

Ref: SA/S/25R

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
STP LIMITED**

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **STP Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statement for the year then ended on that date including a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including Other Comprehensive Loss), Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit 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 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:



Sr. No	Key Audit Matter	Auditor's Response
1	<p>The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Group expects to receive for those goods from customers. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration).</p> <p>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgment in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included, among others the following:</p> <ol style="list-style-type: none"> 1. We read and evaluated the Company's revenue recognition policy and assessed its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. 2. We assessed the design and tested the operating effectiveness of internal controls related to sales. 3. We performed test for a sample of individual sales transaction by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control to the customer in accordance with the terms of the contract. 4. We tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting. For the samples selected, we also compared that the actual rebates and discounts recognized in respect of particular schemes do not exceed their approved amounts. 5. We tested on a sample basis, sales transactions made prior to year-end and post year-end, and checked the period of revenue recognition with reference to underlying documents including customer's confirmation. 6. We read and assessed the relevant disclosures made in the financial statements.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



6. In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

Management's Responsibility for the Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. 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.
10. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

11. 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.
12. 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.



- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for 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.
13. 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.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143 (3) of the Act, we 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 of the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.



- e. The Company has neither proposed any dividend in the Previous year or in the current year nor paid any interim dividend during the year.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No: 301088E



Ranjan Singh

(Ranjan Singh)

Partner

Membership No: 305423

UDIN: 23305423BHAHBX7768

Place: Kolkata
Date: 12.05.2023

ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT**To the Members of STP LIMITED**

[Referred to in paragraph 14 of the Independent Auditor's Report of even date]

- i. (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, plant and Equipment of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties of the Company are held in the name of the Company except the immovable properties which were owned by STP Infracare Private Limited which has merged with the Company under the scheme of arrangement approved by the appropriate authority which are still held in the name of the erstwhile company. Details of such Property is given below.

Details of title deeds of immovable property not held in the name of the Company						
Description of Property	Gross Carrying Value (Rs.)	Held in name of	Whether Promoter, Director or their relative or employee	Holding Period	Reason for not being held in the name of the Company	Is the property under dispute
Leasehold land at Panoli Gujarat	53,83,598	STP Infracare Pvt Limited	No	25 th Jan 2010	Application pending with GIDC	No

- (d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year.
- (e) According to the information and explanations given to us no proceeding has been initiated during the year or are pending against the Company as at March 31,2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us and the records of the company examined by us, annual statement of current assets as submitted to bank in respect of its working capital borrowing are in agreement with the books of accounts of the company. As the company is not required to prepare quarterly financials, we have only considered annual frequency for reporting purpose.



- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act and hence reporting under this clause is not applicable.
- iv. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others and hence reporting under this clause is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 in respect of the Company's product to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, value added tax and sales tax as at 31st March 2023 which has not been deposited on account of a dispute are as follows-

Name of the Statute	Nature of Dispute	Amount (lacs)	Period	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	15.18	2010-11, 2011-12, 2015-16	Appeal Filed at Administrative Tribunal, Goa.
West Bengal Sales Tax Act, 1994	CST	104.60	2014-15.2016-17	Appellate Authority, Deputy Commissioner (Kolkata -South)
West Bengal Sales Tax Act, 1994	State Sales Tax	202.04	2014-15.2016-17	Appellate Authority, Deputy Commissioner (Kolkata -South)
Central Sales Tax Act, 1956	Central Sales Tax	40.14	1993-94	AAC, Sales Tax Chennai
Central Sales Tax Act, 1956	Central Sales Tax	58.11	1995-96	AAC Sales Tax, Chennai
Income Tax Act, 1961	Income Tax	48.17	2019-20	Commissioner of Income Tax (Appeal)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or in the payment of interest to lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any term loan.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture hence reporting under clause 3(ix)(e) and (f) is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and up to the date of this report) and hence reporting under this clause is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 38 of the financial statements for the year under audit.
- xiv. (a) According to the information and explanations given to us and the records of the Company examined by us the internal audit is not applicable. So, reporting in this clause is not applicable.



- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a) and (b) is not applicable.
(b)
(c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
- xvii. According to the information and explanations given to us and the records of the Company examined by us the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to information and explanation given to us and records of the Company examined by us, there is no fund lying unspent, hence reporting under clause 3(XX) (a) & (b) is not applicable.
- xxi. The Company does not have any subsidiary, associate and joint venture hence reporting under this clause is not applicable.

