the agreement not been amended does not affect the classification of the liability at the reporting date.

Notes to the consolidated financial statements (continued)

34. Borrowings (continued)

Ind AS 7.44A–E

E. Reconciliation of movements of liabilities to cash flows arising from financing activities[2]

Ind AS 7.44B(a), 7.44B(b), 7.44B(c)

		Liabilities					Derivatives (assets)/liabilities held to hedge long-term borrowings		Equity					
In lakhs of INR	*Note*	Bank overdrafts used for cash management purposes	Other loans and borrowings	Convertible debentures	Redeemable preference shares	Lease liabilities	Interest rate swap and forward exchange contracts used for hedging – assets	Interest rate swap and forward exchange contracts used for hedging – liabilities	Share capital and instruments entirely equity in nature	Reserves and surplus	Items of Other comprehensive income	Equity component of convertible debentures	NCI	Total
Balance at 1 April 2022		282	21,395	-	-	4,529	(205)	8	14,550	17,333	719	-	3,091	62,702
Changes from financing cash flows														
Proceeds from issue of share capital	31(A)	-	-	-	-	-	-	-	390	1,160	-	-	-	1,550
Proceeds from issue of convertible debentures	34(C)	-	-	4,837	-	-	-	-	-	-	-	163	-	5,000
Proceeds from issue of redeemable preference shares	34(D)	-	-	-	2,000	-	-	-	-	-		-	-	2,000
Proceeds from loans and borrowings		-	591	-	-	-	-	-	-	-	-	-	-	591
Proceeds from exercise of share options	31(A)	-	-	-	-	-	-	-	15	35	-	-	-	50
Proceeds from settlement of derivatives		-	-	-	-	-	4	1	-	-	-	-	-	5
Transaction costs related to loans and borrowings	34(C)–(D)	-	-	(250)	(61)	-	-	-	-	-	-	-	-	(311)
Acquisition of NCI	8(E)	-	-	-	-	-	-	-	-	(93)	8	-	(115)	(200)
Repayment of borrowings		-	(4,355)	-	-	-	-	-	-	-	-	-	-	(4,355)
Payment of lease liabilities		-	-	-	-	(554)	-	-	-	-	-	-	-	(554)
Dividend paid	31(C)	-	-	-	-	-	-	-	-	(1,243)	-	-	-	(1,243)
Total changes from financing cash flows		-	(3,764)	4,587	1,939	(554)	4	1	405	(141)	8	163	(115)	2,533
Changes arising from obtaining or losing control of subsidiaries or other businesses		-	500	-	-	-	-	-	24	183	-	-	-	707
The effect of changes in foreign exchange rates		-	(122)	-	-	-	-	-	-	-	-	-	-	(122)

Notes to the consolidated financial statements (continued)

34. Borrowings (continued)

Ind AS 7.44A–E

E. Reconciliation of movements of liabilities to cash flows arising from financing activities[2]

		Liabilities					Derivatives (assets)/liabilities held to hedge long-term borrowings		Equity					
In lakhs of INR	*Note*	Bank overdrafts used for cash management purposes	Other loans and borrowings	Convertible debentures	Redeemable preference shares	Lease liabilities	Interest rate swap and forward exchange contracts used for hedging – assets	Interest rate swap and forward exchange contracts used for hedging – liabilities	Share capital and instruments entirely equity in nature	Reserves and surplus	Items of Other comprehensive income	Equity component of convertible debentures	NCI	Total
Changes in fair value		-	-	-	-	-	24	16	-	-	-	-	-	40
Other changes														
Liability-related														
Change in bank overdraft	*34*	52	-	-	-	-		-	-	-	-	-	-	52
New leases	*42(A)*	-	-	-	-	150	-	-	-	-	-	-	-	150
Capitalised borrowing costs	*18(E), 19(C)*	-	231	-	-	-	-	-	-	-	-	-	-	231
Interest expense	*14*	-	1,130	91	51	320	-	-	-	-	-	-	-	1,592
Interest paid		-	(1,358)	-	-	(320)	-	-	-	-	-	-	-	(1,678)
Total liability-related other changes		52	3	91	51	150	-	-	-	-	-	-	-	347
Total equity-related other changes		-	-	-	-	-	-	-	-	8,007	518	-54	828	9,299
Balance at 31 March 2023		334	18,012	4,678	1,990	4,125	(177)	25	14,979	25,382	1,245	109	3,804	74,506

Ind AS 7.44B(d) (Changes in fair value); *Ind AS 7.44B(e)* (Other changes)

Ind AS 7.44D–E, 60

2. This example illustrates one possible format to meet the disclosure requirement in paragraphs 44A–E of Ind AS 7 by providing a reconciliation between the opening and closing balances for liabilities arising from financing activities. Other presentation formats are possible. Although the amendments only require disclosure of a reconciliation of changes in liabilities arising from financing activities, the Group has elected to expand the disclosure to cover changes in bank overdrafts used for cash management purposes and changes in equity balances arising from financing activities as well. If an entity provides the disclosures required by paragraph 44A of Ind AS 7 in combination with disclosures of changes in other assets and liabilities, then it discloses the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.

Notes to the consolidated financial statements (continued)

34. Borrowings (continued)

Ind AS 7.44A–E

E. Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Ind AS 7.44B(a) — Changes from financing cash flows; *Ind AS 7.44B(c)* — The effect of changes in foreign exchange rates; *Ind AS 7.44B(d)* — Changes in fair value; *Ind AS 7.44B(e)* — Other changes

		Liabilities					Derivatives (assets)/liabilities held to hedge long-term borrowings		Equity					
In lakhs of INR	*Note*	Bank overdrafts used for cash management purposes	Other loans and borrowings	Convertible debentures	Redeemable preference shares	Lease liabilities	Interest rate swap and forward exchange contracts used for hedging – assets	Interest rate swap and forward exchange contracts used for hedging – liabilities	Share capital and instruments entirely equity in nature	Reserves and surplus	Items of other comprehensive income	Equity component of convertible debentures	NCI	Total
Restated balance at 1 April 2021		303	25,525	-	-	4,939	(204)	1	14,550	11,997	297	-	2,718	60,126
Changes from financing cash flows														
Proceeds from loans and borrowings		-	4,439	-	-	-	-	-	-	-	-	-	-	4,439
Proceeds from settlement of derivatives		-	-	-	-	-	8	3	-	-	-	-	-	11
Repayment of borrowings		-	(7,561)	-	-	-	-	-	-	-	-	-	-	(7,561)
Payment of lease liabilities		-	-	-	-	(590)	-	-	-	-	-	-	-	(590)
Dividend paid	*31(C)*	-	-	-	-	-	-	-	-	(524)	-	-	-	(524)
Total changes from financing cash flows		-	(3,122)	-	-	(590)	8	3	-	(524)	-	-	-	(4,225)
The effect of changes in foreign exchange rates		-	(30)	-	-	-	-	-	-	-	-	-	-	(30)
Changes in fair value		-	-	-	-	-	(9)	4	-	-	-	-	-	(5)
Other changes														
Liability-related														
Change in bank overdraft	*34*	(21)	-	-	-	-	-	-	-	-	-	-	-	(21)
New leases	*42(A)*	-	-	-	-	180	-	-	-	-	-	-	-	180
Capitalised borrowing costs	*19(C)*	-	12	-	-	-	-	-	-	-	-	-	-	12
Interest expense	*14*	-	1,056	-	-	238	-	-	-	-	-	-	-	1,294
Interest paid		-	(1,046)	-	-	(238)	-	-	-	-	-	-	-	(1,284)
Total liability-related other changes		(21)	22	-	-	180	-	-	-	-	-	-	-	181
Total equity-related other changes		-	-	-	-	-	-	-	-	5,860	422	-	373	6,655
Balance at 31 March 2022		282	22,395	-	-	4,529	(205)	8	14,550	17,333	719	-	3,091	62,702

Notes to the consolidated financial statements (continued)

35. Employee benefits

See accounting policies in Note 3(E).

In lakhs of INR	*Note*	**31 March 2023**	31 March 2022
Net defined benefit asset – Gratuity plan		**(671)**	(731)
Total employee benefit asset *[1]		**(671)**	(731)
Net defined benefit liability – medical cost benefits plan		**285**	280
Liability for compensated absences		**199**	176
Ind AS 102.51(b)(i) Cash-settled share-based payment liability	*36(iv)*	**440**	380
Total employee benefit liabilities**		**924**	836
Non-current		**725**	280
Current[2]		**199**	556
		924	836

* *Included under other assets. (See Note 27B)*
** *Included under provisions (See Note 38).*

For details on the related employee benefits expense, see Note 13.

Ind AS 19.139(a)

The Group contributes to the following post-employment defined benefit plans in India and Country Y.

- The Group has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.
  Plan A is administered by a single gratuity fund that is legally separated from the Group. The board of the gratuity fund comprises three employee and two employer representatives and an independent chair. The board of the gratuity fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund.

Sch III.I.6.EIII(a) [1] In case the defined benefit plan has a net defined obligation as at the reporting date, it should be classified as 'provision for employee benefits' under non-current/ current Provisions.

Sch III.GN.7.9 [2] Paragraph 133 of Ind AS 19 does not specify whether an entity should distinguish current and non-current portions of assets and liabilities arising from post-employment benefits. However, Guidance note states that the entities may follow the guidance in paragraph 7.9(c) of the Guidance note for classification. Accordingly the Group has distinguished between the current and non-current portions of obligations arising from long-term employee benefits as per this guidance.

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

- The Group also provides certain post-employment medical costs benefits to employees of some of the group entities outside India i.e. Netherlands (Plan B). Plan B reimburses certain medical costs for retired employees.

Ind AS 19.139(b)

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

A. Funding

Ind AS 19.147(a)

Plan A is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Plan A is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (D). Employees are not required to contribute to the plans. Plan B is unfunded.

The Group has determined that, in accordance with the terms and conditions of the defined benefit plans, and in accordance with statutory requirements (including minimum funding requirements for Plan A) for the plans of the respective jurisdictions, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. This determination has been made on a plan-by-plan basis. As such, no decrease in the defined benefit asset was necessary at 31 March 2023 or 31 March 2022.

Ind AS 19.147(b)

The Group expects to pay INR 350 lakhs in contributions to its defined benefit plans in 2023-24.

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

B. Reconciliation of net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.[3]

Reference	Plan A	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	In lakhs of INR	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Ind AS 19.140	Balance at 1 April	**6,777**	6,468	**(7,508)**	(7,162)	**(731)**	(694)
	Included in profit or loss[4]						
Ind AS 19.141(a)	Current service cost	**391**	366	**-**	-	**391**	366
Ind AS 19.141(d)	Past service cost	**-**	-	**-**	-	**-**	-
Ind AS 19.141(b)	Interest cost (income)	**338**	296	**(383)**	(344)	**(45)**	(48)
		729	662	**(383)**	(344)	**346**	318
	Included in OCI[4]						
Ind AS 19.141(c)	Remeasurement loss (gain):						
	– Actuarial loss (gain) arising from:						
Ind AS 19.141(c)(ii)	- demographic assumptions	**(22)**	2	**-**	-	**(22)**	2
Ind AS 19.141(c)(iii)	- financial assumptions	**(19)**	7	**-**	-	**(19)**	7
	- experience adjustment	**(8)**	4	**76**	(1)	**68**	3
Ind AS 19.141(c)(i)	– Return on plan assets excluding interest income	**-**	-	**10**	(3)	**10**	(3)
		(49)	13	**86**	(4)	**37**	9

Ind AS 19.138

3 The Group has more than one defined benefit plan and has disaggregated disclosures in respect of these plans, as these plans are exposed to materially different risks. Generally a company may provide aggregated disclosures in respect of these plans, if they are not exposed to materially different risks.

4 Although it is not specifically required by Ind AS 19 Employee Benefits, the Group has disclosed the subtotals of items recognised in profit or loss and OCI. This disclosure is provided for illustrative purposes only.

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

B. Reconciliation of net defined benefit (asset) liability (continued)

Plan A

	In lakhs of INR	Defined benefit obligation 31 March 2023	Defined benefit obligation 31 March 2022	Fair value of plan assets 31 March 2023	Fair value of plan assets 31 March 2022	Net defined benefit (asset) liability 31 March 2023	Net defined benefit (asset) liability 31 March 2022
	Other						
Ind AS 19.141(f)	Contributions paid by the employer	**-**	-	**(323)**	(364)	**(323)**	(364)
Ind AS 19.141(g)	Benefits paid	**(422)**	(366)	**422**	366	**-**	-
		(422)	(366)	**99**	2	**(323)**	(364)
Ind AS 19.140	**Balance at 31 March**	**7,035**	6,777	**(7,706)**	(7,508)	**(671)**	(731)

Plan B

	In lakhs of INR	Net defined benefit obligation 31 March 2023	Net defined benefit obligation 31 March 2022
Ind AS 19.140	Balance at 1 April	**280**	250
	Included in profit or loss[5]		
Ind AS 19.141(a)	Current service cost	**106**	90
Ind AS 19.141(d)	Past service credit	**(100)**	-
Ind AS 19.141(b)	Interest cost (income)	**22**	26
		28	116

[5] Although it is not specifically required by Ind AS 19 Employee Benefits, the Group has disclosed the subtotals of items recognised in profit or loss and OCI. This disclosure is provided for illustrative purposes only.

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

B. Reconciliation of net defined benefit (asset) liability (continued)

Plan B

	In lakhs of INR	Net defined benefit obligation 31 March 2023	Net defined benefit obligation 31 March 2022
	Included in OCI[6]		
Ind AS 19.141(c)	Remeasurement loss (gain):		
	– Actuarial loss (gain) arising from:		
Ind AS 19.141(c)(ii)	- demographic assumptions	**(9)**	2
Ind AS 19.141(c)(iii)	- financial assumptions	**(2)**	1
	- experience adjustment	**(1)**	1
		(12)	4
	Other		
Ind AS 19.141(g)	Benefits paid	**(11)**	(90)
		(11)	(90)
Ind AS 19.140	**Balance at 31 March**	**285**	280

Ind AS 19.139(c)

During the year ended 31 March 2023, the medical costs benefits plan arrangements for a number of employees in Country Y were adjusted to reflect new legal requirements in that country regarding the retirement age. As a result of the plan amendment, the Group's defined benefit obligation decreased by INR 100 lakhs (31 March 2022: nil). A corresponding past service gain was recognised in profit or loss during the current year.

6 Although it is not specifically required by Ind AS 19 Employee Benefits, the Group has disclosed the subtotals of items recognised in profit or loss and OCI. This disclosure is provided for illustrative purposes only.

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

C. Plan assets

Ind AS 19.142

Plan assets comprise the following-

In lakhs of INR	Ind AS reference	31 March 2023	31 March 2022
Equity securities:	*Ind AS 19.142(b)*		
– Consumer markets		**1,725**	1,842
– Pharmaceuticals		**602**	555
– Oil and gas		**218**	239
– Telecoms		**343**	260
– Financial institutions		**213**	561
		3,101	3,457
Government bonds	*Ind AS 19.142(c)*	**3,587**	3,254
Derivatives:	*Ind AS 19.142(e)*		
– Interest rate swaps		**29**	37
– Forward foreign currency contracts		**282**	109
		311	146
Property occupied by the Group	*Ind AS 19.143*	**525**	497
Term deposits of banks	*Ind AS 19.143*	**182**	154
		7,706	7,508

Ind AS 19.142

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by Indian governments and are rated AAA or AA, based on CRISIL ratings.

