Arista Tubes, Inc
Consolidated Balance Sheet as at 31 March 2023
Amount in $ "000", unless otherwise stated

Particulars	**Note No.**	**As at 31 March, 2023**	**As at 31 March, 2022**
Assets			
Non-current assets			
(a) Property, plant and equipment	4a	37,215	34,339
(b) Capital work-in-progress	4b	1,309	4,357
(c) Other intangible assets	5	1,558	1,989
(d) Intangible under development	5b		
(e) Other non-current assets	6	908	909
Total non-current assets		**40,990**	**41,594**
Current assets			
(a) Inventories	7	14,753	14,964
(b) Financial assets			
(i) Trade receivables	8	11,819	8,738
(ii) Cash and cash equivalents	9	1,903	1,435
(iii) Loans	10	-	-
(iv) Others	11	270	401
(c) Current tax assets	12	1,110	515
(d) Other current assets	13	308	700
Total current assets		**30,163**	**26,754**
Total assets		**71,153**	**68,348**
Equity and liabilities			
Equity			
(a) Member's equity	14	17,500	17,500
(b) Other equity	15	25,577	26,029
Total equity		**43,077**	**43,529**
Liabilities			
Non-current liabilities			
(a) Borrowings	16	6,100	5,683
(b) Deferred tax liabilities (net)		5,403	4,900
Total non-current liabilities		**11,503**	**10,583**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	5,964	5,730
(ii) Trade payables	18	8,288	4,943
(iii) Others	19	1,214	2,352
(b) Other current liabilities	20	1,108	1,212
Total current liabilities		**16,574**	**14,236**
Total equity and liabilities		**71,153**	**68,348**

This is the Balance Sheet referred to in our audit report
of date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sd/-
Rakesh R. Agarwal
Partner
Membership No.:109632

Place: Mumbai
Date: 11 May 2023

For and on behalf of the board of directors of Arista Tubes, Inc.

Sd/-
Maura Catopodis
President

Sd/-
Anindya Bagchi
Senior Director of Finance

Place: Danville, VA
Date: 10 May 2023

Arista Tubes, Inc
Consolidated Statement of Profit and Loss for the year ended 31 March 2023
Amount in $ "000", unless otherwise stated

Particulars	**Note No.**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Income			
Revenue from operations	21	82,113	77,000
Other income	22	487	41
Total income		**82,600**	**77,041**
Expenses			
Cost of materials consumed	23	39,097	36,147
Purchase of traded goods	24	579	333
Changes in inventories of finished goods and goods-in-process	25	(655)	(2,133)
Employee benefits expense	26	21,768	21,100
Finance costs	27	1,394	386
Depreciation and amortisation expense	28	5,631	4,740
Other expenses	29	12,735	11,234
Total expenses		**80,550**	**71,807**
Profit before tax		2,051	5,234
Tax expense / (credit)	30		
Current tax		(3)	506
Deferred tax		503	827
Total tax expense		**500**	**1,333**
Net profit for the year		1,551	3,902
Other comprehensive income / (loss) for the year		-	-
Total comprehensive income for the year		**1,551**	**3,902**
Earnings per unit of equity of USD 1 each	31		
Basic (USD)		1,139	4,610
Diluted (USD)		1,139	4,610

This is the Statement of Profit and Loss referred to in our audit report of date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sd/-
Rakesh R. Agarwal
Partner
Membership No.:109632
Place: Mumbai
Date: 11 May 2023

For and on behalf of the board of directors of Arista Tubes, Inc.

Sd/-
Mauro Catopodis
President

Sd/-
Anindya Bagchi
Senior Director of Finance

Place: Danville, VA
Date: 10 May 2023

Arista Tubes, Inc.
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
Amount in $ "000", unless otherwise stated

A. Paid in capital (Refer Note 14)

	Equity	
	No. of shares	**Amount**
Balance as at 1 April 2021	**1,361**	**17,500**
Movement during the year	-	-
Balance as at 31 March 2022	**1,361**	**17,500**
Movement during the year	-	-
Balance as at 31 March 2023	**1,361**	**17,500**

B. Other Equity (Refer Note 15)

	Retained earnings	Total
Balance as at 1 April 2021	25,127	25,127
Distribution of surplus earnings	(3,000)	(3,000)
Profit during the year	3,901	3,901
Balance as at 31 March 2022	**26,029**	**26,029**
Distribution of surplus earnings	(2,001)	(2,001)
Profit during the year	1,550	1,550
Balance as at 31 March 2023	**25,577**	**25,577**

Retained earnings represents the accumulated profits / losses made by the Group over the years as reduced by dividends or other distributions paid to the shareholders.

