Independent Auditor's Report

To the Members of IGL CHEM International USA LLC

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **IGL CHEM INTERNATIONAL USA LLC** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, its total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for opinion

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

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

4. As informed to us, there is no information other than the financial statements. Consequently, in our opinion, the reporting requirement under SA 720 "The Auditor's Responsibilities Relating to Other Information" are not applicable.

Responsibilities of Management for the Financial Statements

5. The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

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NEW DELHI
CHARTERED ACCOUNTANTS

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

Other Reporting Requirements

12. We further report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

    (b) The Balance Sheet, the Statement of Profit and loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.

Restriction on Distribution and Use

13. These financial statements have been prepared for the limited purpose of preparation of the consolidated financial statements of India Glycols Limited, the Holding Company. As a result, these financial Statements may not be suitable for another purpose. Our report is intended solely for the use of the Company and should not be distributed to or used by other parties.

For **K N GUTGUTIA & Co.**
Chartered Accountants
(Firm's Registration Number: 304153E)

(B. R. GOYAL)
Partner
Membership No. 012172
(UDIN: 21012172AAAAPF7008)

K.N. GUTGUTIA & CO.
NEW DELHI
CHARTERED ACCOUNTANTS

Place: Delhi
Date: June 25, 2021

IGL CHEM International USA LLC

BALANCE SHEET AS AT March 31, 2021

(Amt in Rs lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) NON-CURRENT ASSETS:			
(a) Property, Plant and Equipment	2	0.99	1.25
		0.99	1.25
(2) CURRENT ASSETS:			
(a) Inventories	3	98.00	-
(b) Financial Assets			
(i) Trade receivables	4	241.63	21.31
(ii) Cash and cash equivalents	5	21.00	31.20
(c) Other current assets	6	30.20	22.10
		390.83	74.61
TOTAL ASSETS		391.82	75.86
EQUITY AND LIABILITIES			
EQUITY:			
(a) Equity Share capital	7	127.00	127.00
(b) Other Equity	7A	(165.10)	(255.05)
		(38.10)	(128.05)
LIABILITIES:			
CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Trade payables	8	383.28	203.76
(ii) Other Financial Liabilities	9	46.64	0.15
		429.92	203.91
TOTAL EQUITY AND LIABILITIES		391.82	75.86
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE.

For K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 304153E

B R GOYAL
PARTNER
M. NO.12172

PLACE - DELHI
DATE: 25.06.2021

For and on behalf of the Board

U.S. Bhartia
Director

Mehta Dharmesh Yashwant
Director

K.N. GUTGUTIA & CO. NEW DELHI CHARTERED ACCOUNTANTS

IGL CHEM International USA LLC

Statement Of Profit & Loss For The Period Ended March 31, 2021

(Amt in Rs lakhs)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	10	601.18	649.59
Other income	11	282.43	469.12
Total Revenue		883.61	1,118.71
Expenses:			
Purchase of Stock-in-Trade	12	607.32	581.60
Change in inventories of finished goods, work-in-progress and Stock-in-trade	13	(29.67)	18.14
Employee benefit expenses	14	158.21	164.36
Depreciation and amortization expenses	15	0.26	0.33
Other expenses	16	60.25	69.24
Total Expenses		796.37	833.67
Profit/ (Loss) before exceptional items and tax		87.24	285.04
Exceptional Items (Net)			
Profit/ (Loss) before tax		87.24	285.04
Tax Expense:			
- Current Tax		-	-
- Tax for earlier years		-	
Profit/ (Loss) for the year		87.24	285.04
OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to Profit or Loss			
(ii) Income tax relating to items that will not be reclassified to Profit or Loss			
B (i) Items that will be reclassified to Profit or Loss		2.71	(23.72)
(ii) Income tax relating to items that will be reclassified to Profit or Loss			
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		2.71	(23.72)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		89.95	261.32
Earning per Equity share basic/ diluted (in Rs.)	23	43.62	142.52

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE.