Ind AS 19.146

At each reporting date, an Asset-Liability Matching study is performed by the gratuity fund's asset manager, in which the consequences of the strategic investment policies are analysed. The strategic investment policy of the gratuity fund can be summarised as follows:

- a strategic asset mix comprising 10–15% equity securities, 40–50% government bonds and 35–45% term deposits of banks and other debt securities;
- interest rate risk is managed with the objective of reducing the cash flow interest rate risk by 40% through the use of debt instruments (government bonds) and interest rate swaps;
- currency risk is managed with the objective of reducing the risk by 30% through the use of forward foreign currency contracts; and

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

D. Defined benefit obligation

Ind AS 1.125, 19.144

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2023	31 March 2022
Plan A:		
Discount rate	**8.1%**	8.8%
Future salary growth	**7.5%**	7.5%
Attrition rate	6.2%	6.2%
Plan B:		
Discount rate	**5.1%**	5.8%
Future salary growth	**3.0%**	3.0%
Medical cost trend rate	**4.5%**	4.0%

Ind AS 19.144

Assumptions regarding mortality are based on published statistics and mortality tables by Insurance Regulatory and Development Authority of India. The current longevities underlying the values of the defined benefit obligation at the reporting date are as follows -

	31 March 2023		31 March 2022	
	Plan A	Plan B	Plan A	Plan B
Longevity at age 65 for current members aged above 45				
Males	**18.5**	**18.2**	18.3	18.0
Females	**21.0**	**19.0**	21.0	18.8
Longevity at age 65 for current members aged 45 or below				
Males	**19.2**	**19.0**	19.0	18.7
Females	**22.9**	**20.5**	22.9	20.0

Notes to the consolidated financial statements (continued)

35. Employee benefits (continued)

D. Defined benefit obligation (continued)

Ind AS 1.125, 19.144

i. Actuarial assumptions (continued)

Ind AS 19.147(c)

At 31 March 2023, the weighted-average duration of the defined benefit obligation is 17.5 years (31 March 2022: 17.1 years).[7]

ii. Sensitivity analysis

Ind AS 1.125, 129, 19.145

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

	31 March 2023		31 March 2022	
Effect in lakhs of INR	Increase	Decrease	Increase	Decrease
Plan A				
Discount rate (1% movement)	**(338)**	**354**	(335)	350
Future salary growth (1% movement)	**187**	**(176)**	180	(172)
Attrition rate (1% movement)	**(51)**	**48**	(49)	47
Future mortality (1% movement)	**(122)**	**121**	(119)	120
Plan B				
Discount rate (1% movement)	**(238)**	**254**	(235)	250
Future salary growth (1% movement)	**181**	**(173)**	175	(168)
Medical cost trend rate (1% movement)	**389**	**(257)**	380	(250)
Future mortality (1% movement)	**(73)**	**69**	(70)	67

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

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

Ind AS 19.147(c)

7 In addition to information about the weighted average duration of the defined benefit obligation, an entity may also include other information about the distribution of the timing of benefit payments, such as a maturity analysis of the benefit payments.

Notes to the consolidated financial statements (continued)

36. Share-based payment arrangements

See accounting policy in Note 3(E)(ii).

Ind AS 102.44–45(a), 50

A. Description of share-based payment arrangements

At 31 March 2023, the Group had the following share-based payment arrangements:

i. Share option plans (equity-settled)

On 1 April 2017 and 1 April 2020, the Group established share option plans that entitle key management personnel to purchase shares in the Company. On 1 April 2022, a further grant on similar terms was offered to key management personnel and senior employees. Under these plans, holders of vested options are entitled to purchase shares at the market price of the shares at the respective grant date of options. Currently, these plans are limited to key management personnel and other senior employees.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Grant date/employees entitled	Number of instruments in lakhs	Vesting conditions	Contractual life of options
Options granted to key management personnel			
On 1 April 2017	400	3 years' service from grant date and 5% increase in operating income in each of the 3 years	7 years
On 1 April 2021	200	Same as above	10 years
On 1 April 2022	225	Same as above	10 years
Options granted to senior employees			
On 1 April 2022	100	3 years' service from grant date	10 years
Total share options	925		

Notes to the consolidated financial statements (continued)

36. Share-based payment arrangements (continued)

A. Description of share-based payment arrangements (continued)

ii. Replacement awards (equity-settled)

In connection with the acquisition of Papyrus, the Group exchanged equity-settled share-based payment awards held by employees of Papyrus for 150 lakhs equity-settled share-based payment awards of the Company with a contractual life of nine years from the vesting date. Refer Note 8(A)(ii) for further details.

iii. Share purchase plan (equity-settled)[1]

On 1 April 2022, the Group offered 26 of its employees, including some of key managerial personnel, the opportunity to participate in an employee share purchase plan. To participate in the plan, the employees are required to save an amount of 5% of their gross monthly salary, up to a maximum of INR 300 per month, for a period of 36 months. Under the terms of the plan, at the end of the 36-month period the employees are entitled to purchase shares using funds saved at a price of 20% below the market price at grant date. Only employees who remain in service and save the required amount of their gross monthly salary for 36 consecutive months will become entitled to purchase the shares. Employees who cease their employment do not save the required amount of their gross monthly salary in any month before the 36-month period expires or elect not to exercise their options to purchase shares will be refunded their saved amounts.

iv. Share appreciation rights (cash-settled)

On 1 April 2017 and 1 April 2022, the Group granted 100 lakhs and 300 lakhs share appreciation rights (SARs), respectively, to employees that entitle them to a cash payment after three years of service. The SARs expire at the end of a five-year period after grant date. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

Details of the liabilities arising from the SARs were as follows.

	In lakhs of INR	**Note**	**31 March 2023**	**31 March 2022**
Ind AS 102.51(b)(i)	Total carrying amount of liabilities for SARs	*35*	**440**	380
Ind AS 102.51(b)(ii)	Total intrinsic value of liabilities for vested benefits		**-**	380

The liabilities at 31 March 2022 were settled during 2022-23.

1 Depending on the predominant features, a share purchase plan is either a true share purchase plan or an option plan. All terms and conditions of the arrangement should be considered when determining the type of equity instruments granted (i.e., whether shares or options). In these Illustrative Financial Statements, considering its terms, the share purchase plan has been accounted for as an option plan.

Notes to the consolidated financial statements (continued)

36. Share-based payment arrangements (continued)

B. Measurement of fair values

i. *Equity-settled share-based payment arrangements*

Ind AS 102.46, 47(a)(i), (iii)

The fair value of the employee share purchase plan (see (A)(iii)) has been measured using a Monte Carlo simulation. The fair value of the employee share options (see (A)(i) and (A)(ii)) has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

Ind AS 102.47(a)(iii)

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour[2].

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans are as follows.

Ind AS 102.46, 47(a)(i)

	Share option plans				
	Key management personnel (see (A)(i))		Senior employees (see (A)(i))	Replacement awards (see (A)(ii))	Share purchase plan (see (A)(iii))
	31 March 2023	31 March 2022	**31 March 2023**	**31 March 2023**	**31 March 2023**
Fair value at grant date	**INR 3.54**	INR 3.72	**INR 3.14**	**INR3 .81**	**INR 4.02**
Share price at grant date	**INR 10.10**	INR 10.50	**INR 10.10**	**INR 10.30**	**INR 10.10**
Exercise price	**INR 10.10**	INR 10.50	**INR 10.10**	**INR 10.30**	**INR 8.08**
Expected volatility (weighted-average)	**46.6%**	48.7%	**45.7%**	**52.0%**	**46.1%**
Expected life (weighted-average)	**8.6 years**	8.8 years	**5.4 years**	**5.9 years**	**3.0 years**
Expected dividends	**3.2%**	3.2%	**3.2%**	**3.2%**	**N/A**
Risk-free interest rate (based on government bonds)	**7.0%**	7.2%	**6.9%**	**7.5%**	**6.8%**

Ind AS 102.B13 2 If expectations about the future, for example saving behaviour, do not follow the past and therefore the future is reasonably expected to differ from the past then discount should be determined by estimating the probability that the employee will stop saving based on the expected future trend in the share price and employee behaviour. If, for example, a high rate of stopping saving has occurred in the past due to the share-based payment award becoming out-of-the-money (e.g. a significant share price fall), then the entity determines a realistic expectation of future share price trends in selecting the rate of stopping saving that it will rely upon for the discount to the model valuation.

Notes to the consolidated financial statements (continued)

36. Share-based payment arrangements (continued)

B. Measurement of fair values (continued)

i. Equity-settled share-based payment arrangements (continued)

Ind AS 102.47(a)(ii)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

At 31 March 2023, a total amount of INR 78 lakhs was invested by the participants in the share purchase plan which was deducted from the salaries of such employees and has been included in 'other financial liabilities' (see Note 40A). This includes an amount of INR 37 lakhs that related to key managerial personnel (see Note 45(B)(ii))

Ind AS 102.33A

ii. Cash-settled share-based payment arrangement[3]

The fair value of the SARs (see (A)(iv)) has been measured using the Black-Scholes Merton formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the SARs were as follows.

Ind AS 102.52

	Grant date 1 April 2022	Measurement date 31 March 2023
Fair value	INR 2.82	**INR 4.40**
Share price	INR 10.10	**INR 12.70**
Exercise price	INR 10.10	**INR 10.10**
Expected volatility (weighted-average)	46.4%	**48.5%**
Expected life (weighted-average)	3.2 years	**2.8 years**
Expected dividends	3.2%	**3.3%**
Risk-free interest rate (based on government bonds)	6.8%	**6.6%**

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

3 Although it is not specifically required by Ind AS 102, the Group has disclosed information about the fair value measurement of its SARs. These disclosures should be provided for cash-settled share-based payments. For awards granted during the period, disclosures about fair value measurement at grant date and at the reporting date should be given; for awards granted in previous periods but unexercised at the reporting date, disclosures about fair value measurement at the reporting date should be given.

Notes to the consolidated financial statements (continued)

36. Share-based payment arrangements (continued)

C. Reconciliation of outstanding share options

Ind AS 102.45(b)

The number and weighted-average exercise prices of share options under the share option plans (see (A)(i)) and replacement awards (see (A)(ii)) were as follows.

			31 March 2023		31 March 2022	
	Options in lakhs	Number of options	Weighted-average exercise price	Number of options	Weighted- average exercise price
Ind AS 102.45(b)(i)	Outstanding at 1 April	550	INR 10.18	400	INR 10.00
Ind AS 102.45(b)(iii)	Forfeited during the year	(50)	INR 10.00	(50)	INR 10.00
Ind AS 102.45(b)(iv)	Exercised during the year	(5)	INR 10.00	-	-
Ind AS 102.45(b)(ii)	Granted during the year	505	INR 10.04	200	INR 10.50
Ind AS 102.45(b)(vi)	**Outstanding at 31 March**	1,000	INR 10.12	550	INR 10.18
Ind AS 102.45(b)(vii)	**Exercisable at 31 March**	295	INR 10.00	350	INR 10.00

Ind AS 102.45(d)

The options outstanding at 31 March 2023 had an exercise price in the range of INR 8.08 to INR 10.50 (31 March 2022: INR10.00 to INR10.50) and a weighted-average remaining contractual life of 6.4 years (31 March 2022: 5.2 years).

Ind AS 102.45(c)

The weighted-average share price at the date of exercise for share options exercised in year ended 31 March 2023 was INR10.70 (31 March 2022: no options exercised)[4].

D. Expense recognised in profit or loss

For details of the related employee benefits expense, see Note 13.

Ind AS 102.45(c) 4 If options were exercised on a regular basis throughout the period, the entity may instead disclose the weighted average share price during the period

Notes to the consolidated financial statements (continued)

37. Government grants

See accounting policies in Note 3(F).

In lakhs of INR	***Note***	31 March 2023	**31 March 2022**
Deferred income – Asset acquisition[1]	*(A)*	**1,424**	1,462
		1,424	1,462
Non-current		**1,324**	1,354
Current		**100**	108

The above amounts are included in 'Other liabilities' in Note 40B.

A. Asset acquisitions

Ind AS 20.39(b)–(c)

During the year ended 31 March 2022, the Group was awarded a grant, amounting to INR 1,462 lakhs, conditional on the acquisition of factory premises in a specified region. The factory has been in operation since April 2022 and the grant, recognised as deferred income, is being amortised over the useful life of the building in proportion in which the related depreciation expense is recognised. In accordance with the terms of the grant, the Group is prohibited from selling the factory premises for a period of 15 years from the date of the grant.

Ind AS 41.57(a)–(b)

B. New pine tree plantations

During the year ended 31 March 2023, the Group was awarded an unconditional grant, amounting to INR 130 lakhs, for plantations of pine trees in a specified region. This grant was recognised in profit or loss in full and presented in 'other income' when it became receivable (see Note 10). There is no outstanding balance of deferred income related to this grant as at 31 March 2023.

C. Payroll expenses for employees in flood-affected areas

Ind AS 20.39(b)–(c)

During the year ended 31 March 2023, the Group received support from the government in [*Country X*], amounting to INR 70 lakhs, towards payroll for employees who were temporarily out of work in flood-affected areas. The full amount of the grant was received in 2022-23 and recognised in profit or loss as 'other income' (see Note 10).

Ind AS 20.24,

1 The Group has elected to present government grants related to assets as deferred income. Alternatively, an entity may present these grants as a deduction in arriving at the carrying amount of the asset.
The deferred income which is expected to be amortised within next 12 months is presented under current liabilities.

Notes to the consolidated financial statements (continued)

38. Provisions

See accounting policy in Note 3(R).

In Lakhs of INR

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Provision for employee benefits				
(See Note 35)				
Net defined benefit liability- Medical cost benefit	285	280	-	-
Liability for compensated absences	-	-	199	176
Cash-settled share-based payment liability	440	-	-	380
Total provisions for employee benefits (A)	**725**	**280**	**199**	**556**
Other provisions				
Provision for Warranties	200	200	240	-
Provision for Restructuring	-	460	280	-
Provision for Site Restoration	810	740	-	-
Provision for Litigations	-	-	140	140
Total Other Provisions(B)	**1,010**	**1,400**	**660**	**140**
Total Provisions(A+B)	**1,735**	**1,680**	**859**	**696**

Notes to the consolidated financial statements (continued)

38. Provisions (continued)

Movement in other provisions

	In lakhs of INR	*Note*	Warranties	Restructuring	Site restoration	Litigations	Total
	Balance at 1 April 2021		647	818	567	-	2,032
	Provisions made during the year	*16*	200	460	123	140	923
	Provisions used during the year		(647)	(818)	-	-	(1,465)
	Unwind of discount	*14*	-	-	50	-	50
	Balance as at 31 March 2022		200	460	740	140	1,540
	Non-current		200	460	740	-	1,400
	Current		-	-	-	140	140
Ind AS 37.84(a)	Balance at 1 April 2022		**200**	**460**	**740**	**140**	**1,540**
	Assumed in a business combination	*8 (C)*	**-**	**-**	**150**	**20**	**170**
Ind AS 37.84(b)	Provisions made during the year	*16*	**440**	**280**	**660**	**120**	**1,500**
Ind AS 37.84(c)	Provisions used during the year		**(200)**	**(360)**	**(800)**	**(140)**	**(1,500)**
Ind AS 37.84(d)	Provisions reversed during the year[1]	*16*	**-**	**(100)**	**-**	**-**	**(100)**
Ind AS 37.84(e)	Unwind of discount	*14*	**-**	**-**	**60**	**-**	**60**
Ind AS 37.84(a)	**Balance at 31 March 2023**		**440**	**280**	**810**	**140**	**1,670**
	Non-current		**200**	**-**	**810**	**-**	**1,010**
	Current		**240**	**280**	**-**	**140**	**660**
			440	**280**	**810**	**140**	**1,670**

[1] In the statement of profit and loss, the reversal of a provision should be presented in the same line item as the original estimate.

