Financial Statements and Independent Auditors' Report

TCL Intermediates Private Limited

31 March 2022

TCL Intermediates Private Limited
Balance Sheet as at 31 March 2022
(All amounts are in thousands Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 March 2022
Assets		
Non-current assets		
Capital work-in-progress	3	14,458.68
Other non-current assets	4	8,688.11
		23,146.79
Current assets		
Financial assets		
(i) Cash and cash equivalents	5	246,955.36
		246,955.36
Total assets		**270,102.15**
Equity and Liabilities		
Equity		
Equity share capital	6	265,000.00
Other equity	7	(11,683.61)
Total equity		**253,316.39**
Current liabilities		
Financial liabilities		
(i) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises		-
(B) Total outstanding dues other than micro enterprises and small enterprises	8	251.21
(ii) Other financial liabilities	9	16,521.65
Other current liabilities	10	12.90
		16,785.76
Total equity and liabilities		**270,102.15**

Notes 1 to 18 form an integral part of these financial statements

In terms of our report attached

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 25 May 2022

For and on behalf of the Board of Directors of
TCL Intermediates Private Limited

Sanjay Sinha
Director
(DIN : 07845678)

Place : Chennai
Date : 25 May 2022

Radha Jayaraman
Director
(DIN : 09436659)

Place : Chennai
Date : 25 May 2022

TCL Intermediates Private Limited
Statement of Profit and Loss for the Period from 15 December 2021 to 31 March 2022
(All amounts are in thousands Indian Rupees (₹), unless otherwise stated)

	Note	Period from 15 December 2021 to 31 March 2022
Income		
Revenue from operations		-
Other income		-
Total income		-
Expenses		
Employee benefits expense	11	90.58
Other expenses	12	11,593.03
Total expenses		**11,683.61**
(Loss) before tax		**(11,683.61)**
Tax expense		
-Current tax		-
-Deferred tax		-
Total tax expense		-
(Loss) for the period		**(11,683.61)**
Other comprehensive income		-
Total comprehensive income for the period		**(11,683.61)**
(Loss) per equity share (Nominal value of ₹10 each)	13	
Basic and diluted (in ₹)		(0.44)

Notes 1 to 18 form an integral part of these financial statements

In terms of our report attached

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

For and on behalf of the Board of Directors of
TCL Intermediates Private Limited

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

TCL INTERMEDIATES PRIVATE LIMITED

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 25 May 2022

Sanjay Sinha
Director
(DIN : 07845678)

Place : Chennai
Date : 25 May 2022

Radha Jayaraman
Director
(DIN : 09436659)

Place : Chennai
Date : 25 May 2022

TCL Intermediates Private Limited
Statement of Changes in Equity for the Period from 15 December 2021 to 31 March 2022
(All amounts are in thousands Indian Rupees (₹), unless otherwise stated)

A. Equity Share Capital

As at 31 March 2022

Particulars	Amount
Balance at the beginning of the period	-
Subscription of shares on incorporation	10,000.00
Issue of shares during the period	255,000.00
Balance at the end of the period	**265,000.00**

B. Other Equity

For the year ended 31 March 2022

Particulars	Reserves and Surplus	
	Retained earnings	Total other equity
Loss for the period	(11,683.61)	(11,683.61)
Balance at the end of the period	**(11,683.61)**	**(11,683.61)**

Notes 1 to 18 form an integral part of these financial statements
In terms of our report attached

For **Walker Chandiok & Co LLP**
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 25 May 2022

For and on behalf of the Board of Directors of
TCL Intermediates Private Limited

Sanjay Sinha
Director
(DIN : 07845678)

Place : Chennai
Date : 25 May 2022

Radha Jayaraman
Director
(DIN : 09436659)

Place : Chennai
Date : 25 May 2022

TCL Intermediates Private Limited

Statement of Cashflow for the for the Period from 15 December 2021 to 31 March 2022

(All amounts are in thousands Indian Rupees (₹), unless otherwise stated)

	Period from 15 December 2021 to 31 March 2022
A. Cash flow from operating activities	
Loss before tax	(11,683.61)
Adjustments for non cash expenses	-
Operating profit before working capital changes	**(11,683.61)**
Changes in assets and liabilities:	
Increase in other assets	(2,625.83)
Increase in trade and other payables	251.21
Increase in provisions & other liabilities	12.90
Increase in other financial liabilities	1.00
Cash generated from operations	**(14,044.33)**
Direct tax paid (net)	-
Net cash used in operating activities	**(14,044.33)**
B. Cash flow from investing activities	
Capital expenditure on capital work in progress, including capital advances	(4,000.31)
Net cash used in investing activities	**(4,000.31)**
C. Cash flow from finance activities	
Proceeds from issue of equity shares	265,000.00
Net cash generated by financing activities	**265,000.00**
D. Net cash inflows during the period	**246,955.36**
E. Cash and cash equivalents at the beginning of the period	-
F. Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	-
G. Cash and cash equivalents at the end of the period	**246,955.36**
Cash and cash equivalents comprise of:	
Cash on hand	-
Balances with banks - in current accounts	246,955.36
Deposit accounts (with original maturity less than 3 months)	-
Cash and cash equivalents as per note 5	**246,955.36**