For K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 304153E

B R GOYAL
PARTNER
M. NO.12172

PLACE - DELHI
DATE: 25.06.2021

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Director

Mehta Dharmesh Yashwant
Director

K.N. GUTGUTIA & CO. NEW DELHI CHARTERED ACCOUNTANTS

IGL CHEM International USA LLC

Statement of Changes in Equity as on 31st March 2021

(All amounts in Rs. lakhs, except stated otherwise)

A. Equity Share Capital

Particulars	Balance as at 31st March 2019	Changes in equity share capital during the year	Balance as at 31 March 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
ISSUED, SUBSCRIBED AND PAID UP					
200000(Previous year 200000) Equity Shares of USD 1 each fully paid up	127	-	127		127
	127	-	127	-	127

B. Other Equity

Particulars	Reserves and Surplus Retained Earnings	Equity Instruments through Other Comprehensive Income-foreign currency Translation Reserve	Total
Balance As at March 31, 2019	(516.86)	0.49	(516.37)
Profit / (Loss) for the year	285.04		285.04
Other Comprehensive Income for the year		(23.72)	(23.72)
Balance As at March 31, 2020	(231.82)	(23.23)	(255.05)
Profit / (Loss) for the year	87.24		87.24
Other Comprehensive Income for the year		2.71	2.71
Balance As at March 31, 2021	(144.58)	(20.52)	(165.10)

The accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE

For K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 304153E

B R GOYAL
PARTNER
M. NO.12172

PLACE - DELHI
DATE 25.06.2021

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K N GUTGUTIA & CO. NEW DELHI CHARTERED ACCOUNTANTS

IGL CHEM International USA LLC

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amt in Rs lakhs)

		2020-21	2019-20
A	Cash Flow from Operating Activities		
	Net Profit/(Loss) Before Tax	87.24	285.04
	Adjustments For:		-
	Depreciation	0.26	0.33
	Interest/Dividend Income	-	-
	Operating Profit/ (Loss) before Working Capital Changes	87.50	285.37
	Adjustments For:		
	(Increase)/Decrease in Trade & Other Receivables	(228.42)	11.65
	(Increase)/Decrease in Inventories	(98.00)	18.14
	Increase / (Decrease) in Trade & Other Payables	226.01	(281.48)
	Cash Generated from / (Used in) Operations	(12.91)	33.68
	Income Tax Paid (Net)	-	-
	Net Cash flow from / (Used in) Operating Activities	(12.91)	33.68
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	-	-
	Net Cash flow from / (Used in) Investing Activities	-	
C	Cash Flow from Financing Activities		
	Proceeds from issue of shares		-
	Net Cash flow from / (Used in) Financing Activities	-	-
D.	Effect of Changes in Foreign Currency Fluctuation Reserve (D)	2.71	(23.72)
	Net Increase/(Decrease) in Cash & Cash Equivalents [A+B+C+D]	(10.20)	9.96
	Opening Cash & Cash Equivalents (refer note 5)	31.20	21.24
	Closing Cash & Cash Equivalents (refer note 5)	21.00	31.20

The accompanying notes are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE.

For K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 304153E

B R GOYAL
PARTNER
M. NO.12172

PLACE - DELHI
DATE: 25.06.2021

K.N. GUTGUTIA & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of the Board

U.S. Bhartia
Director

Mehta Dharmesh Yashvant
Director

IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2021

1.1 Corporate Information

IGL CHEM International USA LLC (the Company) is a company incorporated in United States of America (USA) in July 2014. The company is a wholly owned foreign subsidiary of India Glycols Limited (the parent company), a company incorporated in India. The Company is engaged in trading of guar gum powder and derivatives to customers based in the Americas.

1.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation and Presentation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Financial statements have been prepared and presented under the historical cost convention, on accrual basis, except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period as required by the relevant Ind- AS. The financial statements are presented in Indian Rupees, which is the holding Company's functional and presentation currency, however, functional currency of the Company is USD and all amounts are rounded to the nearest lakhs (Rs 00,000) and two decimals thereof, except as stated otherwise.