Notes to the consolidated financial statements (continued)

38. Provisions (continued)

A. Warranties

Ind AS 37.85(a)–(c), 32.42

The provision for warranties relates mainly to paper sold during the year ended 31 March 2022 and 31 March 2023. The provision has been estimated based on historical warranty data associated with similar products and services. The Group expects to settle the majority of the liability over the next year. An expected reimbursement of warranty expense incurred of INR 25 lakhs has been adjusted against 'trade payables'[2]) following a supplier accepting responsibility for the defective products and the Group's right to settle the amount due to the supplier by applying against the warranty claim recoverable from the supplier.

B. Restructuring

Ind AS 1.98(b), 125, 37.85(a)–(b)

During the year ended 31 March 2023, a provision of INR 280 lakhs was made to cover the costs associated with restructuring part of a manufacturing facility within the Non-recycled Papers segment that will be retained when the remainder of the facility is sold (see Note 7). Estimated restructuring costs mainly include employee termination benefits (see Note 13) and are based on a detailed plan agreed between management and employee representatives. The restructuring and the sale are expected to be completed by September 2023.

During the year ended 31 March 2022, the Group committed to a plan to restructure a product line in the American Paper manufacturing and distribution division due to a decrease in demand as a result of a deterioration in economic conditions. Following the announcement of the plan, the Group recognised a provision of INR 460 lakhs for expected restructuring costs, including contract termination costs, consulting fees and employee termination benefits (see Note 13). Estimated costs were based on the terms of the relevant contracts. The restructuring was completed during the year ended 31 March 2023 and INR 360 lakhs of the provision was used during the year. The unused provision of INR100 lakhs was reversed and has been included in 'other expenses'.

C. Site restoration

i. France

Ind AS 37.85(a)

The Group has a provision of INR 740 lakhs in respect of the Group's obligation to rectify environmental damage in France as at 1 April 2022 and an unwinding of the discount of INR 60 lakhs was recognised during the year 31 March 2023. The required work was completed during the year at a cost of INR 800 Lakhs.

ii. Romania

Ind AS 1.125,129, 37.85(a)–(b)

Under Romanian law, the Group's subsidiary in Romania is required to restore contaminated land to its original condition before the end of March 2025. During the year ended 31 March 2023, the Group provided INR 660 Lakhs for this purpose.

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2 In some cases, the reimbursement may be received in non-cash form, in such cases such asset shall be presented accordingly- e.g. as a non-financial asset. The difference in nature of the reimbursement does not result in different accounting outcomes and non-cash reimbursement should be treated in the same manner as cash reimbursement/compensation- i.e. it should be recognised when the event occurs that gives rise to the claim for reimbursement/compensation and the reimbursement/compensation becomes receivable.

Notes to the consolidated financial statements (continued)

38. Provisions (continued)

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are currently available. The Group has been provided with a range of reasonably possible outcomes for the total cost, which range from INR 500 Lakhs to INR 700 Lakhs, reflecting different assumptions about pricing of the individual components of the cost. The provision has been calculated using a discount rate of 5.9%, which is the risk-free rate in Romania. The rehabilitation is expected to occur in the next two to three years.

Ind AS 34.26

The provision has increased compared with the amount of INR 500 Lakhs reported in the Company's interim financial statements as at and for six months ended 30 September 2022 due to a change in estimated costs. At the time of preparing the interim financial statements, the extent of restoration work required was uncertain, because the inspection report by the Romanian authorities had not yet been finalised. The estimates were subsequently revised based on the final report.

iii. Acquisition of Papyrus

As part of the acquisition of Papyrus, the Group recognised environmental provisions of INR 150 Lakhs , measured on a provisional basis (see Note 8(C)).

D. Litigations

Ind AS 37.86(a)–(b)

As a result of the acquisition of Papyrus, the Group assumed a contingent liability of INR 20 Lakhs, measured on a provisional basis (see Note 8(C)).

During the year ended 31 March 2023, an unfavourable judgement was passed against the group in respect of a legal claim made by a customer. The judgement requires a payment of INR 260 lakhs to the claimant. Based on the legal advice obtained, a provision of INR 140 lakhs was recognised for during the year ended 31 March 2022. During the current year, an amount of INR 140 lakhs has been paid to the claimant as per order received in September 2022. The Group has decided to appeal against the decision. The balance payment of INR 120 lakhs has been provided for in the current year but has not yet been paid to the claimant pending outcome of the appeal. The court of appeal is expected to consider this matter in December 2023.

Notes to the consolidated financial statements (continued)

39. Trade payables

See accounting policies in Notes 3(O)(iii) and (iv).

In lakhs of INR

Sch III GN. 8.2.4.1

	31 March 2023	31 March 2022 Restated*
Trade Payables		
(a)Total outstanding dues of micro enterprises and small enterprises	**348**	-
(b)Total outstanding dues of creditors other than micro enterprises and small enterprises	**22,670**	20,438
	23,018	20,438

Ind AS 24.18(b), (c)

	31 March 2023	31 March 2022 Restated*
Of the above trade payables amounts due to related parties are as below:		
Trade Payables due to related parties	**174**	351

A. Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act).

This information has been determined to the extent such parties have been identified on the basis of information available with the Company [1]

In lakhs of INR

	31 March 2023	31 March 2022 Restated*
(a) Principal amount remaining unpaid to any supplier as at the end of the year.	**348**	-
Interest due thereon remaining unpaid to any supplier as at the end of the year.	**-**	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	**-**	-
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	**-**	-
(d) The amount of interest accrued and remaining unpaid at the end of the year;	**-**	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	**-**	-

*See Note 48

[1] Although it is not specifically required, the Group has provided these disclosures in the consolidated financial statements. This disclosure is voluntary and is provided only for illustrative purposes.

Notes to the consolidated financial statements (continued)

39. Trade payables (continued)

Sch III GN. 8.2.4.6 and 8.2.9.1

A. Trade payables ageing schedule

In lakhs of INR

Particulars	**Unbilled dues**[2]	**Trade Payables which are not due**	**Outstanding for following periods from due dates of payments as at 31 March 2023**				**Total**
			Less than 1 year	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	
MSME	**-**	**348**	**-**	**-**	**-**	**-**	**348**
Others	**-**	**10,812**	**2,235**	**3,567**	**1,886**	**682**	**19,182**
Disputed - MSME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed - Others	**-**	**-**	**-**	**619**	**-**	**2,869**	**3,488**

Particulars	Unbilled dues[2]	Trade Payables which are not due	Outstanding for following periods from due dates of payments as at 31 March 2022				Total
			Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
MSME	-	-	-	-	-	-	-
Others	-	6,250	1,843	2,585	3,200	1,980	15,858
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	1,052	-	3,528	4,580

[2] Unbilled trade payables shall include accruals which are not classified as provisions under Ind AS 37.

Notes to the consolidated financial statements (continued)

39. Trade payables (continued)

Information about the Group's exposure to currency and liquidity risks is included in Note 41(C)

Ind AS 1.77

The Group participates in a supply chain financing arrangement (SCF) which is disclosed under trade payables under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a bank before their due date.

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers. The Group therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables. All payables under the SCF aggregating to INR 5,515 lakhs as at 31 March 2023 and INR 4,900 lakhs as at 31 March 2022 are classified as current.[3]

Ind AS 7.43

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the purchase of goods and services. The payments to a supplier by the bank are considered non-cash transactions and amount to INR 3,860 lakhs (31 March 2022: INR 3,430 lakhs).

[3] The recognition of SCF under trade payables is only illustrative and reflect the facts and circumstances of the Group. The presentation of amounts related to SCF arrangement involves judgment and requires careful evaluation.

Notes to the consolidated financial statements (continued)

40A. Other financial liabilities

In Lakhs of INR	**Note**	**31 March 2023** Non-current	**31 March 2023** Current	31 March 2022 Non-current	31 March 2022 Current
Derivatives					
Forward exchange contracts used for hedging		**-**	**8**	-	7
Interest rate swaps used for hedging		**20**	**-**	5	-
Others					
Contingent consideration		**270**	**-**	-	-
Liability on account of share purchase plan [including due to related parties INR 37 lakhs (31 March 2022 : Nil)]		**-**	**78**	-	-
Dividend on redeemable preference shares classified as liability		**-**	**51**	-	-
		290	**137**	5	7

Notes to the consolidated financial statements (continued)

40B. Other liabilities

		31 March 2023		31 March 2022	
In Lakhs of INR	Note	Non-current	Current	Non-current	Current
Refund liabilities	*9(C)*	**-**	**988**	-	883
Deferred income	*37*	**1,324**	**100**	1,354	108
Liability towards corporate social responsibility	*16(i)*	**-**	**16**	-	-
Contract liabilities	*9(D)*	**-**	**160**	-	166
		1,324	**1,264**	1,354	1,157

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management

A. Accounting classifications and fair values[1, 3]

Ind AS 107.8, 25–26, 29, 13.93(a)–(b), 94, 97, 99

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade receivables and trade payables classified as held-for-sale are not included in the table below (see Note 7). Their carrying amount is a reasonable approximation of fair value.

		Carrying amount			Carrying amount				Fair value			
31 March 2023 *In lakhs of INR*	*Note*	**Fair value – hedging instruments**	**Mandatorily at FVTPL – others**	**FVOCI – debt instruments**	**FVOCI – equity instruments**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value												
Interest rate swaps used for hedging	*28*	116	-	-	-	-	-	116	-	116	-	116
Forward exchange contracts used for hedging	*28*	297	-	-	-	-	-	297	-	297	-	297
Other forward exchange contracts	*28*	-	122	-	-	-	-	122	-	122	-	122
Government debt securities	*24*	-	243	-	-	-	-	243	43	200	-	243
Corporate debt securities	*24*	-	-	118	-	-	-	118	48	70	-	118
Equity securities	*24*	-	251	-	710	-	-	961	961	-	-	961
		413	616	118	710	-	-	1,857				
Financial assets not measured at fair value												
Trade receivables[2]	*26*	-	-	-	-	32,094	-	32,094				
Finance lease receivables	*28*	-	-	-	-	424	-	424				
Cash and cash equivalents[2]	*29*	-	-	-	-	1,289	-	1,289				
Bank balances other than cash and cash equivalents	*30*	-	-	-	-	240	-	240				
Loans	*27A*	-	-	-	-	78	-	78				
Corporate debt securities	*24*	-	-	-	-	2,421	-	2,421	2,461	-	-	2,461
		-	-	-	-	36,546	-	36,546				

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

A. Accounting classifications and fair values (continued)[1, 3]

		Carrying amount			Carrying amount				Fair value			
31 March 2023 *In lakhs of INR*	*Note*	**Fair value – hedging instruments**	**Mandatorily at FVTPL – others**	**FVOCI – debt instruments**	**FVOCI – equity instruments**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value												
Interest rate swaps used for hedging	*40A*	(20)	-	-	-	-	-	(20)	-	(20)	-	(20)
Forward exchange contracts used for hedging	*40A*	(8)	-	-	-	-	-	(8)	-	(8)	-	(8)
Contingent consideration	*40A*	-	(270)	-	-	-	-	(270)	-	-	(270)	(270)
		(28)	(270)	-	-	-	-	(298)				
Financial liabilities not measured at fair value												
Bank overdrafts[2]	*34*	-	-	-	-	-	(334)	(334)				
Secured bank loans	*34*	-	-	-	-	-	(4,567)	(4,567)	-	(4,763)	-	(4,763)
Unsecured bank loans	*34*	-	-	-	-	-	(6,609)	(6,609)	-	(6,635)	-	(6,635)
Unsecured bond issues	*34*	-	-	-	-	-	(6,136)	(6,136)	-	(6,452)	-	(6,452)
Convertible debentures – liability component	*34*	-	-	-	-	-	(4,678)	(4,678)	-	(4,671)	-	(4,671)
Redeemable preference shares	*34*	-	-	-	-	-	(1,939)	(1,939)	-	(1,936)	-	(1,936)
Loan from associate	*34*						(1,000)	(1,000)		(1,040)		(1,040)
Liability on account of share purchase plan	*40A*						(78)	(78)		(78)		(78)
Dividends payable on redeemable shares	*40A*	-	-	-	-	-	(51)	(51)	-	(51)	-	(51)
Trade payables*[2]	*39*	-	-	-	-	-	(23,018)	(23,018)				
		-	-	-	-	-	(48,410)	(48,410)				

* Other payables that are not financial liabilities are not included.

Ind AS 107.8, 29 1. In this table, the Group has disclosed the fair value of each class of financial assets and financial liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in Ind AS 109. This presentation method is optional and different presentation methods may be appropriate, depending on circumstances.

2 The Group has not disclosed the fair values of financial instruments such as trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, bank overdrafts and trade payables, because their carrying amounts are a reasonable approximation of fair value.

Ind AS 107.6, B1–B3 3. An entity groups financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. Although Ind AS 107 does not define 'classes', as a minimum instruments measured at amortised cost should be distinguished from instruments measured at fair value.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

A. Accounting classifications and fair values (continued)

31 March 2022 *In lakhs of INR*	*Note*	Carrying amount Fair value – hedging instruments	 Mandatorily at FVTPL – others	 FVOCI – debt instruments	Carrying amount FVOCI – equity instruments	 Financial assets at amortised cost	 Other financial liabilities	 Total	Fair value Level 1	 Level 2	 Level 3	 Total
Financial assets measured at fair value												
Interest rate swaps used for hedging	*28*	131	-	-	-	-	-	131	-	131	-	131
Forward exchange contracts used for hedging	*28*	352	-	-	-	-	-	352	-	352	-	352
Other forward exchange contracts	*28*	-	89	-	-	-	-	89	-	89	-	89
Government debt securities	*24*	-	591	-	-	-	-	591	81	510	-	591
Corporate debt securities	*24*	-	-	373	-	-	-	373	151	222	-	373
Equity securities	*24*	-	254	-	511	-	-	765	540	-	225	765
		483	934	373	511	-	-	2,301				
Financial assets not measured at fair value												
Trade receivables[2]	*26*	-	-	-	-	22,010	-	22,010				
Finance lease receivables	*28*	-	-	-	-	315	-	315				
Cash and cash equivalents[2]	*29*	-	-	-	-	1,519	-	1,519				
Bank balances other than cash and cash equivalents	*30*					350		350				
Loans	*27A*					32		32				
Corporate debt securities	*24*	-	-	-	-	2,243	-	2,243	2,249	-	-	2,249
		-	-	-	-	26,469	-	26,469				
Financial liabilities measured at fair value												
Interest rate swaps used for hedging	*40A*	(5)	-	-	-	-	-	(5)	-	(5)	-	(5)
Forward exchange contracts used for hedging	*40A*	(7)	-	-	-	-	-	(7)	-	(7)	-	(7)

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

A. Accounting classifications and fair values (continued)

		Carrying amount			Carrying amount				Fair value			
31 March 2023 *In lakhs of INR*	*Note*	**Fair value – hedging instruments**	**Mandatorily at FVTPL – others**	**FVOCI – debt instruments**	**FVOCI – equity instruments**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		(12)	-	-	-	-	-	(12)				
Financial liabilities not measured at fair value												
Bank overdrafts[2]	*34*	-	-	-	-	-	(282)	(282)				
Secured bank loans	*34*	-	-	-	-	-	(8,578)	(8,578)	-	(8,578)	-	(8,578)
Unsecured bank loans	*34*	-	-	-	-	-	(2,617)	(2,617)	-	(2,617)	-	(2,617)
Unsecured bond issues	*34*	-	-	-	-	-	(9,200)	(9,200)	-	(9,301)	-	(9,301)
Loan from associate	*34*	-	-	-	-	-	(1,000)	(1,000)	-	(997)	-	(997)
Trade payables*[2]	*39*	-	-	-	-	-	(20,438)	(20,438)				
		-	-	-	-	-	(42,115)	(42,115)				

* Other payables that are not financial liabilities are not included.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the consolidated balance sheet, as well as the significant unobservable inputs used in measuring Level 3 fair values for financial instruments. Related valuation processes are described in Note 2(E).