Place: Kolkata
Date: 12.05.2023



For L. B. Jha & Co.
Chartered Accountants
Firm Registration No: 301088E

Ranjan Singh

(Ranjan Singh)
Partner

Membership No: 305423
UDIN: 23305423BHAIHBX7768

**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT
To the Members of STP LIMITED**

[Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub –sections 3 of Section 143 of the Companies Act, 2013("the Act")

1. We have audited the internal financial controls over financial reporting of **STP LIMITED** ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

2. The Company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Control over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
- 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
 - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the company considering, the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No: 301088E



Ranjan Singh

(Ranjan Singh)
Partner

Membership No: 305423

UDIN: 23305423BHAIHBX7768

Place: Kolkata
Date: 12.05.2023

STP Limited
Balance Sheet as on 31.03.2023

Amount (Rs. in lakhs)

	Note No.	As at March 31, 2023	As at March 31, 2022
Non-current assets			
(a) Property, plant and equipment	3	2,712.48	2,733.38
(b) Capital work-in-progress	3.1&3.2	283.50	212.76
(c) Other intangible assets	3	144.71	193.73
(d) Right to use	3.3	482.08	560.94
(e) Financial Assets			
(i) Other financial assets	4	136.33	117.80
(f) Non Current Tax Assets	12	78.40	386.59
(g) Other non-current assets	6	9.10	12.20
Total Non - Current Assets		3,846.60	4,217.40
Current assets			
(a) Inventories	7	3,335.57	3,659.55
(b) Financial Assets			
(i) Trade receivables	8	6,670.51	5,468.45
(ii) Cash and cash equivalents	9	832.49	51.14
(iii) Loans	10	-	-
(iv) Other financial assets	11	4.15	4.97
(c) Other current assets	13	622.34	836.65
Total Current Assets		11,465.06	10,020.76
Total Assets		15,311.66	14,238.16
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	1,974.56	1,974.56
(b) Other Equity	15	5,164.53	3,423.73
Total equity		7,139.09	5,398.29
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	16	352.59	410.57
(ii) Other financial liabilities	17	12.10	4.83
(iii) Deferred tax Liabilities (Net)	5	34.29	26.03
(b) Provisions	18	150.29	121.52
Total non-current liabilities		549.27	562.95
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,426.63	4,934.01
(ia) Lease Liabilities	16	52.99	53.43
(ii) Trade and other payables			
-total outstanding dues of micro enterprises and small enterprises		251.34	23.98
total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,256.70	2,531.10
(iii) Other financial liabilities	21	6.35	7.75
(b) Other current liabilities	22	620.31	722.33
(c) Provisions	23	8.98	4.33
Total Current Liabilities		7,623.30	8,276.93
Total liabilities		8,172.57	8,839.88
Total Equity & Liabilities		15,311.66	14,238.17

Significant Accounting Policies
Explanatory Notes

1&2
31 to 47

The accompanying notes are intergral part of the financial statement
As per our report of even date

For L B Jha & Co
Chartered Accountants
Firm Registration No. 301088E

For and on Behalf of Board of Directors

Ranjan Singh

Ranjan Singh
Partner
Membership No. 305423



P. Kulkreja
P Kulkreja
CFO & CS
FCS 3551

Rajesh Joshi
Rajesh Joshi
Managing Director
DIN 08607064

Anandha Sen
Anandha Sen
Director
DIN 01496602

Place: Kolkata
Dated: 12.05.2023

STP Limited
Statement of Profit and loss for the Year ended 31.03.2023

Amount (Rs. in lakhs)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	24	32375.26	24489.76
Other income	25	203.45	196.48
Total income		32578.71	24686.24
Expenses			
Cost of Material Consumed	26	17162.04	13455.94
Purchase of Stock in Trade		5301.50	4947.58
Changes in inventories of work-in-progress, stock-in-trade and finished goods	27	417.02	-866.85
Employee benefit expense	28	2635.50	2422.77
Finance costs	29	444.77	359.73
Depreciation and amortisation expense	29A	394.58	487.42
Other expenses	30	3729.82	2818.44
Total expenses		30085.23	23625.03
Profit before Exceptional item and tax		2493.48	1061.20
Exceptional Items -loss due to fire	30A	-	145.97
Profit before tax		2493.48	915.23
Income tax expenses			
- Current tax		728.03	309.17
- Deferred tax		13.03	218.72
Total tax expense		741.06	527.89
Profit after tax		1752.42	387.34
Other comprehensive income			
<u>Items that will not be reclassified to profit or loss</u>			
Actuarial gain / (loss) on defined benefit obligation		-16.38	-32.82
Income taxes relating to items that will not be reclassified to profit or loss		4.77	9.56
Other comprehensive income		-11.61	-23.26
Total comprehensive income for the year		1740.81	364.08
Earnings per equity share			
Basic earnings per share		8.87	1.96
Diluted earnings per share	34	8.87	1.96

Significant Accounting Policies
Explanatory Notes

1&2
31 to 46

The accompanying notes are integral part of the financial statement
As per our report of even date

For L B Jha & Co
Chartered Accountants
Firm Registration No. 301088E

Ranjan Singh

Ranjan Singh
Partner
Membership No. 305423

Place: Kolkata
Dated: 12.05.2023



For and on Behalf of Board of Directors

J P Kukreja
J P Kukreja
CFO & CS
FCS 3551

Rajesh Joshi
Rajesh Joshi
Managing Director
DIN 08607064

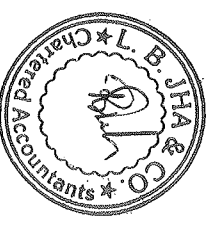
Aniruddha Sen
Aniruddha Sen
Director
DIN 01496602