This is the Statement of Changes in Equity referred to in our audit report of date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sd/-
Rakesh R. Agarwal
Partner
Membership No.:109632

Place : Mumbai
Date: 11 May 2023

For and on behalf of the Board of Directors of
Arista Tubes, Inc.

Sd/-
Mauro Catopodis
President

Sd/-
Anindya Bagchi
Senior Director of Finance

Place : Danville, VA
Date : 10 May 2023

1 Group information

Arista Tubes, Inc. (“the Company” or "the Holding Company") is a subsidiary of EPL Limited (the "Parent Company"). EPL America, LLC (formerly known as Essel Propack America, LLC) (the 'Subsidiary') is a subsidiary of Arista Tubes, Inc. The Holding Company was organised on 06 February 2006 in Delaware and is located in Danville, Virginia. The Subsidiary is principally engaged in the manufacture of laminated tubes. The Holding Company and its Subsidiary are collectively referred to as 'the Group'.

The special purpose consolidated financial statements (hereinafter referred to as "financial statements") of the Group for the year ended 31 March 2022 were authorised for issue by the Board at their meeting held on 06 May 2022.

2 Basis of preparation

(a) Basis of preparation of consolidated financials statements

The special purpose consolidated financial statements incorporates the financial statements of the Holding Company and its Subsidiary. These financial statements are prepared and presented only for the limited purpose to enable the management of the Parent Company to present and furnish these financial statements with its Authorised Dealer Bank, Reserve Bank of India, its present lenders and its present significant shareholders. The accounting framework applicable to EPL Limited is Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
The Holding Company has complied with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act 2013. The disclosure and presentation requirements as specified under Ind AS have not been complied with since the financial statements are presented for the limited purpose as aforesaid. Accordingly, these consolidated financial statements cannot be considered as Ind AS compliant financial statements.

The financial statements are presented in USD ($) with values rounded off to the nearest thousand (000), except otherwise indicated.

Assets and liabilities are classified as current if expected to realize or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Principles of consolidation and equity accounting

The financial statements have been prepared on the following basis:

i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Holding Company and the Subsidiary.

For this purpose, an entity which is, directly or indirectly, controlled by the Holding Company is treated as subsidiary. The Holding Company together with its subsidiaries constitute the Group. The group controls an entity when the group 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 to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

The consolidated financial statements of the Group combines the financial statements of the Holding and its subsidiaries line-by-line adding together like items of assets, liabilities, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Holding i.e. year ended 31 March 2021. Other explanatory information are disclosed to the extent that are considered material and relevant.

Listed below is the subsidiary considered in the financial statements. Subsidiary is consolidated from the date on which effective control is acquired and is excluded from the date that control ceases.

Name of the Subsidiary	**Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)**		**Country of incorporation**
	As on 31 March 2023	**As on 31 March 2022**	
EPL America, LLC	100%	100%	United States of America

There is no non-controlling interest in the Subsidiary company during the reporting period and previous period.

ii) Consistency in accounting policy

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s separate financial statements in preparing the financial statements to ensure conformity with the Group’s accounting policies, wherever necessary and practicable.

3 Summary of significant accounting policies

(a) Property, plant and equipment

i) Acquisitions of property and equipment are recorded at cost. Leasehold improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of income. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method for financial statement purposes as follows:

	Useful life
Building	30 - 39 years
Machinery and equipment	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 - 7 years

ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses of assets that are not yet ready for their intended use at the reporting date.

(b) Intangible assets

i) Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets with finite lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

ii) Intangibles assets with finite lives are amortized as follows:

	Useful life
- Softwares : ERP software	3 - 5 years
- Patents	10 years

iii) The expenditure incurred towards the development of intangibles are grouped under "Intangibles under development" to the extent such expenditure meet the criteria of intangible asset.

(c) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

(d) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs under Ind AS 23. Debt issuance costs associated with loan agreements are being amortized over the term of the loans and is included in other current assets on the balance sheets.

(e) Financial assets

i) **Recognition and measurement**

The Group at initial recognition measures a financial asset at its fair value plus transaction costs that are directly attributable to it's acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss (FVTPL) are expensed in the statement of profit and loss for the year.

The Group subsequently recognizes its financial assets either at FVTPL, fair value through other comprehensive income (FVOCI) or at amortized cost, based on the Group's business model for managing the financial assets and their contractual cash flows. This has been explained below separately for debt instruments and equity instruments.