Ind AS 113.91(a), 93(d), 93(h)(i), 99

Financial instruments measured at fair value (Level 2 and Level 3)

Ind AS 103.B67(b)(iii)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	*Discounted cash flows:* The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	• Expected cash flows (31 March 2023: INR 318 – INR 388 lakhs). • Risk-adjusted discount rate (31 March 2023: 15%).	The estimated fair value would increase (decrease) if: • the expected cash flows were higher (lower); or • the risk-adjusted discount rate were lower (higher).
Equity securities	*Market comparison technique:* The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the expected revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee.	Forecast annual revenue growth rate (31 March 2023: 2-6%; 31 March 2022: 3-7%). • Forecast EBITDA margin (31 March 2023: 4%; 31 March 2022: 4%) • Adjusted market multiple (31 March 2023: 4-6%; 31 March 2022: 4-7%).	The estimated fair value would increase (decrease) if • the annual revenue growth rate were higher (lower); • the EBITDA margin were higher (lower);or • the adjusted market multiple were higher (lower). Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

i. Valuation techniques and significant unobservable inputs (continued)

Ind AS 113.91(a), 93(d), 93(h)(i), 99

Financial instruments measured at fair value (Level 2 and Level 3) (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Corporate debt securities	*Market comparison/discounted cash flow:* The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable.	Not applicable.
Government debt securities	*Discounted cash flow:* The fair value is estimated considering a net present value calculated using discount rates derived from quoted prices of government securities with similar maturity and credit rating that are traded in active markets.	Not applicable.	Not applicable.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

i. Valuation techniques and significant unobservable inputs (continued)

Ind AS 113.91(a), 93(d), 93(h)(i), 99

Financial instruments measured at fair value (Level 2 and Level 3) (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	*Forward pricing:* The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.
Interest rate swaps	*Swap models:* The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable.	Not applicable.

Ind AS 113.93(d), 97

Financial instruments not measured at fair value

Type	Valuation technique
Other financial liabilities*	*Discounted cash flows:* The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The own non-performance risk was assessed to be insignificant.

* Other financial liabilities include secured and unsecured bank loans, unsecured bond issues, convertible debentures–liability component, redeemable preference shares, loans from associates and other financial liabilities.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

ii. Transfers between Levels 1 and 2

Ind AS 113.93(c), 95

At 31 March 2023, corporate debt securities at FVOCI with a carrying amount of INR 40 lakhs were transferred from Level 1 to Level 2 because quoted prices in the market for such debt securities were no longer regularly available. To determine the fair value of such debt securities, management used a valuation technique in which all significant inputs were based on observable market data (see Note 41(B)(i)). There were no transfers from Level 2 to Level 1 during the year ended 31 March 2023 and no transfers in either direction during the year ended 31 March 2022.

iii. Level 3 recurring fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	In lakhs of INR	*Note*	Equity securities	Contingent consideration
	Balance at 1 April 2021		-	-
Ind AS 113.91(b), 93(e)(ii)	**Gain included in OCI**			
	– Net change in fair value (unrealised)		13	-
Ind AS 113.93(e)(iii)	Purchases		212	-
	Balance at 31 March 2022		225	-
	Balance at 1 April 2022		**225**	**-**
Ind AS 113.93(e)(iii)	Assumed in a business combination	*8(A)*	**-**	**(250)**
Ind AS 113.91(b), 93(e)(i), (f)	**Loss included in 'other expenses'**			
	– Net change in fair value (unrealised)	*16*	**-**	**(20)**
Ind AS 113.91(b), 93(e)(ii)	**Gain included in OCI**			
	– Net change in fair value (unrealised)		**18**	**-**
Ind AS 113.93(e)(iv)	Transfers out of Level 3		**(243)**	**-**
	Balance at 31 March 2023		**-**	**(270)**

Transfer out of Level 3

Ind AS 113.93(e)(iv), 95

The Group holds an investment in equity shares of MSE Limited, which is classified as FVOCI, with a fair value of INR 243 lakhs at 31 March 2023 (31 March 2022: INR 225 lakhs). The fair value of this investment was categorised as Level 3 at 31 March 2022 (for information on the valuation technique, see B(i)). This was because the shares were not listed on an exchange and there were no recent observable arm's length transactions in the shares.

During the year ended 31 March 2023, MSE Limited listed its equity shares on an exchange and they are currently actively traded in that market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy at 31 March 2023.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

iii. Level 3 recurring fair values (continued)

Ind AS 113.93(h)(ii)

Sensitivity analysis

For the fair values of contingent consideration and equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Contingent consideration	**Profit or loss**	
Effect in lakhs of INR	**Increase**	**Decrease**
31 March 2023		
Expected cash flows (10% movement)	**(23)**	**23**
Risk-adjusted discount rate (1% movement (100 bps))	**6**	**(6)**

Equity securities	**OCI, net of tax**	
Effect in lakhs of INR	**Increase**	**Decrease**
31 March 2022		
Adjusted market multiple (5% movement)	81	(81)

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management[4]

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (C)(ii));
- liquidity risk (see (C)(iii)); and
- market risk (see (C)(iv)).

i. Risk management framework

Ind AS 107.31, 33(b)

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Ind AS 107.34

4. The financial risk disclosures presented are only illustrative and reflect the facts and circumstances of the Group. In particular, Ind AS 107 requires the disclosure of summary quantitative data about an entity's risk exposures based on information provided internally to an entity's key management personnel, although certain minimum disclosures are also required to the extent that they are not otherwise covered by the disclosures made under the 'management approach' above.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

Ind AS 10S 7.31, 33

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments in debt securities.

Ind AS10 7.35K(a), 36(a)

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Ind AS 1.82(ba)

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows.

Ind AS 115.113(b)

In lakhs of INR	**31 March 2023**	**31 March 2022**
Impairment loss on trade receivables and contract assets arising from contracts with customers*	**210**	192
Impairment loss on finance lease receivable	**1**	1
Impairment loss on debt securities at amortised cost	**62**	13
Impairment loss (reversal) on debt securities at FVOCI	**(3)**	-
	270	206

*Of which, INR 11 lakhs (31 March 2022: INR 3 lakhs) related to a discontinued operation (see Notes 6 and 7).

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

Ind AS 107.31, 33

ii. Credit risk (continued)

Trade and finance lease receivables, loans and contract assets

Ind AS 107.33(a)–(b), 35B(a), B8

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in Notes 5(D)–(E).

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade and finance lease receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively.

More than 85% of the Group's customers have been transacting with the Group for over four years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

Ind AS 10 7.33(c)

The Group is monitoring the economic environment in Asia and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility. During the year ended 31 March 2023, certain purchase limits have been reduced, particularly for customers operating in India and UK, because the Group's experience is that the recent economic volatility has had a greater impact for customers in those countries than for customers in other countries.

Ind AS 107.35K(b), B8G

The Group does not otherwise require collateral in respect of trade and finance lease receivables, loans and contract assets. The Group does not have trade and finance lease receivables, loans and contract assets for which no loss allowance is recognised because of collateral.

The quantitative information below on trade receivables and contract assets includes amounts classified as held-for-sale (see Note 7).

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade and finance lease receivables, loans and contract assets (continued)

Ind AS 107.34(a), (c)

The Group's exposure to credit risk for trade and finance lease receivables, loans and contract assets by geographic region was as follows.[5]

	Carrying amount	
In Lakhs of INR	**31 March 2023**	**31 March 2022**
India	**1,676**	1,615
United Kingdom	**24,027**	13,649
United states of America	**11,374**	7,687
Other regions	**286**	188
	37,363	23,139

Ind AS 107.34(a), (c)

The Group's exposure to credit risk for trade and finance lease receivables, loans and contract assets by type of counterparty was as follows.[5]

	Carrying amount	
In Lakhs of INR	**31 March 2023**	**31 March 2022**
Wholesale customers	**27,588**	15,051
Retail customers	**9,246**	7,145
End-user customers	**342**	820
Other	**187**	123
	37,363	23,139

Ind AS 107.IG18

5. Identifying concentrations of risk requires judgement in light of specific circumstances, and may arise from industry sectors, credit ratings, geographic distribution or a limited number of individual counterparties.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Ind AS 107.34(a), (c)

At 31 March 2023, the carrying amount of the receivable from the Group's most significant customer (an Indian wholesaler) was INR 8,034 lakhs (31 March 2022: INR 4,986 lakhs).

Ind AS 107.34(a), 35M, B8I

A summary of the Group's exposure to credit risk for trade and finance lease receivables and contract assets is as follows.

	31 March 2023		31 March 2022	
In lakhs of INR	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
External credit ratings at least BBB- from [*Rating Agencies S&P or CRISIL*]	**6,397**	**-**	5,139	-
Other customers:				
– Four or more years' trading history with the Group*	**21,298**	**-**	14,230	-
– Less than four years' trading history with the Group*	**8,816**	**-**	3,325	-
– Higher risk	**952**	**223**	446	216
Total gross carrying amount	**37,463**	**223**	23,140	216
Loss allowance	**(249)**	**(74)**	(141)	(76)
	37,214	**149**	22,999	140

* Excluding 'higher risk'.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade and finance lease receivables, loans and contract assets (continued)

Expected credit loss assessment for corporate customers as at 31 March 2023 and 31 March 2022

Ind AS 107.35B(a), 35F(c), 35G(a)–(b)

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies S&P and/ or CRISIL.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past seven years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Scalar factors are based on GDP forecast and industry outlook and include the following: 1.3 (31 March 2022: 1.2) for India, 0.9 (31 March 2022: 0.8) for UK, 1.1 (31 March 2022: 1.2) for US and 1.8 (31 March 2022: 1.9) for the *industry*.

Ind AS 107.35M, B8I

The following table provides information about the exposure to credit risk and ECLs for trade and finance lease receivables and contract assets for corporate customers as at 31 March 2023.

31 March 2023 *In lakhs of INR*	**Equivalent to external credit rating [*CRISIL*]**	**Weighted-average loss rate**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Grades 1–6: *Low risk*	BBB- to AAA	**0.30%**	**9,163**	**(27)**	**No**
Grades 7–9: *Fair risk*	BB- to BB+	**0.60%**	**16,094**	**(97)**	**No**
Grade 10: *Substandard*	B- to CCC-	**2.60%**	**1,633**	**(42)**	**No**
Grade 11: *Doubtful*	C to CC	**23.20%**	**118**	**(27)**	**Yes**
Grade 12: *Loss*	D	**44.90%**	**67**	**(30)**	**Yes**
			27,075	**(223)**	

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade and finance lease receivables, loans and contract assets (continued)

Ind AS 107.35M, B8I

The following table provides information about the exposure to credit risk and ECLs for trade and finance lease receivables and contract assets for corporate customers as at 31 March 2022.

31 March 2022 *In lakhs of INR*	**Equivalent to external credit rating [*CRISIL*]**	**Weighted-average loss rate**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Grades 1–6: *Low risk*	BBB- to AAA	0.20%	4,786	(10)	No
Grades 7–9: *Fair risk*	BB- to BB+	0.60%	8,141	(49)	No
Grade 10: *Substandard*	B- to CCC-	2.60%	865	(22)	No
Grade 11: *Doubtful*	C to CC	24.20%	100	(24)	Yes
Grade 12: *Loss*	D	44.80%	101	(45)	Yes
			13,993	(150)	

Expected credit loss assessment for individual customers as at 31 March 2023 and 31 March 2022

Ind AS 107.35B(a), 35F(c), 35G(a)–(b)

The Group uses an allowance matrix to measure the ECLs of trade and finance receivables from individual customers, which comprise a very large number of small balances.

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are more than 90 days past due.

Ind AS 109.B5.5.37

Loss rates are based on actual credit loss experience over the past seven years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Scalar factors are based on actual and forecast unemployment rates and are as follows: 1.3 (31 March 2022: 1.2) for India, 0.95 (31 March 2022: 1.0) for UK and 1.2 (31 March 2022: 1.1) for US

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade and finance lease receivables, loans and contract assets (continued)

Expected credit loss assessment for individual customers (continued)

Ind AS 107.35M, 35N, B8I

The following table provides information about the exposure to credit risk and ECLs for trade and finance lease receivables, loans and contract assets from individual customers as at 31 March 2023.

31 March 2023 *In lakhs of INR*	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit-impaired**
Current (not past due)	**0.40%**	**8,592**	**(37)**	**No**
1–30 days past due	**1.10%**	**1,638**	**(18)**	**No**
31–60 days past due	**5.60%**	**232**	**(13)**	**No**
61–90 days past due	**13.20%**	**111**	**(15)**	**No**
More than 90 days past due	**43.60%**	**38**	**(17)**	**Yes**
		10,611	**(100)**	

Expected credit loss assessment for individual customers

Ind AS 107.35M, 35N, B8I

The following table provides information about the exposure to credit risk and ECLs for trade and finance lease receivables, loans and contract assets from individual customers as at 31 March 2022.

31 March 2022 *In lakhs of INR*	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit-impaired**
Current (not past due)	0.30%	7,123	(24)	No
1–30 days past due	1.10%	2,012	(22)	No
31–60 days past due	5.60%	193	(11)	No
61–90 days past due	14.60%	20	(3)	No
More than 90 days past due	43.50%	15	(7)	Yes
		9,363	(67)	

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade and finance lease receivables, loans and contract assets (continued)

Movements in the allowance for impairment in respect of trade and finance lease receivables, loans and contract assets

Ind AS 107.35H

The movement in the allowance for impairment in respect of trade and finance lease receivables, loans and contract assets during the year was as follows.

In lakhs of INR	**31 March 2023**	**31 March 2022**
Balance at 1 April	**217**	29
Amounts written off	**(80)**	(5)
Amounts derecognised due to discontinued operation	**(25)**	-
Net remeasurement of loss allowance	**211**	193
Balance at 31 March	**323**	217

Ind AS 107.35L

Trade receivables with a contractual amount of INR 75 lakhs written off during the year ended 31 March 2023 are still subject to enforcement activity.

Ind AS 107.35I, B8D

The following significant changes in the gross carrying amounts of trade receivables contributed to the changes in the impairment loss allowance during the year ended 31 March 2023:

- the growth of the business in India and UK resulted in increases in trade receivables of INR 4,984 lakh (31 March 2022: INR 2,356 lakhs) and INR 4,556 lakhs (31 March 2022: INR 2,587 lakhs) respectively and increase in impairment allowances of INR 30 lakhs (31 March 2022: INR 14 lakhs) and INR 44 lakhs (31 March 2022: INR 23 lakhs) respectively;
- increases in credit-impaired balances in US of INR 143 lakhs (31 March 2022: INR 98 lakhs) resulted in increases in impairment allowances of INR 47 lakhs (31 March 2022: INR 44 lakhs)
- a decrease in trade receivables of INR 3,970 lakhs attributed to the Packaging segment, which was sold in February 2022 (see Note 7), resulted in a decrease in the loss allowance in 31 March 2023 of INR 25 lakhs.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Debt securities

Ind AS 107.33(a)–(b), 35B(a), 35F(a), 35G(a)–(b)

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least A2 from S&P and/or from CRISIL.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in government bond yields together with available press and regulatory information about issuers.

12-month and lifetime probabilities of default are based on historical data supplied by S&P for each credit rating and are recalibrated based on current bond yields and CDS prices. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

Ind AS 107.34(a), (c)

The exposure to credit risk for debt securities at amortised cost, FVOCI and FVTPL at the reporting date by geographic region was as follows.