STP Limited
Notes to the Financial Statements for the year ended March 31, 2023

3. Property, plant and equipment	Amount (Rs. in lakhs)													Note 3	
	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Laboratory Equipments	Computer	Electrical Installation	Total	CWIP	Intangible Assets	Right of use (Impairable Property)		
Cost															
As at March 31, 2022	131.13	2130.29	2861.33	186.90	100.21	115.75	190.44	135.96	182.46	6033.57	212.76	246.73	600.55		
Adjustments		14.04	177.18	7.90	5.90	16.44	16.03	8.32	0.79	246.90	148.39	77.66			
Disposals/ adjustments															
As at March 31, 2023	131.13	2144.33	3038.51	193.00	105.71	132.19	206.97	144.28	183.25	6279.37	283.50	246.73	600.55		
Depreciation															
As at March 31, 2022		945.46	1787.28	155.89	95.48	71.91	136.02	90.20	114.53	3300.19		52.00	39.91		
Adjustment		-26.14	-26.14	-3.60	-15.60	-15.60	-19.15	19.15	58.19						
Depreciation charge for the period		61.17	163.15	7.43	8.72	9.31	8.30	14.07	4.55	268.70		49.02	78.86		
Disposals															
As at March 31, 2023		506.65	1862.29	159.72	88.60	61.22	147.32	123.42	177.67	3566.89		101.02	118.77		
Net book value															
As at March 31, 2022	131.13	1284.81	1074.05	28.61	4.73	43.84	51.92	45.76	67.53	2733.38	212.76	193.73	560.64		
As at March 31, 2023	131.13	1237.68	1156.22	33.28	17.11	50.97	58.65	20.86	5.58	2712.48	283.50	144.71	482.08		

STP Limited
Notes to the Financial Statements for the year ended March 31, 2022

3. Property, plant and equipment	Amount (Rs. in lakhs)													Note 3	
	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Laboratory Equipments	Computer	Electrical Installation	Total	CWIP	Intangible Assets	Right of use (Impairable Property)		
Cost															
As at March 31, 2021	131.13	2190.70	2834.05	193.16	108.94	166.61	181.36	103.62	121.36	6130.83	246.43	9.79	511.04		
Adjustments		1.63	46.60	-8.21	-6.56	21.26	0.10	21.26	62.09	8.07					
Disposals/ adjustments		62.04	95.30	0.89	6.31	11.35	9.57	13.21	0.99	128.25	207.68	241.12	403.51		
As at March 31, 2022	131.13	2130.29	2861.33	192.84	97.42	62.21	0.09	2.12	0.88	233.86	244.35	5.18	314.50		
Depreciation															
As at March 31, 2021		803.43	1689.67	142.57	84.19	98.50	122.23	73.93	102.58	3117.10		7.18	244.51		
Adjustment		67.27	2.04	-2.95	9.00	10.67	0.10	-0.17	13.27	8.82					
Depreciation charge for the period		25.22	182.78	15.97	10.67	13.10	18.73	18.56	0.92	338.33		49.95	99.10		
Disposals		645.46	87.19	0.30	8.38	38.89	0.04	2.12	114.53	163.86		5.18	314.50		
As at March 31, 2022			1787.28	155.89	95.48	71.91	139.02	90.20	114.53	3300.19		52.00	39.91		
Net book value															
As at March 31, 2021	131.13	1387.27	1244.38	50.59	24.55	68.11	59.13	29.69	18.76	3013.73	249.43	2.60	266.54		
As at March 31, 2022	131.13	1284.81	1074.05	28.61	4.73	43.84	51.92	45.76	67.53	2733.38	212.76	193.73	560.64		



STP Limited
Notes to the Financial Statements for the year ended March 31, 2023

Note 3.1

CWIP	Amount in CWIP for a Period 2022-23					Amount in CWIP for a Period 2021-22				
	< 1 Year	1-2 Year	2-3 Year	< 3 Year	Total	< 1 Year	1-2 Year	2-3 Year	< 3 Year	Total
Project In Progress	148.39	130.04		5.07	283.50	207.69			5.07	212.76
Total	148.39	130.04		5.07	283.50	207.69			5.07	212.76

Amount (Rs. in lakhs)

Note 3.2

CWIP	Amount in CWIP for a Period 2022-23				Amount in CWIP for a Period 2021-22			
	P & M	Building	Others	Total	P & M	Building	Others	Total
	283.50			283.50	212.76			212.76
Total	283.50			283.50	212.76			212.76

Note 3.3

Right of Use	2022-23				2021-22			
	Land	Building	P&M	Others	Land	Building	P&M	Others
Opening as on 31.03.22	600.55				511.04			
Addition during the year					403.51			
Disposal during the year					314.00			
Closing as on 31.03.23	600.55				600.55			
Depreciation								
Opening as on 31.03.22		39.61			254.51			
Addition during the year		79.86			59.10			
Disposal during the year		118.47			314.00			
Closing as on 31.03.23		482.00			590.94			
Net as on 31.03.23	482.00				590.94			