Debt instruments

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on such instruments is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

Equity instruments

The Group subsequently measures all equity instruments (other than investments in subsidiaries) at fair value. Where the Group's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss in the event of de-recognition. Dividends from such instruments are recognized in the statement of profit and loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

ii) **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii) **De-recognition of financial assets**

A financial asset is derecognized only when
- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(f) Borrowings and other financial liabilities

i) Borrowings and other financial liabilities are initially recognized at fair value net of transaction costs incurred that are directly attributable to the acquisition of the financial liability.

ii) Subsequently recognition is done at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included in finance costs in the statement of profit and loss.

iii) Borrowings and other financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit and loss.

(g) Employee benefits

Liability on account of short term employee benefits is recognized on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

Defined contribution plans
Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund. The Contributions are recognized as employee benefit expense in the statement of profit and loss to the year it pertains.

The Group has a safe harbor 401(k) savings plan which covers substantially all employees. Effective 01 January 2021, the Group contributes 100% of 3% of the employee's salary, regardless of participation in the plan.

(h) Revenue recognition
The Group derives its revenues primarily from the manufacture of laminated tubes and caps.

i) **Revenue from contract with customers**
Ind AS 115 “Revenue from Contracts with Customers” establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with the customers.
Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
Due to the short nature of credit period given to customers, there is no financing component in the contract.

ii) **Revenue from sale of goods**
Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer involving single performance obligation , which is generally at the time of delivery as per the contract. In case of exports , the control is deemed to be transferred when the goods are shipped. There is no continuing management involvement with the goods, and the amount can be measured reliably. It is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and indirect taxes.

iii) **Revenue from service charges**
Revenue from services are recognized over period of time on performance of obligations as per the terms of the agreement. However, revenue from services comprising of development of art work and such other services, involving single performance obligation, are recognized at a point in time.

iv) **Variable consideration**
If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to the customer. Where customers are provided with discounts, rebates etc., such discounts and rebates will give rise to variable consideration. the Group follows the ‘most likely amount’ method in estimating the amount of variable consideration.

v) **Trade receivables**
A receivable represents the Group’s right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date. The Group provides for expected credit losses based on the probability of defaults that are possible over the life of the asset.

vi) Other income is recognized as and when due or received, whichever is earlier.

(i) Grants
Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(j) Inventories
i) Inventories include raw materials, packing material, stores and spares, finished goods and semi finished goods, and are valued at lower of cost and estimated net realizable value.

ii) Cost are assigned to items of inventory on the basis of moving average cost method.
iii) Cost of finished goods and semi finished goods includes cost of direct materials, labour and other manufacturing overheads.

(k) Foreign currency transactions
i) The functional currency of the entities included in the Group is US dollars (USD or $) which is also the presentation currency. All other currencies are accounted for as foreign currency.

ii) Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of transaction.

iii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

(l) Income taxes
The Holding Company along with the Subsidiary, files consolidated income tax returns. Income taxes are provided for the tax effects of transactions reported in the financial statements. Deferred income taxes are provided for the estimated tax effects of differences between the financial statement carrying amounts and the tax bases of recognized assets and liabilities.
Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Interest and penalties related to income tax assessments, if any, are reflected in interest expense and other income, respectively.
Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

(m) Provisions, contingent liabilities and contingent assets
i) Provisions are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

ii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

iii) A contingent asset is a possible asset that arises 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 Group. Contingent assets are not recognized, but its existence is disclosed in the financial statements.

(n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity up to three months, which are subject to insignificant risk of changes in value.

(o) Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

(p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders 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 events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.1 Significant estimates, judgements and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.
The Management believes that these estimates are prudent and reasonable and are based on the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.

i) Revenue Recognition

Refer Note above

ii) Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or class of assets exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.

v) Impairment of financial assets

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

vi) Taxes

The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Group records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

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

vii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

viii) The Management have assessed the possible effects of COVID-19 pandemic on the Group's liquidity position and the carrying values of Group's assets, and has concluded that no material adjustments are required.

4 Recent accounting pronouncements - Standards issued but not made effective

Considering that these special purpose financial statements are prepared under the accounting framework of Ind AS only for the limited purpose to enable the management of the Parent Company to present and furnish these financial statements with its Authorised Dealer Bank, Reserve Bank of India, its present lenders and its present significant shareholders, the below amendment pronouncements to Ind AS may impact the Group:

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include 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.

The Group is in the process of evaluating the impact of the above pronouncements.