	Net carrying amount	
In lakhs of INR	**31 March 2023**	**31 March 2022**
India	**1,615**	2,338
UK	**503**	545
Switzerland	**366**	273
US	**298**	51
	2,782	3,207

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Debt securities (continued)

Ind AS 107.34(a), 35M, B8I

The following table presents an analysis of the credit quality of debt securities at amortised cost, FVOCI and FVTPL. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

	31 March 2023					31 March 2022				
Credit rating	**FVTPL**	**FVOCI**	**At amortised cost**			FVTPL	FVOCI	At amortised cost		
In lakhs of INR		**12-month ECL**	**12-month ECL**	**Lifetime ECL – not credit-impaired**	**Lifetime ECL – credit-impaired**		12-month ECL	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired
BBB- to AAA	**243**	**122**	**1,764**	**-**	**-**	591	378	1,569	-	-
BB- to BB+	**-**	**-**	**-**	**207**	**-**	-	-	-	334	-
B- to B+	**-**	**-**	**-**	**113**	**-**	-	-	-	233	-
C to CCC+	**-**	**-**	**-**	**247**	**-**	-	-	-	73	-
D	**-**	**-**	**-**	**-**	**185**	-	-	-	-	67
Gross carrying amounts	-	**122**	**1,764**	**567**	**185**		378	1,569	640	67
Loss allowance	-	**(1)**	**(15)**	**(25)**	**(55)**		(4)	(7)	(7)	(19)
Amortised cost	-	**121**	**1,749**	**542**	**130**		374	1,562	633	48
Carrying amount	**243**	**118**	**1,749**	**542**	**130**	591	373	1,562	633	48

Ind AS 107.35I

An impairment allowance of INR 55 lakhs (31 March 2022: INR 19 lakhs) in respect of debt securities at amortised cost with a credit rating of D was recognised because of significant financial difficulties being experienced by the debtors. The Group has no collateral in respect of these investments.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Debt securities (continued)

Ind AS 107.35H, 42P

The movement in the allowance for impairment for debt securities at amortised cost during the year was as follows.

Ind AS 107.42P

	Year ended 31 March 2023			
In lakhs of INR	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Opening Balance	7	**7**	**19**	**33**
Net remeasurement of loss allowance	**5**	**46**	**27**	**78**
Transfer to lifetime ECL – not credit-impaired	**(1)**	**1**	**-**	**-**
Transfer to lifetime ECL – credit-impaired	**-**	**(8)**	**8**	**-**
Financial assets repaid	-	**(21)**	**-**	**(21)**
New financial assets acquired	**4**	**-**	**1**	**5**
Closing Balance	**15**	**25**	**55**	**95**

Ind AS 107.42P

	Year ended 31 March 2022			
In lakhs of INR	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired	Total
Opening Balance	6	2	12	20
Net remeasurement of loss allowance	-	10	6	16
Transfer to lifetime ECL – not credit-impaired	-	-	-	-
Transfer to lifetime ECL – credit-impaired	-	(1)	1	-
Financial assets repaid	-	(4)	-	(4)
New financial assets acquired	1	-	-	1
Closing Balance	7	7	19	33

Ind AS 107.35I, B8D

The following contributed to the increase in the loss allowance during the year ended 31 March 2023.

- An issuer of a debt security with a gross carrying amount of INR 109 lakhs entered insolvency procedure. The Group classified the debt security as credit-impaired and increased the loss allowance by INR 25 lakhs.
- A recession in UK in the fourth quarter of the year ended 31 March 2022 resulted in credit rating downgrades and transfers to lifetime ECL measurement, with consequent increases in loss allowances of INR 33 lakhs.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Debt securities (continued)

Ind AS 107.16A, 35H, 42P

The movement in the allowance for impairment in respect of debt securities at FVOCI during the year was as follows.

In lakhs of iNR	**Year ended 31 March 2023** **12-month ECL**	**Year ended 31 March 2022** **12-month ECL**
Opening Balance	**4**	4
Net remeasurement of loss allowance	**(1)**	(1)
Financial assets derecognised	**(3)**	-
New financial assets acquired	**1**	1
Closing Balance	**1**	4

Cash and cash equivalents and other bank balances

Ind AS 107.33(a)–(b), 34(a), 35B(a), 35F(a), 35G(a)–(b), 35M

The Group held cash and cash equivalents and other bank balances of INR 1,529 lakhs at 31 March 2023 (31 March 2022: INR 1,869 lakhs). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which are rated AA- to AA+, based on CRISIL ratings.

Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

Ind AS 107.35H, 42P

The amount of impairment allowance at 31 March 2023 is INR 1 lakhs (31 March 2022: INR 1 lakhs).

Derivatives

Ind AS 107.33(a)–(b), 34(a)

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on CRISIL ratings.

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 March 2023 and 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to two subsidiaries (see Note 46(B)).

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk

Ind AS 107.31, 33

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

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Ind AS107.34(a), 39(c), B10A

The Group aims to maintain the level of its cash and cash equivalents and other bank balances and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. As described in Note 29, cash of INR 300 lakhs (31 March 2022: nil) is subject to restrictions imposed by certain customers. As such, this cash amount was excluded when calculating the ratio for the current period. The ratio of investments to outflows was 1.17 at 31 March 2023 (31 March 2022: 1.21).

The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables. At 31 March 2023, the expected cash inflows from trade receivables maturing within two months are INR 30,892 lakhs (31 March 2022: INR 21,209 lakhs) and the expected cash outflows from trade payables due within two months were INR 23,024 lakhs (31 March 2022: INR 20,444 lakhs). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As described in Note 39, the Group also participates in a supply chain financing arrangement (SCF) with the principal purpose of facilitating efficient payment processing of supplier invoices. The SCF allows the Group to centralise payments of trade payables to the bank rather than paying each supplier individually. While the SCF does not extend payment terms beyond the normal terms agreed with other suppliers that are not participating, the programme assists in making cash outflows more predictable.

In addition, the Group maintains the following lines of credit.

Ind AS 107.B11F

- INR 100 lakhs overdraft facility that is unsecured. Interest would be payable at the rate of MCLR plus 250 basis points (31 March 2022: MCLR plus 160 basis points).
- INR 150 lakhs facility that is unsecured and can be drawn down to meet short-term financing needs.

The facility has a 30-day maturity that renews automatically at the option of the Group. Interest would be payable at a rate of MCLR plus 200 basis points (31 March 2022: MCLR plus 110 basis points).

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Exposure to liquidity risk

Ind AS 107.39(a)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.[6,7]

Ind AS 107.39(a), B11A–B11D

Ind AS 116.58

		Contractual cash flows					
31 March 2023 In lakhs of INR	Carrying amount	Total	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Non-derivative financial liabilities							
Contingent consideration	270	(330)	-	-	-	(330)	-
Bank overdrafts	334	(334)	(334)	-	-	-	-
Secured bank loans	4,567	(5,142)	(367)	(1,720)	(1,810)	(1,245)	-
Unsecured bank loan	6,609	(6,832)	(1,194)	(1,326)	(2,435)	(1,877)	-
Unsecured bond issues	6,136	(6,850)	(1,459)	(1,795)	(709)	(2,887)	-
Convertible debentures	4,678	(5,375)	-	(150)	(150)	(5,075)	-
Loan from associate	1,000	(1,560)	(140)	(140)	(1,280)	-	-
Redeemable preference shares	1,939	(2,528)	-	(88)	(88)	(264)	(2,088)
Lease liabilities	4,125	(5,697)	(381)	(334)	(963)	(1,450)	(2,569)
Dividend on redeemable preference shares	51	(51)	(51)	-	-	-	-
Liability on account of purchase plan	78	(78)	(78)	-	-	-	-
Trade payables	23,017	(23,017)	(23,017)	-	-	-	-
	52,804	(57,794)	(27,021)	(5,553)	(7,435)	(13,128)	(4,657)

Ind AS 107.39, B11,

6 The Group has disclosed a contractual maturity analysis for its financial liabilities, which is the minimum disclosure under Ind AS 107 in respect of liquidity risk. Because Ind AS 107 does not mandate the number of time bands to be used in the analysis, the Group has applied judgement to determine an appropriate number of time bands.

7 The Group has included both the interest and principal cash flows in the analysis. This best represents the liquidity risk being faced by the Group.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Ind AS 107.39(b), B11A–B11D

31 March 2023 In lakhs of INR	Carrying amount	Contractual cash flows Total	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Derivative financial liabilities[8]							
Interest rate swaps used for hedging	20	(21)	(1)	(6)	(6)	(8)	-
Forward exchange contracts used for hedging:							
– Outflow	8	(152)	(91)	(61)	-	-	-
– Inflow	-	142	85	57	-	-	-
	28	(31)	(7)	(10)	(6)	(8)	-

8. The maturity analysis should include all derivative financial liabilities, but contractual maturities only are required for those essential for an understanding of the timing of the cash flows.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Exposure to liquidity risk (continued)

Ind AS 10 7.39(a), B11A–B11D

Ind AS 116.58

Ind AS 10 7.39(b), B11A–B11D

		Contractual cash flows					
31 March 2022 *In lakhs of INR*	**Carrying amount**	**Total**	**6 months or less**	**6–12 months**	**1–2 years**	**2–5 years**	**More than 5 years**
Non-derivative financial liabilities							
Bank overdrafts	282	(282)	(282)	-	-	-	-
Secured bank loans	8,578	(9,312)	(2,662)	(262)	(518)	(3,469)	-
Unsecured bank loan	2,617	(2,796)	(563)	(562)	(1,671)	-	-
Unsecured bond issues	9,200	(10,613)	(61)	(184)	(3,306)	(1,703)	(5,359)
Lease liabilities	4,529	(6,051)	(258)	(517)	(1,069)	(1,972)	(2,235)
Loan from associate	1,000	(1,048)	(8)	(1,040)	-	-	-
Trade payables	20,438	(20,438)	(20,438)	-	-	-	-
	46,644	(50,540)	(24,272)	(2,565)	(6,564)	(7,144)	(7,594)
Derivative financial liabilities							
Interest rate swaps used for hedging	5	(5)	-	(2)	(1)	(2)	-
Forward exchange contracts used for hedging:							
– Outflow	7	(41)	(25)	(16)	-	-	-
– Inflow	-	32	19	13	-	-	-
	12	(14)	(6)	(5)	(1)	(2)	-

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Ind AS 107.39(b)–(c), B11D

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Ind AS 107.B10A

As disclosed in Note 34, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. In addition, convertible debentures will become repayable on demand if the Group's net debt to adjusted equity ratio exceeds 1.95. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.[9]

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9. When the amount payable is not fixed, the amount to be disclosed is determined with reference to conditions existing at the reporting date. For example, for a floating-rate bond with interest payments indexed to three-month Euribor, the amount to be disclosed should be based on forward rates rather than spot rates prevailing at the reporting date because the spot interest rates do not represent the level of the index based on which the cash flows will be payable. The forward interest rates better describe the level of the index in accordance with the conditions existing at the reporting date.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk

Ind AS 107.33

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Managing interest rate benchmark reform and associated risks

Overview

Ind AS 107.24H–24J

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). In the year ended 31 March 2022, the Group undertook amendments to most financial instruments with contractual terms indexed to IBORs such that they incorporate new benchmark rates, e.g. SONIA. As at 31 March 2023, the Group's remaining IBOR exposure is indexed to US dollar LIBOR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). The Group finished the process of implementing appropriate fallback clauses for all US dollar LIBOR indexed exposures in year ended 31 March 2023. These clauses automatically switch the instrument from USD LIBOR to SOFR as and when USD LIBOR ceases. As announced by the Financial Conduct Authority (FCA) in early 2022, the panel bank submissions for US dollar LIBOR will cease in mid-2024.

The risk management committee monitors and manages the Group's transition to alternative rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The committee reports to the Company's board of directors quarterly and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk and risks arising from IBOR reform.

Non-derivative financial assets

Historically, the Group's IBOR exposures to non-derivative financial assets were corporate debt securities indexed to sterling LIBOR and US dollar LIBOR. As explained above, the Group finished the process of amending contractual terms for all of the sterling LIBOR indexed exposures to incorporate SONIA in the year ended 31 March 2022. In respect of US dollar LIBOR exposures, the Group is party to agreements that introduce fallback clauses into all such instruments.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Non-derivative financial liabilities

The Group modified all of its floating-rate liabilities on foreign currency secured bank loans indexed to sterling LIBOR (see Note 34) to reference SONIA during the year ended 31 March 2022. As a result, the Group's IBOR exposures to non-derivative financial liabilities as at 31 March 2023 and 31 March 2022 were secured bank loans indexed to SONIA and unsecured bond issues indexed to Euribor. The calculation methodology of Euribor changed during 2019. In July 2019, the Belgian Financial Services and Markets Authority granted authorisation with respect to Euribor under the *European Union Benchmarks Regulation*. This allows market participants to continue to use Euribor for both existing and new contracts and the Group expects that Euribor will continue to exist as a benchmark rate for the foreseeable future.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to either Euribor or SONIA. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to Euribor or SONIA. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual.

The Group replaced its sterling LIBOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing SONIA by the end of 31 March 2022. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the amendments to Ind AS 109 issued in July 2020 to those hedging relationships.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total carrying amounts of unreformed contracts and those with appropriate fallback clauses at 31 March 2023 and at 1 April 2022.

	USD LIBOR	
In lakhs of INR	**Total amount of unreformed contracts**	**Amount with appropriate fallback clause**
31 March 2023		
Financial assets		
Corporate debt securities	**253**	**253**
1 April 2022		
Financial assets		
Corporate debt securities	251	63

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Currency risk[10]

Ind AS 107.21C, 22A(a)

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies for large number of Group companies is INR [12]. The currencies in which these transactions are primarily denominated are INR, US dollars, sterling and Swiss francs.

Ind AS 107.21A, 107.22A(b)–(c), 22C

The Group's risk management policy is to hedge 75 to 85% of its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. These contracts are generally designated as cash flow hedges.[11]

Ind AS 107.24C(b)(vi)

10 The Group did not designate any net positions in a hedging relationship. For an entity that did, the required disclosures would include the hedging gains or losses recognised in a separate line item in the statement of profit and loss.

Ind AS 107.24B(a), 24C(a)

11 The Group has not designated any fair value hedging relationships. For an entity that has a fair value hedge, the required disclosures would include:

- the carrying amount of the hedged item recognised in the balance sheet (presenting assets separately from liabilities);
- the accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item recognised in the balance sheet (presenting assets separately from liabilities);
- the line item in the balance sheet that includes the hedged item;
- the change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period;
- the accumulated amount of fair value hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses;
- hedge ineffectiveness: i.e. the difference between the hedging gains or losses of the hedging instrument and the hedged item recognised in profit or loss; and
- the line item in the statement of profit and loss that includes the recognised hedge ineffectiveness.

12 In these illustrative financial statements, it has been assumed that the functional currency of large number of group entities is INR. However, in an actual case, determination of functional currency requires a careful examination of facts and circumstances of the case.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Currency risk (continued)

Ind AS 107.22B

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

Ind AS 107.22B(b)

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Ind AS 107.23D

In these hedge relationships, the main sources of ineffectiveness are:[13]

- the effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

Ind AS 107.34(a)

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

	31 March 2023				**31 March 2022**			
In lakhs of	**INR**	**USD**	**GBP**	**CHF**	**INR**	**USD**	**GBP**	**CHF**
Trade receivables	**1,977**	**8,365**	**2,367**	**-**	3,099	6,250	1,780	-
Secured bank loans	**-**	**(1,047)**	**(1,500)**	**(1,140)**	-	(1,521)	(4,340)	(1,257)
Trade payables	**(876)**	**(7,956)**	**(4,347)**	**-**	(5,411)	(10,245)	(2,680)	-
Net balance sheet exposure	**1,101**	**(638)**	**(3,480)**	**(1,140)**	(2,312)	(5,516)	(5,240)	(1,257)
Next six months' forecast sales[14]	**9,000**	**23,000**	**12,000**	**-**	18,700	17,000	24,000	-
Next six months' forecast purchases[14]	**(10,000)**	**(20,000)**	**(8,000)**	**-**	(9,800)	(10,000)	(17,000)	-

Ind AS 107.23E

13 The Group did not have any new sources of hedge ineffectiveness emerging in designated hedging relationships. If it had, then it would be required to disclose those sources by risk category and explain the resulting hedge ineffectiveness.