STP Limited
Notes to the financial statements

Statement of Changes in Equity

Amount (Rs. in lakhs)

A. Share Capital

Particulars	Balance as on 01.04.2021	Issued during the year	Balance as on 31.03.2022	Issued during the year	Balance as on 31.03.2023
Equity Share Capital	1,974.56		1,974.56	-	1,974.56


B. Other Equity

Other Equity

	Attributable to Equity Share holders of the Company				
	Reserves and surplus				
	Securities premium Account	Capital Subsidy	Capital Reserve	Retained earnings	Total
Balance at 31 March 2021	1,951.19	-	749.54	358.91	3,059.65
Adjustments	-	-	-	-	-
Profit for the Year	-	-	-	387.34	387.34
Other comprehensive income	-	-	-	(23.26)	(23.26)
Total comprehensive income for the period	-	-	-	364.08	364.08
Balance at 31 March 2022	1,951.19	-	749.54	722.99	3,423.73
Profit for the Year	-	-	-	1,752.41	1,752.41
Other comprehensive income	-	-	-	(11.61)	(11.61)
Balance at 31 March 2023	1,951.19	-	749.54	2,463.79	5,164.53

For L B Jha & Co
Chartered Accountants
Firm Registration No. 301088E

For and on Behalf of Board of Directors


Ranjan Singh
Partner
Membership No. 305423




J.R. Kukreja
CFO & CS
FCS 3551


Rajesh Joshi
Managing Director
DIN 08607064


Aniruddha Sen
Director
DIN 01496602

Place: Kolkata
Dated: 12.05.2023

Note 4 Other Financial Assets

Amount (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits		
Secured, considered good	86.22	72.61
Secured, considered doubtful	27.95	27.95
Provision for security deposit	-27.95	-27.95
Bank deposits with more than 12 months maturity	13.79	13.94
Margin Money with Bank	36.32	31.25
TOTAL	136.33	117.81

Note 5 Deferred Tax Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
- Employee Benefit	46.38	36.65
- Others	253.82	268.16
Sub Total (A)	300.20	304.81
Deferred Tax Liability		
- WDV of Assets	-334.49	-330.84
Sub Total (B)	-334.49	-330.84
Deferred Tax Assets/(Liabilities) (A-B)	-34.29	-26.03

Note 6 Other Non-Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with statutory authorities		
Deposit with Government authorities & others	-	1.80
Deferred Security Deposit	8.39	9.69
Other Advances and deposits	23.79	23.79
Less: Provision for Advances and deposits	-23.08	-23.08
TOTAL	9.10	12.20

Note 7 Inventories (At lower of cost or Net Realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Material	2084.90	1991.86
Finished Goods	1250.67	1667.69
Total Inventories	3335.57	3659.55

Note 8 Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	6937.35	5784.52
Less: Allowance for doubtful debts	-266.84	-316.07
Total receivables	6670.51	5468.45
Break up of security details:		
Trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	6670.51	5468.45
(c) Significant increase in credit risk	-	-
(d) Credit Impaired	266.84	316.07
Less: Allowance for doubtful debts	-266.84	-316.07
Total	6670.51	5468.45



Amount (Rs. in lakhs)

Particulars	As at 31 March 2023						Total
	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	4,737.57	1,543.72	190.74	140.43	43.54	14.51	6,670.51
Undisputed Trade Receivables – which have significant increase in credit risk							-
Undisputed Trade receivable – credit impaired				53.80	42.09	4.97	100.86
Disputed Trade Receivables – considered good							-
Disputed Trade Receivables – which have significant increase in credit risk							-
Disputed Trade receivable – credit impaired				12.74	25.67	127.57	165.98
	4,737.57	1,543.72	190.74	206.97	111.30	147.05	6,937.35

Particulars	As at 31 March 2022						Total
	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	4,747.28	587.77	113.93	2.41		1.45	5,452.84
Undisputed Trade Receivables – which have significant increase in credit risk							-
Undisputed Trade receivable – credit impaired				39.45	31.52		70.97
Disputed Trade Receivables – considered good				0.57	7.54	7.50	15.61
Disputed Trade Receivables – which have significant increase in credit risk							-
Disputed Trade receivable – credit impaired				52.60	39.06	153.44	245.10
	4,747.28	587.77	113.93	95.03	78.12	162.39	5,784.52

Note 9 Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks		
(1) Unrestricted Balance with banks		
(i) In Current Account	817.49	42.04
(b) Cash on hand	15.00	5.00
(c) Others	-	4.10
Cash and cash equivalents as per balance sheet	832.49	51.14
Total Cash and Cash Equivalents	832.49	51.14

Note 10 Loans- Current

Particulars	As at March 31, 2023	As at March 31, 2022
Other Advances		
Unsecured, considered doubtful		
Claim receivable	553.78	553.78
Less : Provisions	-553.78	-553.78
TOTAL	-	-