The financial statements of the Company have been prepared on a going concern basis notwithstanding the negative net worth and continuing losses as at and for the year ended 31st March, 2021. These factors indicate the existence of a material uncertainty on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the undertaking of its holding Company to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

For the purpose of conversion of financial statement, year to date average rate of currency has been taken for revenue items and closing rate has been for balance sheet items, except for share capital and reserve and surplus, which are carried at historical exchange rate. All resulting exchange differences are recognized in other comprehensive income.

Transactions and balances with values below the rounding off norms adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The accounting policies are applied consistently to all the periods presented in the financial statements. The Company's financial statements provide comparative information in respect to the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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The financial statements of the Company have been prepared on a going concern basis notwithstanding continuing losses, negative net worth and negative working capital as at 31st March, 2020. These factors indicate the existence of a material uncertainty on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the undertaking of its holding Company to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer **Note no. 1.3** on significant accounting estimates, assumptions and judgments).

B. Property, Plant and Equipment

Property, plant and equipment are carried at deemed cost (fair value model) less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

The Assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on Plant, Property and equipment has been provided using straight line method over the useful life of assets as specified in Schedule II of the Companies Act, 2013.

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

C. Intangible Assets

Identifiable intangible assets are recognized a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.
Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

D. Inventories

Inventories are valued at lower of cost or net realizable value. The cost is computed on the weighted average basis. Cost includes all direct costs and such other costs incurred as to bring the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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NEW DELHI
CHARTERED ACCOUNTANTS

E. Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which includes benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

F. Financial instruments – initial recognition, subsequent measurement and impairment

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

a) **Financial Assets**

Financial assets include cash and cash equivalent, Trade and other receivables and other current and non-current financial assets.

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash-flow characteristics. Subsequent measurements of financial assets are dependent on initial categorisation.

For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial assets when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for the derecognisition under Ind AS 109.

b) **Financial liabilities**

Financial liabilities include short term loan and other payables.

All financial liabilities recognized initially at fair value and, in the case of loans and borrowing and other payable, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of financial liability. The EIR amortization is included in finance expense in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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G. **Revenue recognition and other income**

Revenue is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue from the sale of goods is measured at fair value of consideration received or receivable, after deducting discounts.

Interest income is recognized using effective interest rate method.

H. **Lease Accounting**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the period of lease term.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate of the company.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

I. **Taxation**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that in future taxable profits will be available to set off such deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

NEW DELHI
CHARTERED ACCOUNTANTS

1.3 Critical accounting estimates, assumptions and judgments

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognised in the financial statement. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to assets or liabilities affected in future periods.

Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities based on probability that taxable profit will be available against which the deductible temporary differences can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

Allowance for uncollected accounts receivable and advances

Receivables and advances are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Receivables and advances are written off on case to case basis when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Fair value measurement of financial instruments

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

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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2. Property, Plant & Equipment

(Amt in Rs lakhs)

Particulars	Office Equipment	Furniture & Fixtures	Total	Capital Work in Progress
Gross block				
As at March 31, 2019	1.53	2.40	3.93	
Additions	-	-	-	
Adjustment/Disposal			-	
As at March 31, 2020	**1.53**	**2.40**	**3.93**	
Additions				
Disposal				
As at March 31, 2021	**1.53**	**2.40**	**3.93**	
Accumulated Depreciation				
As at March 31, 2019	1.42	0.93	2.35	
Charge for the period	0.09	0.24	0.33	
Adjustment/Disposal			-	
As at March 31,2020	**1.51**	**1.17**	**2.68**	-
Charge for the period	0.02	0.24	0.26	
Disposal				
As at March 31, 2021	1.53	1.41	**2.94**	
Net Carrying Amount				
As at March 31,2020	**0.02**	**1.23**	**1.25**	-
As at March 31, 2021	-	**0.99**	**0.99**	

3. CURRENT ASSETS :INVENTORIES

(Amt in Rs lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Finished Goods-Gurargum	29.19	-
Finished Goods-GIT	68.81	-
	98.00	-

4. TRADE RECEIVABLES

(Amt in Rs lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Debts overdue for 6months		
- Considered good	241.63	21.31
	241.63	21.31

5. CASH & CASH EQUIVALENTS

(Amt in Rs lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash equivalents		
(i) Balance with Banks		
- In Current Accounts	21.00	31.20
	21.00	31.20