Ind AS 107.34(a)

14 Disclosure of estimated forecast sales and purchases does not form part of the minimum disclosure requirements in Ind AS 107, because estimated forecast sales and purchases are not financial instruments. However, the Group has disclosed this information because it is relevant to an understanding of its exposure to currency risk. In addition, Ind AS 107 requires quantitative data about risk exposures to be based on information provided internally to key management personnel and the Group provides forecast sales and purchase information to management as part of its management of currency risk.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Currency risk (continued)

Exposure to currency risk

	31 March 2023				31 March 2022			
In lakhs of	**INR**	**USD**	**GBP**	**CHF**	**INR**	**USD**	**GBP**	**CHF**
Net forecast transaction exposure	**(1,000)**	**3,000**	**4,000**	**-**	8,900	7,000	7,000	-
Forward exchange contracts	**-**	**(950)**	**(946)**	**-**	-	(1,042)	(870)	-
Net exposure	**101**	**1,412**	**426**	**(1,140)**	6,588	442	890	(1,257)

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Currency risk (continued)

Exposure to currency risk (continued)

INR	Average rate 31 March 2023	Average rate 31 March 2022	Year-end spot rate 31 March 2023	Year-end spot rate 31 March 2022
USD 1	**80.28**	74.40	**82.05**	**75.81**
GBP 1	**99.71**	101.44	**98.62**	**99.58**
CHF 1	**84.23**	80.35	**87.51**	**82.02**

Ind AS 107.40

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar, sterling or Swiss franc against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in lakhs of INR	Profit or loss Strengthening	Profit or loss Weakening	Equity, net of tax Strengthening	Equity, net of tax Weakening
31 March 2023				
INR (9% movement)	**(33)**	**33**	**25**	**(25)**
USD (10% movement)	**25**	**(25)**	**(7)**	**7**
GBP (8% movement)	**17**	**(17)**	**(5)**	**5**
CHF (3% movement)	**2**	**(2)**	**(30)**	**30**
31 March 2022				
INR (10% movement)	(37)	37	28	(28)
USD (12% movement)	85	(85)	(8)	8
GBP (10% movement)	92	(92)	(7)	7
CHF (5% movement)	6	(6)	(50)	50

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Interest rate risk

Ind AS 107.21C, 22A(b)–(c), 22B–C

The Group adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1.

Ind AS 107.22B(b), Ind AS 109.6.8.6

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Ind AS 107.34(a)

Interest rate risk (continued)

Ind AS 107.23D

In these hedge relationships, the main sources of ineffectiveness are:[15]

- the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal amount	
In lakhs of INR	31 March 2023	**31 March 2022**
Fixed-rate instruments		
Financial assets	**4,389**	5,108
Financial liabilities	**(18,752)**	(12,549)
	(14,363)	(7,441)
Effect of interest rate swaps	**(8,000)**	(7,500)
	(22,363)	(14,941)
Variable-rate instruments		
Financial liabilities	**(10,636)**	(13,657)
Effect of interest rate swaps	**8,000**	7,500
	(2,636)	(6,157)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by INR 65 lakhs after tax (31 March 2022: INR 66 lakhs). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Ind AS 107.23E

15 The Group did not have any new sources of hedge ineffectiveness emerging in designated hedging relationships. If it had, then it would be required to disclose those sources by risk category and explain the resulting hedge ineffectiveness.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Interest rate risk (continued)

Ind AS107.40

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
Effect in lakhs of INR	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2023				
Variable-rate instruments	**(66)**	**66**	**-**	**-**
Interest rate swaps	**61**	**(61)**	**310**	**(302)**
Cash flow sensitivity (net)	**(5)**	**5**	**310**	**(302)**
31 March 2022				
Variable-rate instruments	(142)	142	-	-
Interest rate swaps	61	(61)	280	(275)
Cash flow sensitivity (net)	(81)	81	280	(275)

Other market price risk

Ind AS 107.B5(a)(iii)

The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes. Management is assisted by external advisers in this regard. Certain investments are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

Ind AS 107.40

Sensitivity analysis – Equity price risk

All of the Group's listed equity investments are listed on either the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE). For such investments classified at FVOCI, a 2% increase in the BSE Index plus a 3% increase in the Nifty Index at the reporting date would have increased equity by INR 28 lakhs after tax (31 March 2022: an increase of INR 18 lakhs after tax); an equal change in the opposite direction would have decreased equity by INR 28 lakhs after tax (31 March 2022: a decrease of INR 18 lakhs after tax). For such investments classified as at FVTPL, the impact of a 2% increase in the BSE Index plus a 3% increase in the Nifty Index at the reporting date on profit or loss would have been an increase of INR 16 lakhs after tax (31 March 2022: INR 18 lakhs after tax). An equal change in the opposite direction would have decreased profit or loss by INR 16 lakhs after tax (31 March 2022: INR 18 lakhs after tax).

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Cash flow hedges[16,17]

Ind AS 107.23B

At 31 March 2023, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity		
	1–6 months	6–12 months	More than one year
Foreign currency risk			
Forward exchange contracts			
Net exposure (in lakhs of INR)	**253**	**63**	**-**
Average INR:USD forward contract rate	**0.91**	**0.87**	**0.83**
Average INR:GBP forward contract rate	**1.27**	**1.23**	**1.20**
Average INR:CHF forward contract rate	**0.92**	**0.91**	**0.90**
Interest rate risk			
Interest rate swaps			
Net exposure (in lakhs of INR)	**-**	**41**	**78**
Average fixed interest rate	**2.2%**	**2.4%**	**2.8%**

At 31 March 2022, the Group held the following instruments to hedge exposures to changes in foreign currency rates.

	Maturity		
	1–6 months	6–12 months	More than one year
Foreign currency risk			
Forward exchange contracts			
Net exposure (in lakhs of INR)	293	73	-
Average INR:USD forward contract rate	0.93	0.89	0.85

Notes to the consolidated financial statements (continued)

Average INR:GBP forward contract rate	1.35	1.32	1.28
Average INR:CHF forward contract rate	0.95	0.93	0.91

Interest rate risk

Interest rate swaps

Net exposure (in lakhs of INR)	-	63	67
Average fixed interest rate	2.1%	2.2%	2.9%

Ind AS 107.23C, 24D

16 The Group does not frequently reset hedging relationships because both the hedging instrument and the hedged item frequently change (i.e. the entity does not use a dynamic process in which neither the exposure nor the hedging instruments used to manage that exposure remain the same for a long period). If it did, then it would be exempt from providing the disclosures required by paragraphs 23A and 23B of Ind AS 107, but would instead provide information about the ultimate risk management strategy, how it reflects its risk management strategy in its hedge accounting and designations, and how frequently hedging relationships are discontinued and restarted. If the volume of these hedges is unrepresentative of normal volumes during the year (i.e. the volume at the reporting date does not reflect the volumes during the year), then the entity would disclose that fact and the reason it believes the volumes are unrepresentative.

Ind AS 107.23F

17 The Group did not have any forecast transaction for which cash flow hedge accounting had been used in the previous period, but which is no longer expected to occur. If it did, then it would be required to disclose a description of the forecast transaction as well as the amount reclassified from the cash flow hedge reserve to profit or loss.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Cash flow hedges (continued)

Ind AS 107.24B(b)

The amounts at the reporting date relating to items designated as hedged items were as follows.

In lakhs of INR	Change in value used for calculating hedge ineffectiveness	Effective portion of Cash Flow Hedges	Costs of hedging	Balances remaining in the equity head “effective portion of cash flow hedges” from hedging relationships for which hedge accounting is no longer applied
		31 March 2023		
Foreign currency risk				
Sales, receivables and borrowings	**23**	**154**	**2**	**-**
Inventory purchases	**15**	**101**	**2**	**-**
Interest rate risk				
Variable-rate instruments	**24**	**178**	**-**	**-**
		31 March 2022		
Foreign currency risk				
Sales, receivables and borrowings	(35)	181	(27)	-
Inventory purchases	(23)	119	-	-
Interest rate risk				
Variable-rate instruments	(37)	191	-	-

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Cash flow hedges (continued)

Ind AS 107.21B, 21D, 24A, 24C(b)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

In lakhs of INR	31 March 2023				During the period – 31 March 2023								
	Nominal amount	Carrying amount – Assets	Carrying amount – Liabilities	Line item in the balance sheet where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Costs of hedging recognised in OCI	Amount from hedging reserve transferred to cost of inventory	Amount from costs of hedging reserve transferred to cost of inventory	Amount reclassified from hedging reserve to profit or loss	Amount reclassified from costs of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign currency risk													
Forward exchange contracts – sales, receivables and borrowings	**1,138**	**178**	**(5)**	Derivative asset and derivative liability	**(23)**	**(45)**	Other expenses	**20**	**-**	**-**	**(12)**	**6**	Revenue
								-	**-**	**-**	**(6)**	**2**	Other income
Forward exchange contracts – inventory purchases	**758**	**119**	**(3)**	Derivative asset and derivative liability	**(15)**	**-**		**14**	**6**	**6**	**-**	**-**	
Interest rate risk													
Interest rate swaps	**8,000**	**116**	**(20)**	Derivative asset and derivative liability	**(24)**	**(6)**	Finance costs	**-**	**-**	**-**	**(13)**	**-**	Other income

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Cash flow hedges (continued)

Ind AS 107.21B, 21D, 24A, 24C(b)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	31 March 2022				During the period – 31 March 2022								
		Carrying amount											
In lakhs of INR	**Nominal amount**	**Assets**	**Liabilities**	**Line item in the balance sheet where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in OCI**	**Hedge ineffectiveness recognised in profit or loss**	**Line item in profit or loss that includes hedge ineffectiveness**	**Costs of hedging recognised in OCI**	**Amount from hedging reserve transferred to cost of inventory**	**Amount from costs of hedging reserve transferred to cost of inventory**	**Amount reclassified from hedging reserve to profit or loss**	**Amount reclassified from costs of hedging reserve to profit or loss**	**Line item in profit or loss affected by the reclassification**
Foreign currency risk													
Forward exchange contracts – sales, receivables and borrowings	1,147	211	(4)	Derivative asset and derivative liability	35	(11)	Other expenses	6	-	-	(3)	7	Revenue
								-	-	-	(3)	(5)	Other income
Forward exchange contracts – inventory purchases	765	141	(3)	Derivative asset and derivative liability	23	-		4	1	(1)	-	-	
Interest rate risk													
Interest rate swaps	7,500	131	(5)	Derivative asset and derivative liability	37	(5)	Finance costs	-	-	-	(5)	-	Other income

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Cash flow hedges (continued)

Ind AS 107.24E–F

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	31 March 2023	
In lakhs of INR	Equity head 'Effective portion of cash flow hedges'	Equity head 'Cost of hedging'
Balance at 1 April 2022	491	(27)
Cash flow hedges		
Changes in fair value:		
– Foreign currency risk – inventory purchases	(15)	14
– Foreign currency risk – other items	(23)	20
– Interest rate risk	(24)	-
Amount reclassified to profit or loss:		
– Foreign currency risk – other items	(18)	8
– Interest rate risk	(13)	-
Amount included in the cost of non-financial items:		
– Foreign currency risk – inventory purchases	6	6
Tax on movements on reserves during the year	29	(17)
Balance at 31 March 2023	433	4

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Cash flow hedges (continued)

In lakhs of INR	31 March 2022 Equity head ' Effective portion of cash flow hedges'	Equity head 'Cost of hedging'
Balance at 1 April 2021	434	(35)
Cash flow hedges		
Effective portion of changes in fair value:		
– Foreign currency risk – inventory purchases	23	4
– Foreign currency risk – other items	35	6
– Interest rate risk	37	-
Amount reclassified to profit or loss:		
– Foreign currency risk – other items	(6)	2
– Interest rate risk	(5)	-
Amount included in the cost of non-financial items:		
– Foreign currency risk – inventory purchases	1	(1)
Tax on movements on reserves during the year	(28)	(3)
Balance at 31 March 2022	491	(27)

Net investment hedges

Ind AS 107.22A

A foreign currency exposure arises from the Group's net investment in its Swiss subsidiary that has a Swiss franc functional currency. The risk arises from the fluctuation in spot exchange rates between the Swiss franc and the INR, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening Swiss franc against the INR that will result in a reduction in the carrying amount of the Group's net investment in the Swiss subsidiary.

Ind AS 107.22B(a)

Part of the Group's net investment in its Swiss subsidiary is hedged by a Swiss franc-denominated secured bank loan (carrying amount: INR 1,240 lakhs (31 March 2022: INR 1,257 lakhs)), which mitigates the foreign currency risk arising from the subsidiary's net assets. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the INR/CHF spot rate.

Ind AS 107.22B(b)

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

iv. Market risk (continued)

Ind AS 107.24A, 24C(b)(i)–(iii)

Net investment hedges (continued)

The amounts related to items designated as hedging instruments were as follows.

	31 March 2023				During the year ended 31 March 2023					
		Carrying amount								
In lakhs of INR	Nominal amount	Assets	Liabilities	Line item in the Balance sheet where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness for the year ended 31 March 2023	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item affected in profit or loss because of the reclassification
Foreign exchange-denominated debt (CHF)	**1,240**	**-**	**1,240**	Borrowings	**(4)**	**(3)**	**(1)**	Other expenses	**-**	**N/A**

Ind AS 107.24B(b)

The amounts related to items designated as hedged items were as follows.

	31 March 2023	During the year ended 31 March 2023	
In lakhs of INR	Change in value used for calculating hedge ineffectiveness	Exchange differences on translating financial statements of foreign operations	Balances remaining in the Equity head 'exchange differences on translation of foreign operations; from hedging relationships for which hedge accounting is no longer applied
CHF net investment	**3**	**125**	**-**

The amounts related to items designated as hedging instruments were as follows.

	31 March 2022				During the year ended 31 March 2022					
		Carrying amount								
In lakhs of INR	Nominal amount	Assets	Liabilities	Line item in the Balance sheet where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness for 2022	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item affected in profit or loss because of the reclassification
Foreign exchange-denominated debt (CHF)	1,257	-	1,257	Borrowings	(8)	(8)	-	Other expenses	-	N/A

The amounts related to items designated as hedged items were as follows.