Note 11 Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Receivable	4.15	4.97
TOTAL	4.15	4.97



Note 12 Non Current Tax Assets

Amount (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax (Net of Provision of Tax) Rs 1272.07 lakhs (Rs 521.84 lakhs)	78.40	386.59
TOTAL	78.40	386.59

Note 13 Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	47.82	20.41
Balances with Statutory Authorities	231.53	541.28
Advance to Supplier	332.99	273.39
Others	10.00	1.57
TOTAL	622.34	836.65

Note 14 Equity Share Capital

Particulars	No. of Shares	Equity Shares Value
(a) Authorised Share Capital		
At 31st March 2021	2,00,00,000	2000.00
Increase/(decrease) during the year	-	-
At 31st March 2022	2,00,00,000	2000.00
Increase/(decrease) during the year	-	-
At 31st March 2023	2,00,00,000	2000.00
(b) Issued capital		
At 31st March 2021	1,97,52,970	1,975.30
Changes during the period	-	-
At 31st March 2022	1,97,52,970	1,975.30
Increase/(decrease) during the year	-	-
At 31st March 2023	1,97,52,970	1,975.30
(c) Subscribed and paid up capital		
At 31st March 2021	1,97,45,616	1974.56
Changes during the period	-	-
At 31st March 2022	1,97,45,616	1974.56
Changes during the period	-	-
At 31st March 2023	1,97,45,616	1974.56

(d) Rights and Restrictions of shareholders

(i) The Company has only one class of Equity shares having face value of Rs 10/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to shares held.

(ii) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

(e) Details of each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2023	As at March 31, 2022
	No. of Shares held	No. of Shares held
Berger Paints India Limited	1,88,63,180	1,88,63,180

(f) Detail of Shares held by Holding company and Subsidiary & Associates of Holding Company:

Name of Shareholder	As at March 31, 2023	As at March 31, 2022
	No. of Shares held	No. of Shares held
Berger Paints India Limited	1,88,63,180	1,88,63,180
Total	1,88,63,180	1,88,63,180



Amount (Rs. in lakhs)

Shares held by Promoters at the end of the year			
Promoter Name	No of Shares	% of Total Shares	% change during the year
Berger Paints India Limited	1,88,63,180	96%	-

Note 15 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium Reserve	1,951.19	1,951.19
Capital Reserve	749.54	749.54
Retained earnings	2,463.79	723.00
Total	5,164.53	3,423.73

Note 16 Lease Liability

Particulars	As at March 31, 2023			As at March 31, 2022		
	Non Current	Current	Total	Non Current	Current	Total
Opening	410.57	53.43	464.00	80.92	69.73	150.65
Addition						402.78
Interest Cost			44.50			46.68
Deletion						
Lease Payment			102.92			136.11
Closing	352.59	52.99	405.58	410.57	53.43	464.00

Note 17 Other Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Security Deposits (Unsecured)	12.10	4.83
Total	12.10	4.83

Note 18 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits		
Gratuity	33.81	15.76
Leave	116.48	105.76
Total	150.29	121.52

Note 19 Borrowings- Current

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From Banks		
Cash Credit *	-	1,534.01
Short term loan *	4,426.63	3,400.00
Total Borrowings	4,426.63	4,934.01

* The loans taken from Bank is secured by Corporate Guarantee of the Holding Company

Note 20 Trade Payables

Amount (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	251.34	23.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,256.70	2,531.10
Total	2,508.04	2,555.08



Amount (Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						2022-23
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises		251.34					251.34
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,865.18	372.74	18.78			2,256.70
Disputed dues of micro enterprises and small enterprises							-
Disputed dues of creditors other than micro enterprises and small enterprises							-
	-	2,116.52	372.74	18.78	-	-	2,508.04

Particulars	Outstanding for following periods from due date of payment						2021-22
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises		23.98					23.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,531.10					2,531.10
Disputed dues of micro enterprises and small enterprises							-
Disputed dues of creditors other than micro enterprises and small enterprises							-
	-	2,555.08	-	-	-	-	2,555.08

Note 21 Other Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Security Deposit	6.35	7.75
Total	6.35	7.75

Note 22 Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	69.02	92.62
Statutory Dues	264.45	365.49
Other payables	286.85	264.22
Total	620.32	722.33

Note 23 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits		
Gratuity		
Leave	8.98	4.33
Total	8.98	4.33



STP Limited
Notes to the financial statements

Note 24 Revenue from Operations

Particulars	Amount(Rs. in lakhs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of Products	32,280.17	24,388.16
Other operating revenues:		
- Insurance Claim Received	10.53	58.24
- Scrap Sale	84.57	43.36
Total revenue from continuing operations	32,375.26	24,489.76