6. OTHER CURRENT ASSETS

(Amt in Rs lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances recoverable in cash or in kind or for value to be received* (For related party transactions, refer Note 24)	30.20	22.10
	30.20	22.10

8. TRADE PAYABLES

(Amt in Rs lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Payable to Others	383.28	203.76
(For related party transactions, refer Note 24)	383.28	203.76

9. OTHER FINANCIAL LIABILITIES

(Amt in Rs lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Payables	46.64	0.15
	46.64	0.15

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7. EQUITY SHARE CAPITAL

(All amounts in Rs lakhs, except stated otherwise)

Particulars	As at March, 31 2021		As at March, 31 2020
Authorised :			
200000(Previous year 200000) Equity Shares of USD 1 each fully paid up	127.00		127.00
	127.00		127.00
Issued, Subscribed and paid up :			
200000(Previous year 200000) Equity Shares of USD 1 each fully paid up	127.00		127.00
	127.00		127.00

a) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Details of shareholders holding more than 5% shares in the company

Name of Shareholders	No. of Shares	% of holding as at March 31,2021	No. of Shares	% of holding as at March 31,2020
India Glycols Limited	200000	100.00%	200000	100.00%
Total	200000	100.00%	200000	100.00%

c) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	No. of Shares No's		No. of Shares No's
Shares outstanding at the beginning of the year	2,00,000		2,00,000
Shares Issued during the year			-
Shares bought back during the year			
Shares outstanding as at the end of the year	2,00,000		2,00,000

d) In last 5 years there was no Bonus Issue, buy back and /or issue of shares other for cash consideration.

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10. REVENUE FROM OPERATIONS	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
Sales of Products		
Guar Gum Powder and derivatives	601.18	649.59
Total Revenue from operations	601.18	649.59

11. OTHER INCOME	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
Commission Income	282.43	469.12
	282.43	469.12

12. PURCHASE OF STOCK-IN-TRADE	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
Purchases of traded Goods-Guargum	607.32	581.60
	607.32	581.60

13. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
CLOSING STOCK		
Finished Goods		
- Guar Gum Powder and derivatives	29.19	-
Total Finished Goods	29.19	-
OPENING STOCK		
Finished Goods		
- Guar Gum Powder and derivatives	-	27.29
Total Finished Goods	-	27.29
Foreign Currency Transaction Impact	(0.48)	(9.15)
Change in inventories of finished goods, work-in-progress and Stock-in-trade	(29.67)	18.14

14. EMPLOYEE BENEFIT EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
Salaries, Wages, Allowances, etc.	158.21	164.36
	158.21	164.36

15. DEPRECIATION AND AMMORTISATION EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
Depreciation and ammortisation expenses	0.26	0.33
	0.26	0.33

16. OTHER EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
		(Amt in Rs lakhs)
Rent	15.05	14.80
Rates and Taxes	0.92	0.12
Travelling and Conveyance	4.51	7.54
Insurance	24.38	15.71
Legal & Professional	7.43	10.76
Bad Debts	-	13.53
Printing & Stationery, Postage, Telephone, security and other Miscellaneous Expenses	7.96	6.78
	60.25	69.24

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17. Accounts of the Company (a wholly owned subsidiary of India Glycols Limited, India, a company incorporated in India), incorporated in USA, have been made out as per the requirements of Companies Act, 2013 of India ("the Act"), in due adherence of provisions of the Act. This entailed drawing up the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity and Statement of Cash Flows (including Auditor's Report thereon) of the subsidiary in a manner so as to make it appear conforming to the requirements of the Act for the purpose of annexing the particulars of the Company with its holding Company and for the preparation of the consolidated accounts of the group pursuant to the provisions of the Act and consolidating the financial statements of this Company with the parent holding Company in terms of Ind AS – 110 in respect of consolidation of accounts as required under Ind AS-110 notified by the Ministry of Corporate Affairs and in pursuance of the provisions of the Act and this exercise also related to translation of treatment of various heads of accounts in terms of accounting standard referred to in the Act, read with the accounting policy of parent company and presentation of accounts in terms of Schedule III of the Act, including disclosures of necessary information as laid down under the said Act.