	31 March 2022	During the year ended 31 March 2022	
In lakhs of INR	Change in value used for calculating hedge ineffectiveness	Exchange differences on translating financial statements of foreign operations	Balances remaining in the Equity head 'exchange differences on translation of foreign operations; from hedging relationships for which hedge accounting is no longer applied
CHF net investment	8	105	-

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

Ind AS 107.13B, 13E, B50

D. Master netting or similar agreements[1,2]

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

Ind AS 107.13C, B46

In lakhs of INR	Amounts of financial instruments in the balance sheet	Related financial instruments that are not offset	Net amount
31 March 2023			
Financial assets			
Derivative			
– Interest rate swaps used for hedging	**116**	**(5)**	**111**
– Forward exchange contracts used for hedging	**297**	**(16)**	**281**
– Other forward exchange contracts	**122**	**(7)**	**115**
	535	**(28)**	**507**
Financial liabilities			
Derivative			
– Interest rate swaps used for hedging	**(20)**	**20**	**-**
– Forward exchange contracts used for hedging	**(8)**	**8**	**-**
	(28)	**28**	**-**
31 March 2022			
Financial assets			
Derivative			
– Interest rate swaps used for hedging	131	(2)	129
– Forward exchange contracts used for hedging	352	(8)	344
– Other forward exchange contracts	89	(2)	87
	572	(12)	560

Notes to the consolidated financial statements (continued)

41. Financial instruments – Fair values and risk management (continued)

Ind AS 107.13B, 13E, B50

D. Master netting or similar agreements[18,19]

Ind AS 107.13C, B46

In lakhs of INR	Amounts of financial instruments in the balance sheet	Related financial instruments that are not offset	Net amount
Financial liabilities			
Derivative			
– Interest rate swaps used for hedging	(5)	5	-
– Forward exchange contracts used for hedging	(7)	7	-
	(12)	12	-

Ind AS 107.13C, B51–B52,

18 The disclosure requirements in paragraph 13C of Ind AS 107 may be grouped by type of financial instrument or transaction. Alternatively, an entity may present the disclosures in paragraph 13C(a)–(c) by type of financial instrument, and those in 13C(c)–(e) by counterparty.

Ind AS 107.13C, B52–B53,

19 The disclosure requirements described in paragraph 13C of Ind AS 107 are minimum requirements. An entity supplements them with additional qualitative disclosures if they are necessary for financial statement users to evaluate the actual or potential effect of netting arrangements on its financial position. When disclosing quantitative information by counterparty, an entity considers qualitative disclosure about the type of counterparty.

Notes to the consolidated financial statements (continued)

42. Leases

See accounting policy in Note 3(S).

A. Leases as lessee

Ind AS 116.51, 59

The Group leases warehouse and factory facilities. The leases typically run for a period of 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Ind AS 1.122

The warehouse and factory leases were entered into many years ago as combined leases of buildings.

During the year ended 31 March 2023, one of the leased properties has been sub-let by the Group. The lease and sub-lease expire in March 2024.

Ind AS 116.60

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Ind AS 116.53–54

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets[1]

Ind AS 116.47(a)(ii)

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 18(A)) [2].

	In lakhs of INR	Buildings	Production equipment	Total
	31 March 2023			
Ind AS 116.53(j)	Balance at 1 April 2022	2,181	1,972	4,153
Ind AS 116.53(a)	Depreciation charge for the year	(25)	(283)	(308)
Ind AS 116.53(h)	Additions to right-of-use assets	150	-	150
	Derecognition of right-of-use assets*	(402)	-	(402)
Ind AS 116.53(j)	**Balance at 31 March 2023**	**1,904**	**1,689**	**3,593**

* Derecognition of the right-of-use assets is as a result of entering into a finance sub-lease.

1. Although it is not required by Ind AS 116, the Group has reconciled the opening and closing right-of-use asset carrying amounts in the financial statements. This disclosure is provided for illustrative purposes only.

2. The Group has elected to present right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned. As per Ind AS 116, a lessee may alternatively also present right-of-use assets separately in the balance sheet.

Notes to the consolidated financial statements (continued)

42. Leases (continued)

A. Leases as lessee (continued)

i. Right-of-use assets (continued)

	In lakhs of INR	Buildings	Production equipment	Total
	31 March 2022			
Ind AS 116.53(j)	Balance at 1 April 2021	2,526	2,057	4,583
Ind AS 116.53(a)	Depreciation charge for the year	(30)	(265)	(295)
Ind AS 116.53(h)	Additions to right-of-use assets	-	180	180
	Derecognition of right-of-use assets*	(315)	-	(315)
Ind AS 116.53(j)	**Balance at 31 March 2022**	2,181	1,972	4,153

* Derecognition of the right-of-use assets is as a result of entering into a finance sub-lease.

ii. Amounts recognised in profit or loss

	In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 116.53(b)	Interest expense on lease liabilities	**320**	238
Ind AS 116.53(f)	Income from sub-leasing right-of-use assets presented in 'other income'	**(150)**	(90)
Ind AS 116.53(c)	Expenses relating to short-term leases	**80**	90
Ind AS 116.53(d)	Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**65**	119

iii. Amounts recognised in statement of cash flows

	In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 116.53(g)	**Total cash outflow for leases**	**1,019**	1,037

iv. Extension options

Ind AS 116.59(b)(ii), B50

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of INR 120 lakhs.

B. Leases as lessor

Ind AS 116.90–91

The Group leases out its investment property consisting of its owned commercial properties as well as leased property (see Note 21). All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

Notes to the consolidated financial statements (continued)

42. Leases (continued)

B. Leases as lessor (continued)

i. Finance lease

Ind AS 116.92(a)

During the year ended 31 March 2023, the Group has sub-leased a building that has been presented as a right-of-use asset – property, plant and equipment.

Ind AS 116.90(a)(i)

During the year ended 31 March 2023, the Group recognised a gain of INR 22 lakhs (31 March 2022: nil) on derecognition of the right-of-use asset pertaining to the building and presented the gain as part of 'Net gain on sale of property, plant and equipment' (see Note 10).

Ind AS 116.90(a)(ii)

During the year ended 31 March 2023, the Group recognised interest income on lease receivables of INR 2 lakhs (31 March 2022: nil).

Ind AS 116.94

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Less than one year	**103**	35
One to two years	**128**	100
Two to three years	**131**	120
Three to four years	**92**	100
Four to five years	**-**	-
More than five years	**-**	-
Total undiscounted lease receivable	**454**	355
Unearned finance income	**30**	40
Net investment in the lease	**424**	315

ii. Operating lease

Ind AS 116.92(a)

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 21 sets out information about the operating leases of investment property.

Ind AS 116.90(b)

Rental income recognised by the Group during the year ended 31 March 2023 was INR 460 lakhs (31 March 2022: INR 302 lakhs).

Notes to the consolidated financial statements (continued)

42. Leases (continued)

B. Leases as lessor (continued)

ii. Operating lease (continued)

Ind AS 116.97

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Less than one year	**450**	332
One to two years	**400**	420
Two to three years	**380**	390
Three to four years	**350**	360
Four to five years	**340**	300
More than five years	**145**	445
Total	**2,065**	2,247

Notes to the consolidated financial statements (continued)

43. Contingent liabilities

Sch III 8.2.14

Contingent liabilities

In lakhs of INR

Particulars	31 March 2023	31 March 2022
a. Claims against the Group not acknowledged as debt:		
Income tax matters (see Note (i) and (iii) below)	**180**	194
Goods and Service Tax (GST) (see Note (i) and (iii) below)	**176**	152
Action brought by an environmental agency in Europe (see Note (i) and (ii) below)	**290**	-
Other matters including claims related to employees/ ex-employees, etc. (see Note (i), (iii) and (v) below)	**94**	94
	740	440
b. Contingent liabilities relating to interest in Joint Venture	**97**	78
c. Guarantees outstanding (see Note (iv))	**600**	-

Ind AS 112.23(b)

Ind AS 107.B10(C), B11(C)(c),

Ind AS 37.89

Contingent Assets

Counter claims lodged by the Group against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/other forums/ under examination within the counter party. However, the contingent asset amounting to INR 2,180 lakhs (31 March 2022: Nil) has not been recognised as a receivable at 31 March 2023 as its receipt is dependent on the outcome of the arbitration process.

Notes:

Ind AS 1.125, 37.86

i. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. A subsidiary is defending an action brought by an environmental agency in Europe. While liability is not admitted, if defence against the action is unsuccessful, then fines and legal costs could amount to INR 370 lakhs (31 March 2022: Nil) of which INR 80 lakhs would be reimbursable under an insurance policy. Based on legal advice, the management does not expect the outcome of the action to have a material effect on the Group's financial position

iii. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities except in respect of action brought by an environmental agency as stated in (ii) above.

iv. The Group has guaranteed to an unrelated party the performance of a subsidiary in relation to a contract for the supply of paper products. The terms of the contract contain minimum compensation payment of INR 600 lakhs to the unrelated party in the event of default (31 March 2022:Nil). The contract is due to be fulfilled by 30 September 2023.

v. As a part of the acquisition of Papyrus, the Group recognised a contingent liability of INR 20 lakhs in respect of a claim for contractual penalties made by one of Papyrus's customers (Note 8(C)).

The group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

Notes to the consolidated financial statements (continued)

44. Commitments

Sch. III. GN. 8.2.14

Commitments[1]	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (Refer note (i), (ii) and (iii) below)[2]	**2,079**	49
Lease commitments (refer note (iv) below)[3]	**45**	-

Notes

Ind AS 16.74(c), Ind AS 38.122(e).

(i) During the current year, the Group entered into a contract to purchase property, plant and equipment and patents and trademarks for INR 1,465 lakhs (31 March 2022: nil) and INR 455 lakhs (31 March 2022: nil) respectively.

The Group is committed to incurring other capital expenditure of INR 150 lakhs (31 March 2022: INR 45 lakhs).

Ind AS 112.23(a), Ind AS 112.B18-B19

(ii) The Group's joint venture is committed to incurring capital expenditure of INR 23 lakhs (31 March 2022: INR 11 lakhs), of which the Group's share is INR 9 lakhs (31 March 2022: INR 4 lakhs). These commitments are expected to be settled by 31 March 2024.

Ind AS 40.75(h)

(iii) The Group has entered into contracts for the management and maintenance of certain commercial properties that are leased to third parties. These contracts will give rise to annual expense of INR 15 lakhs for the next five years.

Ind AS 116.59(b)(iv)

(iv) The Group has various lease contracts that have been committed but not yet commenced as at 31 March 2023. The future lease payments for these non-cancellable lease contracts amounting to INR 45 lakhs is payable within next ten years.[4]

Sch III.GN. 8.2.14 — 1 Schedule III requires disclosure for commitments related to uncalled liability on shares and other investments partly paid.

Ind AS 38.122 (e),Ind AS 40.75(h), Ind AS 41.49(b — 2 An entity also discloses the amount of contractual commitments for the acquisition of intangible assets, development or acquisition of biological assets, and for the purchase, construction, development, repairs and maintenance of Investment property.

Sch III.GN. 8.2.14.4 — 3 Commitments would also include all the expenditure related to contractual commitments other than capital commitments such as commitments arising from long- term contracts for purchase of raw material, employee contracts, lease commitments etc. However, the disclosure of all contractual commitments should be made bearing in mind the overarching principle under paragraph 4(ii) in General Instructions for Preparation of Financial Statements of a Company required to comply with Ind AS, that "a balance shall be maintained between providing excessive detail that may not assist users of Financial Statements and not providing important information as a result of too much aggregation".

Ind AS 116.55 — 4 The entity shall also provide disclosure of the amount of lease commitments for short-term leases accounted for applying paragraph 116.6 if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed applying paragraph 116.53(c) relates.

Notes to the consolidated financial statements (continued)

45. Related parties

A. Parent and ultimate controlling party

Ind AS 1.138(c), 24.13

During the year ended 31 March 2023, a majority of the Company's shares were acquired by Cameron Paper Co from Brown Products Corporation. As a result, the new ultimate controlling party of the Group is AJ Pennypacker. The previous ultimate controlling party was Sigma Global Investment Holdings.[1]

Ind AS 24.18

B. Transactions with key management personnel

Sec 186 (4) of Companies Act, 2013

i. Loans to directors

The Group has a scheme for granting housing loans to employees including executive directors. As per the scheme, the employees are offered a loan facility of up to INR 150 lakhs repayable within three years from the date of disbursement. Unsecured loans to directors granted during the year ended 31 March 2023 amount to INR 85 lakhs (31 March 2022: INR 32 lakhs). The interest rate is higher then the prevailing yield of Government Security closest to the tenor of the loan. The loans outstanding are repayable in cash within 12 months from the reporting date. See Note 27A.

In lakhs of INR

	Purpose	Year ended 31 March 2023	Year ended 31 March 2022
As at the beginning of the year	Housing personal loan	22	18
Given during the year		85	32
Repaid during the year		(52)	(28)
		55	**22**
Loss allowance		(2)	(2)
As at the end of the year (net)		53	20
Interest		(5)	(3)

ii. Key management personnel compensation

In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	**502**	420
Post-employment benefits[2]	**82**	103

Ind AS 24.17(a) — Short-term employee benefits

Ind AS 19.151(b), 24.17(b) — Post-employment benefits

Ind AS 24.13

1 The Company's parent produces consolidated financial statements that are available for public use. If neither the Company's parent nor its ultimate controlling party produced consolidated financial statements available for public use, then the Company would disclose the name of the next most senior parent that does so.

2 The post-employment benefits and other long-term employee benefits expense are computed based on actuarial valuation

Notes to the consolidated financial statements (continued)

45. Related parties (continued)

Ind AS 24.18

B. Transactions with key management personnel (continued)

ii. Key management personnel compensation (continued)

	In lakhs of INR	Year ended 31 March 2023	Year ended 31 March 2022
Ind AS 24.17(c)	Other long-term benefits	**3**	2
Ind AS 24.17(d)	Termination benefits	**25**	-
Ind AS 24.17(e)	Share-based payments	**516**	250
		1,128	775

Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 35).

The Group also paid director sitting fees of INR 70 lakhs (31 March 2022 : INR 65 lakhs) to non-executive independent directors.

Executive officers also participate in the Group's share option plan (see Note 36). Furthermore, certain employees of the Group are entitled to participate in a share purchase plan (see Note 36) if they meet the criteria of investing a percentage of each month's salary for a period of 36 months. Consequently, the Group has deducted INR 78 lakhs (31 March 2022 : Nil) from the salaries of the employees concerned, which is included in other financial liabilities (see note 40A) and includes an amount of INR 37 lakhs (31 March 2022: Nil) that relates to key management personnel, to satisfy the criteria.

Ind AS 24.17(d)

As a result of the termination of the employment of one of the Group's executives in France, the executive received an enhanced retirement entitlement. Accordingly, the Group has recognised an expense of INR 25 lakhs during the year (31 March 2022: nil).

iii. Transactions with Key management personnel including directors

Directors of the Company control 12% of the voting shares of the Company. A relative of a director of a subsidiary has a 10% share in the Group's joint venture (see Note 22(A)).

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

Ind AS 24.18(b)(i)

A number of these companies transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

Notes to the consolidated financial statements (continued)

45. Related parties (continued)

B. Transactions with key management personnel (continued)

iii. Transactions with Key management personnel including directors (continued)

Ind AS 24.18(a)

The aggregate value of Group's transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows[3]

In lakhs of INR		**Transaction values for the year ended 31 March**		**Balance outstanding as at 31 March**	
Transaction	***Note***	2023	**2022**	2023	**2022**
Legal fees	*(a)*	**12**	13	**-**	-
Repairs and maintenance	*(b)*	**410**	520	**137**	351
Inventory purchases – paper	*(c)*	**66**	-	**-**	-

Ind AS 24.18(b)(i), 23

a. The Group used the legal services of one of its directors in relation to advice over the sale of certain non-current assets of the Company. Amounts were billed based on market rates for such services and were due and payable under normal payment terms.

b. The Group entered into a two-year contract with On-Track Limited, a company controlled by a director, to receive repairs and maintenance services in respect of the Group's production equipment. The total contract value is INR 986 lakhs. The contract terms are based on market rates for these types of services and amounts are payable on a quarterly basis for the duration of the contract.

c. The Group bought various paper supplies from Alumfab Limited, a company in which a director has significant influence. Amounts were billed based on market rates for such supplies and were due and payable under normal payment terms.