Note 25 Other Income

Particulars	For the year ended	
	31st March 2023	31st March 2022
Interest on Fixed Deposit	3.61	3.38
Other Interest	-	3.47
Other non-operating income:		
Notional Interest on Security Deposit	1.31	2.66
Other gains and losses:		
Excess Provision Written Back	49.22	
Rent Income	141.72	140.91
Exchange fluctuation	-	10.68
Miscellaneous Income	7.59	35.38
Total	203.45	196.48

Note 26 Cost of Material Consumed

Particulars	For the year ended	
	31st March 2023	31st March 2022
Raw Material / Packing Material		
Opening Stock	1,991.86	1,454.16
Add: Purchases	17,255.08	13,993.64
Less: Closing Stock	2,084.90	1,991.86
Consumption	17,162.04	13,455.94



Note 27 Changes In Inventories

Amount(Rs. in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(A) Opening Inventory		
Finished Goods		
Traded Goods	907.32	315.28
Manufacturing Goods	760.37	485.56
Sub Total (A)	1,667.69	800.84
(B) Closing Inventory		
Finished Goods		
Traded Goods	599.13	907.32
Manufacturing Goods	651.54	760.37
Sub Total (B)	1,250.67	1,667.69
(Increase)/decrease in inventories (A-B)	417.02	(866.85)

Note 28 Employee Benefits Expense

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Salaries, Wages and incentives	2,466.32	2,266.06
(b) Contributions to Statutory funds	82.78	78.40
(c) Staff welfare expenses	86.40	78.31
Total	2,635.50	2,422.77

Note 29 Finance Cost

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest Expense	388.05	291.34
(b) Other Borrowing Cost		
Notional Interest on leasehold properties	44.50	46.68
Notional Interest on security deposit	1.31	2.66
Bank charges	10.91	19.05
Total	444.77	359.73



Note 29 A Depreciation and Amortisation

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation	345.56	437.43
Amortisation	49.02	49.99
Total	394.58	487.42

Note 30 Others Expenses

Particulars	Amount(Rs. in lakhs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Processing Charges & Payment to Sub Contractor	4.14	5.00
Stores & Spares Consumed	66.17	41.89
Power and Fuel	545.37	492.76
Rent	168.83	108.85
Repairs - Plant & Machinery	82.92	63.47
- Building	8.89	11.28
- Others	43.77	47.02
Insurance	91.80	64.83
Rates & Taxes	24.15	31.07
Traveling Conveyance & Vehicle Maintenance	384.88	247.73
Telephone Postage & Telegram	54.86	46.84
Research & Development	1.61	1.26
Bad Debts/Advances written off	7.63	9.73
Freight & Forwarding Expenses	1571.70	1131.67
Advertisement	85.10	38.77
Service Charges	139.33	70.72
Legal & Professional Expenses	106.94	59.83
Loss / Profit on Sale of Fixed Assets		8.69
Exchange Fluctuation	41.12	
Payment to Auditors	7.80	8.00
Provsion for Doubtful debts		7.30
ERP Software Expenses	14.53	45.83
Miscellaneous Expenses	278.28	275.90
Total	3729.82	2818.44



Note No 30A - Exceptional Items *

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Inventory loss - due to fire	-	100.53
Plant & Machinery - loss due to fire	-	8.45
Building loss - due to fire	-	36.99
Total	-	145.97



Explanatory Notes

31 Auditor's Remuneration

Particulars	Amount (Rs. in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor:		
Audit fees	5.60	5.60
Tax audit fees	1.20	1.20
Miscellaneous certificates and other matters	1.00	1.20
Reimbursement of expenses		-
Total	7.80	8.00
	10.00	

32 Details of CSR expenditure

Particulars	Amount (Rs. in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	11.70	15.29
b) Amount spent during the year		
(i) Construction /Acquisition of an asset	-	-
(ii) Purposes other than (i) above	12.06	15.39
Total	12.06	15.39

32A Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) amount required to be spent by the company during the year	11.70	15.29
(ii) amount of expenditure incurred	12.06	15.39
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities	Primary Health & Education	Research & Development, Primary Health & Education
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

33 Earnings per Share

The following table reflects the income and earnings per share data used in the basic and diluted EPS computations:

	Year ended March 31, 2023	Year ended March 31, 2022
Net Profit after tax for calculation of Basic and Diluted Earnings Per Share *(^ in lakhs) (I)	1752.41	387.34
Weighted average number of shares (II)	19745616	19745616
-Basic & Diluted	10	10
Earning per equity share (nominal value of Re 1 per share[(I) / (II)])	8.87	1.96
-Basic & Diluted	8.87	1.96

34 Contingent Liabilities and Commitments

A Contingent Liabilities

- (i) Disputed Sales Tax / Value Added Tax (excluding interest) which has not stipulated in the demand / assessment order Rs. 465.23 Lakhs (Previous year - Rs. 510.62 Lakhs).
- (ii) Income Tax demand where the case is pending at Income Tax under appeal Rs. 81.91 Lakhs (Previous Year - Rs. 81.91 Lakhs)
- (iii) Claims/Compensation against the Company not acknowledged as debt Rs.26.35 Lakhs (Previous Year - Rs. 26.35 Lakhs), excluding interest, if any.
- (iv) Outstanding Bank Guarantees Rs. 16.71 Lakhs (Previous Year - Rs. 41.07 Lakhs).