18. Contingent Liabilities not provided for (As Certified by the Management) : NIL (Previous Year: Nil).

19. Capital Commitments: Nil.

20. **Financial risk management objectives and Policies**

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk, credit risk and liquidity risk. The Company's overall risk management policy seeks to minimize potential adverse effects on company's financial performance.

- **Market Risk:**
  Market risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of change in market prices. The Company has all transactions in foreign currency and is therefore, not exposed to foreign exchange risk.
  The Company is affected by the price volatility of commodities. Its operating activities require the purchase of material therefore, requires a continuous supply of certain materials. To mitigate the commodity price risk, the Company has majorly purchased materials from its holding Company at competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.
- **Credit Risk:**
  Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables and other receivables. The Company's exposure to credit risk is disclosed in Note 5 & 6 to the financial statements. The company closely monitors trade receivables and if necessary will make allowances and provisions.

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- **Liquidity Risk:**
  Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due.

21. Company has one operating lease for the office premises for the period of 1 year which is cancellable and usually renewable on mutual agreeable terms. During the year, Company has paid lease rent of ₹ 15.05 lakh (Previous Year Rs. 14.80 lakhs) in respect of the said premises.

22. **Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(₹ in Lakhs)

Particular	As at 31.03.2021		As at 31.03.2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
(A) Financial Assets				
1. At fair value through profit & Loss	-	-	-	-
2. At Amortized Cost				
-Trade Receivables	241.63	241.63	21.31	21.31
-Cash and cash equivalents	21.00	21.00	31.20	31.20
Total Financial Assets	**262.63**	**262.63**	**52.51**	**52.51**
(B) Financial Liabilities				
1. At fair value through profit & Loss				
2. At Amortized Cost				
-Trade payables & Other financial liabilities	429.92	429.92	203.91	203.91
Total Financial Liabilities	**429.92**	**429.92**	**203.91**	**203.91**

The methods and assumptions were used to estimate the fair values: The Company has disclosed financial instruments such as cash and cash equivalents, trade receivables, trade payables, and other financial assets and liabilities at their carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

K.N. Gutgutia & Co. Chartered Accountants New Delhi

23. **Earnings per share (EPS)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) for the year attributable to equity shareholders (₹ in lakhs)	87.24	285.04
Weighted average number of equity shares outstanding	200000	200000
Basic and diluted earnings per share (face value of USD 1 each)*	43.62	142.52

*Earning per share is calculated by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2021

24. **Information on Related Party transactions as required by Ind AS-24-'Related Party Disclosures'**

Relationship

a) India Glycols Limited (100% holding company)
b) IGL CHEM International Pte Ltd (Fellow Subsidiary)
c) Uma Shankar Bhartia (Key managerial personnel)
d) Mehta Dharmesh Yashwant (Key managerial personnel)

Related party transaction

(₹ in lakhs)

Nature of transactions	Relationship	For the year Ended 31st March, 2021	For the year Ended 31st March, 2020
Purchase of goods	India Glycols Limited	577.21	599.74
Commission income	India Glycols Limited	282.43	330.96
Remuneration	Mehta Dharmesh Yashwant	158.21	143.23
Remuneration payable	Mehta Dharmesh Yashwant	Nil	0.17
Trade payables	India Glycols Limited	377.98	202.11
Advance Recoverable	IGL CHEM International Pte Ltd	20.12	20.79

25. For the purpose of translation of account balances of the Company in Indian currency (₹), following rates are applied:

Particulars	2020-21	2019-20
Average rate	1 USD = 74.33	1 USD = 72.34
Closing rate	1 USD = 73.12	1 USD = 75.55

In terms of our report of even date attached

For K N GUTGUTIA & CO.
Chartered Accountants
ICAI'S FRN 304153E

B.R. Goyal
Partner
M.No: 012172

Place: DELHI
Date: 25.06.2021

For and on behalf of the Board

U. S. Bhartia
(Director)

Mehta Dharmesh Yashwant
(Director)

K.N. GUTGUTIA & CO.
NEW DELHI
CHARTERED ACCOUNTANTS