From time to time directors of the Group, or their related entities, may buy goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

[3] The level of detail in disclosures provided here about individual transactions is not required by Ind AS 24, Related Party Disclosures and have been provided only for illustrative purposes.

Notes to the consolidated financial statements (continued)

45. Related parties (continued)

Ind AS 24.18

C. Other related party transactions[4]

In lakhs of INR	Note	Transaction values for the year ended 31 March		Balance outstanding as at 31 March	
		2023	2022	2023	2022
Ind AS 24.18(a)–(b), 19 **Sale of goods and services**					
Parent of the Group – Cameron Paper Co (31 March 2022: Brown Products Corporation)		**350**	320	**253**	283
Joint venture		**745**	250	**651**	126
Associates					
Cellulose S.A.		**400**	150	**332**	233
Purchase of goods					
Joint venture		**1,053**	875	**174**	351
Others					
Maintenance services received from Cellulose S.A. (associate)		**21**	-	**-**	-
Loan from Cellulose S.A.				**1,000**	1,000
Interest expense – Cellulose S.A. (associate)	34	**5**	6	**-**	-

4 An entity should disclose the portions of transactions with joint ventures or associates that are not eliminated in applying equity accounting in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

45. Related parties (continued)

Ind AS 24.18

C. Other related party transactions (continued)

Ind AS 24.18(b)(i)–(ii), 18(c)–(d), 23

All transactions with these related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances are secured. During the year ended 31 March 2023, there were no transactions or outstanding balances with Brown Products Corporation, the previous parent of the Group. No guarantees have been given or received. During the year ended 31 March 2023 the Group obtained and repaid a loan of INR 200 lakhs from Cellulose S.A (associate).

To support the activities of the joint venture, the Group and the other investors in the joint venture have agreed to make additional contributions in proportion to their interests to make up any losses, if required (see Note 22).

Notes to the consolidated financial statements (continued)

46. List of subsidiaries

See accounting policy in Note 3(A)(ii).

Ind AS 112.10(a), Ind AS 24.13–14

Set out below is a list of subsidiaries of the Group .

Name of Subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests	
		31 March 2023	31 March 2022
Bauget te S.A.	France	100	100
Mermaid A/S	Denmark	100	100
Papier Gmbh H	Germany	100	100
Lei Sure Limited	Romania	100	100
Paper Pabus Co	UK	100	100
Hemy Payo Products N.V.	Netherlands	100	100
OY Kossu AG	Switzerland	90	90
Papyrus Pty Limited	US	90	25
Swissolote AG	Switzerland	75	60
Maple leaf Inc	Canada	45	45
Silver Fir S.A.	Spain	48	48
Sloan Bio-Research Co	UK	-	-
MayCo	US	-	-

A. Maple-leaf Inc and Silver Fir S.A.

Ind AS 112.7(a), 9(b), Ind AS 1.122

Although the Group owns less than half of Maple-leaf Inc and Silver Fir S.A. and has less than half of their voting power, management has determined that the Group controls these two entities. The Group controls Maple-leaf Inc by virtue of an agreement with its other shareholders; the Group has control over Silver Fir S.A., on a de facto power basis, because the remaining voting rights in the investee are widely dispersed and there is no indication that all other shareholders exercise their

B. Sloan Bio-Research Co and MayCo

Ind AS 112.7(a), 9(b),10(b)(ii)

The Group does not hold any ownership interests in two structured entities, Sloan Bio-Research Co and MayCo. However, based on the terms of agreements under which these entities were established, the Group receives substantially all of the returns related to their operations and net assets (these entities perform research activities exclusively for the Group) and has the current ability to direct these entities' activities that most significantly affect these returns. Because the owners' interests in these entities are presented as liabilities of the Group, there are no NCI for these entities.

Ind AS 112.14

The Company has issued guarantees to certain banks in respect of the credit facilities of INR 700 lakhs granted to these entities, which is the maximum amount the Company is exposed to.

Notes to the consolidated financial statements (continued)

46. List of subsidiaries (continued)

Sch III.GN.12.3

Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III[1]

31 March 2023

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Classic Company (India) Limited	19%	8,102	16%	1,227	0%	-	15%	1,227
Subsidiaries-Foreign (parent's share)								
Baugette S.A.	12%	5,671	3%	249	44%	322	7%	571
Mermaid A/S	11%	4,861	3%	261	8%	57	4%	318
Papier Gmbh H	7%	3,384	18%	1,391	3%	25	17%	1,416
Lei Sure Limited	3%	1,663	17%	1250	22%	160	17%	1,410
Paper Pabus Co	5%	2,430	4%	283	4%	30	4%	313
Hemy Payo Products N.V.	4%	1,620	1%	94	5%	35	2%	129
OY Kossu AG	10%	4,356	4%	266	0%	-	3%	266
Papyrus Pty Limited*	8%	3,522	3%	250	3%	25	3%	275
Swissolote AG	2%	1,063	3%	210	0%	-	3%	210

Sch III.GN. 12.4

1 Entities which are not covered in the Consolidated Financial Statements, whether subsidiaries, associates or joint ventures are to be listed in the Consolidated Financial Statements along with the reasons for not consolidating such entities. Additional disclosure requirements as set out in Ind AS 112 should also be complied with in this regard.

Notes to the consolidated financial statements (continued)

46. List of subsidiaries (continued)

Sch III.GN.12.3

Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III (continued)

31 March 2023 (continued)

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Maple leaf Inc	2%	718	3%	245	6%	44	3%	289
Silver Fir S.A.	5%	2,428	3%	190	0%	-	2%	190
Sloan Bio-Research Co	0%	-	0%	-	0%	-	0%	-
MayCo	0%	-	0%	-	0%	-	0%	--
Non-controlling interests in all subsidiaries	9%	3,884	7%	504	4%	27	6%	531
Associates (Investment as per equity method)-Foreign								
Papyrus Pty Limited *	0%	-	1%	68	-14%	-102	0%	(34)
Cellulose S.A.	0%	-	-1%	(42)	-2%	(14)	-1%	(56)
Paper Web SARL	0%	8	-1%	(91)	-6%	(13)	-2%	(134)
Joint Venture (investment as per the equity method)-Foreign								
Paletel AB	4%	1,914	16%	1206	23%	167	17%	1,373
Eliminations	0%	(105)	0%	(9)	0%	-	0%	(9)
Total	100%	45,519	100%	7,552	100%	733	100%	8,285

*** On 30 June 2022, the Group's equity interest in Papyrus increased from 25% to 90% and Papyrus became subsidiary from that date (see Note 8).**

Notes to the consolidated financial statements (continued)

46. List of subsidiaries (continued)

Sch III.GN.12.3

Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III (continued)

31 March 2022

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Classic Company (India) Limited	21%	7,386	14%	865	0%	-	14%	865
Subsidiaries-Foreign (parent's share)								
Bauget te S.A.	18%	6,331	27%	1623	19%	84	27%	1,707
Mermaid A/S	15%	5,276	8%	466	13%	55	8%	521
Papier Gmbh H	8%	2,823	4%	251	0%	-	4%	251
Lei Sure Limited	4%	1,299	11%	631	21%	92	11%	723
Paper Pabus Co	1%	350	2%	130	16%	70	3%	200
Hemy Payo Products N.V.	1%	221	3%	170	0%	-	3%	170
OY Kossu AG	11%	3,790	3%	150	5%	23	4%	240
Swissolote AG	2%	653	4%	252	16%	70	5%	322
Maple leaf Inc	1%	429	4%	236	14%	60	5%	296

Notes to the consolidated financial statements (continued)

46. List of subsidiaries (continued)

Sch III.GN. 12.3

Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III (continued)

31 March 2022 (continued)

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Silver Fir S.A.	7%	2,544	5%	285	19%	80	6%	365
Sloan Bio-Research Co	0%	-	0%	-	11%	46	1%	46
MayCo	0%	-	0%	-	0%	-	0%	-
Non-controlling interests in all subsidiaries	9%	3,145	7%	389	5%	22	6%	411
Associates (Investment as per equity method)-Foreign								
Papyrus Pty Limited	1%	461	4%	214	-16%	(71)	2%	143
Cellulose S.A.	1%	238	1%	64	6%	24	1%	88
Paper Web SARL	1%	209	-2%	(100)	3%	14	-1%	(86)
Joint Venture (investment as per the equity method)-Foreign								
Paletel AB	2%	652	7%	414	-32%	(138)	4%	276
Eliminations	0%	(114)	-1%	(66)	0%	0	-1%	(66)
Total	**100%**	**35,693**	**100%**	**5,974**	**100%**	**431**	**100%**	**6,405**

Notes to the consolidated financial statements (continued)

47. Subsequent events

Ind AS 10.21-22

A. Restructuring

At the end of April 2023, the Group announced its intention to implement a cost-reduction programme and to take further measures to reduce costs. Additionally, to enable the Group to adapt its size to current market conditions, it intends to reduce the Group's workforce by 400 positions worldwide by the end of 31 March 2023 by means of non-replacement whenever possible. The Group expects the restructuring associated with the reduction in positions to cost between INR 600 lakhs and INR 850 lakhs in 2023-24

Ind AS 10.21-22

B. Others

Subsequent to 31 March 2023, one of the Group's major trade customers went into liquidation following a natural disaster in May 2023 that damaged its operating plant. Of the INR 100 lakhs owed by the customer, the Group expects to recover less than INR 10 lakhs. No additional allowance for impairment has been made in these consolidated financial statements.

On 10 April 2023, one of the premises of Oy Kossu AG, having a carrying amount of INR 220 lakhs, was seriously damaged by fire. Surveyors are in the process of assessing the extent of the loss, following which the Group will file a claim for reimbursement with the insurance company. The Group is unable to estimate the incremental costs relating to refurbishment and temporary shift of production to other locations (in excess of the reimbursement expected).

As explained in Note 34(B), the Group breached a financial loan covenant associated with a bank loan in the quarter ended December 2022. The Group obtained a waiver for the breach of covenant in January 2023 for a period of 18 months. Subsequent to 31 March 2023, the bank revised the loan covenant ratio and the waiver was lifted.

(Ind AS 12.88)

On 23 April 2023, an increase in the corporate tax rate from 25 to 30% was substantively enacted, effective from 1 April 2024. This increase does not affect the amounts of current or deferred income taxes recognised at 31 March 2023. However, this change will increase the Group's future current tax charge accordingly. If the new tax rate were applied to calculate taxable temporary differences and tax losses recognised as at 31 March 2023 the effect would be that net deferred tax assets would increase by INR 27 lakhs (see Note 17).

On 2 May 2023, the Group announced its intention to acquire all of the shares of ABC Company for INR 6,500 lakhs. On 29 May 2023, the Group's shareholders approved the transaction and the Group is now awaiting approval from regulatory authorities before proceeding with the acquisition. Management anticipates that this approval will be received by March 2024.

Notes to the consolidated financial statements (continued)

48. Correction of errors[1]

Ind AS 8.49 (a)

During the year ended 31 March 2023, the Group discovered that maintenance expenses had been erroneously duplicated in its financial statements since 1 April 2020. As a consequence, maintenance expenses and the related liabilities have been overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the Group's consolidated financial statements.

i. Consolidated balance sheet

Ind AS 8.49 (c)

	Impact of correction of error		
1 April 2021 *In Lakhs of INR*	**As previously reported**	**Adjustments**	**As restated**
Total assets	90,991	-	90,991
Trade payables (current)	(28,159)	85	(28,074)
Deferred tax liabilities	(295)	(28)	(323)
Other non-current liabilities	(26,545)	-	(26,545)
Other current liabilities	(6,487)	-	(6,487)
Total liabilities	(61,486)	57	(61,429)
Equity Share Capital	(9,300)	-	(9,300)
Instruments entirely equity in nature	(5,250)	-	(5,250)
Other Equity	(12,237)	(57)	(12,294)
Non-controlling interests	(2,718)	-	(2,718)
Total equity	(29,505)	(57)	(29,562)

Ind AS 8.49 (b)

31 March 2022 *In Lakhs of INR*	**As previously reported**	**Adjustments**	**As restated**
Total assets	89,465	-	89,465
Trade payables (current)	(20,534)	96	(20,438)
Deferred tax liabilities	(374)	(32)	(406)
Other non-current liabilities	(24,056)	-	(24,056)
Other current liabilities	(8,872)	-	(8,872)

Ind AS 8.49

[1] The Group has disclosed the nature of the prior-period error and the amount of the correction for each financial statement line item affected as required by Ind AS 8.

Notes to the consolidated financial statements (continued)

48. Correction of errors (continued)

i. Consolidated balance sheet (continued)

Ind AS 8.49 (c)

1 April 2021 *In Lakhs of INR*	Impact of correction of error As previously reported	 Adjustments	 As restated
Total liabilities	(53,836)	64	(53,772)
Equity Share Capital	(9,300)	-	(9,300)
Instruments entirely equity in nature	(5,250)	-	(5,250)
Other Equity	(17,988)	(64)	(18,052)
Non-controlling interests	(3,091)	-	(3,091)
Total equity	(35,757)	(64)	(35,693)

Ind AS 8.49 (b)

ii. Consolidated statement of profit and loss

For the year ended 31 March 2022 *In Lakhs of INR*	Impact of correction of error As previously reported	 Adjustments	 As restated
Other expenses	(16,211)	11	(16,200)
Current tax expense	(3,556)	(4)	(3,560)
Deferred tax expense	1,100	-	1,100
Others	24,469	-	24,469
Profit for the year	6,389	7	6,396
Other Comprehensive Income for the year, net of income tax	431	-	431
Total comprehensive income	6,398	7	6,405

Ind AS 8.49 (b (ii))

There is no material impact on the Group's basic or diluted earnings per share.[2.]

The correction of error has no impact on the total operating, investing or financing cash flows for the year ended 31 March 2022.

[2] In case of any material impact on the restated basic and diluted earnings per share, the disclosure may be considered as below:
"Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for both basic and diluted earnings per share was a decrease/an increase of INR XX per share."

Notes to the consolidated financial statements (continued)

Sch III

49. Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013[1]

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the 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

(vi) The Group 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 Group 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

vii) The Group has not any such 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

(viii) The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

(ix) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The group has complied with the number of layers prescribed under the Companies Act, 2013.

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

1 These financial statements are the consolidated financial statements and hence disclosures in respect of charges not yet registered and ratio analysis are not applicable. Reference can be made to the Guidance note on Schedule III for the format and guidance for such disclosures for the purpose of inclusion in standalone financial statements.

Appendix I

New standards or amendments for the year ended 31 March 2023[1]

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022.

This table lists the recent changes to the Accounting Standards that are required to be applied by an entity with an annual reporting period beginning on 1 April 2022.

Title	Key requirements
Ind AS 16, *Property, Plant and Equipment*	Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets*	Onerous Contracts – Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract (e.g. Direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts(e.g. an allocation of the depreciation charge for an item of PPE used in fulfilling that contract).
Ind AS 103, *Business combinations*	References to the conceptual framework The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
Ind AS 109, *Financial Instruments*	Fees included in the 10% test for derecognition of financial liabilities The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
Ind AS 101, *First-time adoption*	Subsidiary as a first-time adopter Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 41, *Agriculture*	Taxation in fair value measurements The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, *Fair Value Measurement.*

Ind AS 8.30

[1] For illustrative purposes, the Group has listed all the disclosures of new and amended standards are effective from April 2022, regardless of whether these have any impact on the Group's financial statements. However, an alternative that entities should consider would be to only list and address those that have an impact on the Group's financial position, performance and/or disclosures.
The effective date of Ind AS may be different from the date of notification of the Standards. Nevertheless, all new standards must be considered for disclosure as standards notified by Ministry of Corporate Affairs, but not yet effective, in accordance with Ind AS 8.30, when an entity provides a complete set of financial statements.*"*

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