- Note:
- (a) In respect of certain disallowances and additions made by Income Tax Authorities, the cases are pending at various stages of appeal with the authorities and adjustments, if any, will be made after the same are finally determined.
- (b) Appeals for certain additions in respect of sales tax assessment/ settlement are pending before the various authorities and adjustments, if any, will be made after the same are finally determined.



B Capital and other commitments:

Current Year Rs. 109.57 Lakhs (Previous Year - Rs. Nil)

In the opinion of the management due liabilities have been accounted for and on final decision/settlement there would not be material impact on accounts.

C Pending Litigations

- (i) Appeal against arbitration award of Rs. 18.98 Lakhs (Previous Year - Rs. 18.98 Lakhs) awarded in favour of Kolkata Improvement Trust had been filed by the Company before Hon'ble High Court at Kolkata. The matter is pending for final decision. Fixed Deposit pledged in this respect with the said Hon'ble High Court is amounting to Rs. 13.12lakhs. Pending final decision, no provision has been made for the above Rs.18.98 Lacs (Award amount against the Company) in the books and interest liability if any, will be accounted for as and when decided.
- (ii) Land in Note No. 3 excludes leasehold land at Transport Depot Road, Kolkata (original demand was of Rs. 21.47 lakhs) (Previous Year - Rs.21.47 lakhs), possession of which has been taken over by Kolkata Port Trust and the matter is sub-judice.
- (iii) Land in Note No.3 excludes leasehold land at Hide Road, Kolkata in respect of which lease is pending for renewal in favour of the Company and the matter is sub-judice. Demand of Rs.152.49 Lakhs (net of amount paid) (Previous Year - Rs 152.49 Lakhs) towards interest up to 31.03.2021 has been raised by Kolkata Port Trust. As per the terms of the agreement with a party, the interest liability is to be borne by the party concerned for and on behalf of the Company. Pending final decision in this regard, no effect is given as the agreement / settlement is pending.
- (iv) In pursuance of the land acquisition proceedings initiated by The Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL), for the Western Dedicated Freight Corridor, Gujarat Industrial Development Corporation (GIDC) has initiated acquisition proceeding for 850 square meters of the Company's premises at Panoli out of which the Company has surrendered 850 square meters. The Company has filed a Writ Petition before the Hon'ble High Court of Gujarat regarding compensation receivable in respect of the said acquisition. The matter is sub-judice. The fees paid for litigation had been charged to revenue account.

35 Employee Benefits**(i) Defined Contribution Plans**

Provident Fund for certain eligible employees is administered by the Company through Employees Provident Fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

The amount contributed is recognized as an expense and included in "Company's contributions to PF & other funds" of Statement of Profit and Loss account is Rs.82.78 lakhs (FY Rs.78.40 lakhs).

(ii) Defined Benefits Plan

Gratuity and Leave Encashment

- (i) The following table summarizes the components of the net defined benefits plan towards gratuity and leave encashment recognized in the Statement of Profit and Loss and Other Comprehensive Income and the funded status and amounts recognized in the Balance Sheet:

	Gratuity		Amount (Rs. in lakhs) Leave Encashment	
	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022
Changes in present value of defined benefit obligations				
a) Defined Benefit obligation, beginning of period	157.48	154.41	110.09	110.21
b) Interest Cost on DBO	10.31	8.76	7.12	6.98
c) Net Current Service Cost	21.74	20.32	11.92	11.14
d) Actual Plan Participants Contributions	-	-	-	-
e) Benefits Paid	-20.46	-57.59	-16.88	-20.22
f) Past Service Cost	-	-	-	-
g) Changes in Foreign Currency Exchange Rates	-	-	-	-
h) Acquisition / Business Combination / Divestiture	-	-	-	-
i) Losses / (Gains) on Curtailments / Settlements	-	-	-	-
j) Actuarial (Gain) / Loss on obligation	16.27	31.58	13.21	1.97
k) Defined Benefit Obligation, End of Period	185.34	157.48	125.46	110.08
Changes in fair value of plan assets				
a) Fair Value of Plan assets at the beginning	141.72	103.75	-	-
b) Expected return on plan assets	9.92	8.31	-	-
c) Employer contribution	-	30.89	-	-
d) Actual Plan Participants Contributions	-	-	-	-
e) LIC Charges	-	-	-	-
f) Actual Taxes Paid	-	-	-	-
g) Actual Administration Expenses Paid	-	-	-	-
h) Changes in Foreign Currency Exchange Rates	-	-	-	-
i) Benefits Paid	-	-	-	-
j) Acquisition / Business Combination / Divestiture	-	-	-	-
k) Assets Extinguished on Curtailments / Settlements	-	-	-	-
l) Actuarial (Gain) / Loss on Asset	-0.11	-1.23	-	-
m) Fair Value of Plan assets at the end	151.53	141.72	-	-
Amounts recognized in the Balance Sheet				
a) Balance Sheet (Asset) / Liability, Beginning of Period	15.76	50.65	110.09	110.21
b) True up	-	-	-	-
c) Total Charge / (Credit) Recognised in Profit and Loss	22.14	20.77	32.25	20.09
d) Total Remeasurements Recognised in OC (Income) / Loss	16.38	32.82	-	-
e) Acquisition / Business Combination / Divestiture	-	-	-	-
f) Employer Contribution	-	-30.89	-	-
g) LIC Charges	-	-	-	-
h) Benefits Paid	-20.46	-57.59	-16.88	-20.21
i) Other Events	-	-	-	-
j) Balance Sheet (Asset) / Liability, End of Period	33.82	15.76	125.46	110.09