Notes 1 to 18 form an integral part of these financial statements

In terms of our report attached

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

For and on behalf of the Board of Directors of
TCL Intermediates Private Limited

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 25 May 2022

Sanjay Sinha
Director
(DIN : 07845678)

Place : Chennai
Date : 25 May 2022

Radha Jayaraman
Director
(DIN : 09436659)

Place : Chennai
Date : 25 May 2022

1 General Information

TCL Intermediates Private Limited ('the Company') is a private limited company domiciled in India and was incorporated on 15 December 2021 under the provisions of the Companies Act. The Company's principal activities are manufacturing and selling chemicals. The company is a 100% subsidiary of Thirumalai Chemicals Limited, a public limited company whose shares are listed on stock exchanges in India.

All amounts in the financial statements are presented in thousands of Indian rupee (₹) and have been rounded off to nearest to two decimal in thousands of ₹. except per share data and as otherwise stated. All the financial information reflects the transaction occurred during the period from 15 December 2021 till 31 March 2022.

These financial statements were authorized for issue by the Company's Board of Directors on 25 May 2022.

2 Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These are the Company's first annual financial statements prepared after incorporation.

These financial statements have been prepared on a historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

2.2 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods reported.

The estimates and associated assumptions are based on parameters available at the time of preparation of financials and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Deferred income tax assets and liabilities
Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

(ii) Provisions and contingencies
From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial

(iii) Recognition of property, plant and equipment (PPE) and Capital work in progress
Significant level of judgement is involved in assessing whether the expenditure incurred meets the recognition criteria under Ind AS 16 Property, Plant and Equipment. Also estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

TCL INTERMEDIATES PRIVATE LIMITED *

WALKER CHANDIOK & CO LLP * CHENNAI * CHARTERED ACCOUNTANTS *

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost
b. Fair value through other comprehensive-income (FVOCI) or
c. Fair value through profit and loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(a) Financial asset at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(b) Financial asset at fair value through other comprehensive income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(c) Financial asset at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

TCL INTERMEDIATES PRIVATE LIMITED

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

2.5 Earnings per equity share

Basic earnings per equity share is calculated by dividing the total profit for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

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

2.6 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current income tax

Current income tax for the current period is measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period.

The carrying amount of deferred income tax assets will be reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.7 Contingent liabilities and provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

TCL INTERMEDIATES PRIVATE LIMITED

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

2.8 Cash and cash equivalents

Cash and cash equivalents comprises cash at bank, cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

This space has been intentionally left blank

TCL INTERMEDIATES PRIVATE LIMITED ★

WALKER CHANDIOK & CO LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

3 Capital work-in-progress

Particulars	Capital Work-in-
Balance as at 31 March 2021	-
Additions	14,458.68
Balance as at 31 March 2022	**14,458.68**

i) Capital work-in-progress ageing
a) As at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	14,458.68		-	-	**14,458.68**
Projects temporarily suspended	-	-	-	-	-

ii) There were no projects included in Capital work-in-progress whose completion is overdue or suspended.

4 Other non current assets	**As at 31 March 2022**
Capital advances	6,062.28
Balance with Government authorities	2,625.83
	8,688.11

All of the Company's other non-current assets have been reviewed for indicators of impairment, and adequate allowances for losses have been provided.

5 Cash and bank balances	**As at 31 March 2022**
Cash and cash equivalents	
Balance with banks in current accounts	246,955.36
Cash and cash equivalents as per statement of cash flows	**246,955.36**

6 Equity share capital	**As at 31 March 2022**	
	Number	**₹ in thousands**
Authorised		
Equity shares of ₹ 10 each	1,500,000,000	15,000,000
	1,500,000,000	**15,000,000**
Issued		
Equity shares of ₹ 10 each	26,500,000	265,000
	26,500,000	**265,000**
Subscribed and fully paid-up		
Equity shares of ₹ 10 each	26,500,000	265,000
	26,500,000	**265,000**

a) Terms/ rights attached to equity shares
The Company has one class of equity shares having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. 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 any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

b) Shareholders holding more than 5% of the aggregate shares in the Company including promoters holding

	As at 31 March 2022	
	Number	**% holding**
Equity shares of ₹ 10 each		
Thirumalai Chemicals Limited	26,500,000	100%
	26,500,000	**100%**

c) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the current period.

TCL INTERMEDIATES PRIVATE LIMITED

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

(All amounts are in thousands Indian Rupees (₹), unless otherwise stated)

6 Equity share capital (continued)

d) Capital management policies and procedures

The Company's capital management objectives are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 Company proposes to maintain a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements. There are no imposed capital requirements on the Company, whether statutory or otherwise.

7 Other equity

	As at 31 March 2022
I. Surplus	
(a) Retained earnings	(11,683.61)
Total Deficit	**(11,683.61)**
II. Other reserves	
(b) Accumulated other comprehensive income	-
	-
III. Total other equity (I+II)	**(11,683.61)**
(a) Retained earnings	
Balance at the beginning of the period	-
Add : Transfer from statement of profit and loss	(11,683.61)
Balance at the end of the period	**(11,683.61)**

Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.

8 Trade Payables

Total outstanding dues of micro enterprises and small enterprises (Also, refer note (a) below)	
Total outstanding dues other than micro enterprises and small enterprises	251.21
	251.21

Notes:

a) There are no outstanding dues as at 31 March 2022 with respect to Micro enterprises and small enterprises.

b) Trade payables ageing schedule as at 31 March 2022

S. No.	Particulars	Outstanding for the following period from the due date of payment						Total
		Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
1	MSME	-	-	-	-	-	-	-
2	Others	251.21	-	-	-	-	-	251.21
3	Disputed dues - MSME	-	-	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-	-	-
5	Unbilled dues							-
	Total							251.21

9 Other financial liabilities

Capital creditors	16,520.65
Employee related payables	1.00
	16,521.65

10 Other current liabilities

Statutory dues	12.90
	12.90

TCL INTERMEDIATES PRIVATE LIMITED

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

		Period from 15 December 2021 to 31 March 2022
11	**Employee benefit expenses**	
	Salaries, wages and bonus	90.58
		90.58
12	**Other expenses**	
	Payment to auditors	100.00
	Bank Charges	0.12
	Pooja expenses	1.00
	Transportation Expenses	63.76
	Incorporation expenses	11,403.39
	Miscellaneous Expenses	24.76
		11,593.03

13 Loss per equity share

Basic and diluted earnings per share (₹)	
On Loss for the period	(0.44)
On total comprehensive income	(0.44)

Notes:

The loss and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:

(a) Earning used in the calculation of basic and diluted earnings per share:	
Loss for the period	(11,683.61)
Total comprehensive income	(11,683.61)
(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:	
Weighted average number of equity shares outstanding during the year (In Thousands)	26,500

14 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Holding Company	Thirumalai Chemicals Limited
Fellow Subsidiary Companies	Cheminvest Pte Limited (CPL)
	Optimistic Organic Sdn Bhd (OOSB)
	Lapiz Europe Limited
	TCL Global B.V.
	TCL Inc.
	TCL Specialties LLC.
Key Management Personnel	Mr. P Mohanachandra Nair (Director)
	Mr. Sanjay Sinha (Director)
	Mrs. Radha Jayaraman (Director)

b) There were no transactions with related parties during the current period ended 31 March 2022.

TCL INTERMEDIATES PRIVATE LIMITED

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

15 Disclosures on financial instruments

I. Financial instruments by category

All finanical assets and financial laibilities are measured at amortised cost as at the reporting date.The company considers the carrying value of the financial assets and financial liabilities as on approximate estimate of the fair value.

II. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:
- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes:
i) The Company has not disclosed the fair values for loans, cash and bank balances, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair value.

III. Financial risk management

The Company's activities expose it to credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury team manages these risks. The Treasury team advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by the Treasury Team that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

A. Credit risk
Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables.

Cash and bank balances
The credit risk for cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

B. Liquidity risk
Liquidity risk is that the Company will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The treasury team's risk management policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

As at 31 March 2022	Within 1 year
Trade and other payables	251.21
Other financial liabilities	16,521.65
Total	**16,772.86**

TCL INTERMEDIATES PRIVATE LIMITED

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

(All amounts are in thousands Indian Rupees (₹), unless otherwise stated)

16 Contingent liabilities, commitments and guarantees

a) Contingent liabilities
The company did not have any contingent liabilities as at the balance sheet date

b) Commitments	**As at 31 March 2022**
Estimated amount of contracts to be executed on capital account and not provided for	69,190.17
- Against which advances paid	6,062.28

Other commitments are cancellable at the option of the Company and hence not disclosed.

c) Guarantees
The company did not have any guarantees as at the balance sheet date.

17 Ratios

Particulars	Numerator	Denominator	31 March 2022
Current ratio	Current assets	Current liabilities	14.71
Return on equity ratio	Net loss after taxes	Average shareholders' equity	-0.05
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax liability	-0.04

18 Events after the reporting period
No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2022) and the date of approval of these financial statements (25 May 2022).

In terms of our report attached

For **Walker Chandiok & Co LLP**
Firm's Registration No.: 001076N/N500013

CHANDIOK & CO LLP
CHENNAI
WALKER
CHARTERED ACCOUNTANTS

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 25 May 2022

For and on behalf of the Board of Directors of
TCL Intermediates Private Limited

Sanjay Sinha
Director
(DIN : 07845678)

Place : Chennai
Date : 25 May 2022

Radha

Radha Jayaraman
Director
(DIN : 09436659)

Place : Chennai
Date : 25 May 2022

TCL INTERMEDIATES PRIVATE LIMITED