Expenses recognized in the Statement of Profit & Loss

a) Service Cost	21.75	20.32	11.92	11.14
b) Net Interest Cost	0.39	0.45	7.12	6.98
c) Past Service Cost	-	-	-	-
d) Remeasurements	-	-	13.21	1.97
e) Administration Expenses	-	-	-	-
f) (Gain) / Loss due to settlements / Curtailments / Terminations / Divestitures	-	-	-	-
g) Total Defined Benefit Cost / (Income) included in Profit & Loss	22.14	20.77	32.25	20.09

Expenses recognized in Other Comprehensive Income

a) Amount recognised in OCI, (Gain) / Loss Beginning of Period				
b) Remeasurements Due to :				
1. Effect of Change in Financial Assumptions	-2.76	-0.32	-2.01	-0.24
2. Effect of Change in Demographic Assumptions	-	-	-	-
3. Effect of Experience Adjustments	19.03	31.9	15.22	2.21
4. (Gain) / Loss on Curtailments / Settlements	-	-	-	-
5. Return on Plan Assets (Excluding Interest)	0.11	1.24	-	-
6. Changes in Asset Ceiling	-	-	-	-
c) Total Remeasurements Recognised in OCI (Gain)/Loss	16.38	32.82	13.21	1.97
d) Amount Recognised in OCI (Gain) Loss, End of Period	16.38	32.82	13.21	1.97

(ii) The principle assumptions used in determining employee benefit obligations for the Company's plans are shown below:

	Gratuity		Leave Encashment	
	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022
Financial Assumptions Used to Determine the Profit & Loss Charge				
a) Discounting Rate	7.20 P A	7.00 P A	7.20 P A	7.00 P A
b) Salary Escalation Rate	5.00 PA	5.00 PA	5.00 PA	5.00 PA
Demographic Assumptions Used to Determine the Defined Benefit				
a) Retirement Age	58 Years	58 Years	58 Years	58 Years
a) Mortality Table (Indian Assured Lives Mortality)	2012-2014	2012-2014	2012-2014	2012-2014
c) Employee Turnover / Attrition Rate				
18 to 30 Years	5%	5%	5%	5%
30 to 45 Years	3%	3%	3%	3%
Above 45 Years	2%	2%	2%	2%

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account.

Assumptions regarding future mortality experience are set in accordance with published statistics by the Actuary.

The discount rate is based on the government securities yield.

Sensitivity Analysis

	Gratuity		Leave Encashment	
	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022
DBO on Base Assumptions	185.34	157.48	125.47	110.09
A) Discount Rate	7.20%	7%	7.20%	7%
1. Effect on DBO due to 1% increase in Discount Rate	-12.76	-11.85	-9.25	-8.80
Percentage impact	-7%	-8%	-7%	-8%
2. Effect on DBO due to 1% decrease in Discount Rate	14.55	13.55	10.62	10.14
Percentage impact	8%	9%	9%	9%
B) Salary Escalation Rate	5%	5%	5%	5%
1. Effect on DBO due to 1% increase in Salary Escalation Rate	14.74	13.7	10.76	10.24
Percentage impact	8%	9%	9%	9%
2. Effect on DBO due to 1% decrease in Salary Escalation Rate	-13.13	-12.17	-9.52	-9.03
Percentage impact	-7%	-8%	-8%	-8%

Maturity Profile disclosure

	Gratuity		Leave Encashment	
	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022
A. Expected benefit payments for the year ending				
March 30, 2023		4.97		4.48
March 30, 2024	12.25	11.55	9.30	0.01
March 30, 2025	15.09	14.60	0.01	0.01
March 30, 2026	28.86	27.58	0.02	0.02
March 30, 2027	17.48	17.32	1.00	0.01
March 30, 2028 to March 30, 2032		150.73		0.09
March 30, 2028	31.88		0.02	
March 30, 2029 to March 30, 2033	152.44		0.09	

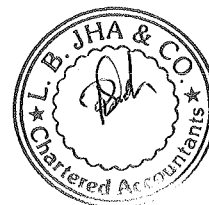


B. Expected employer contribution for the period ending 30 March 2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable
C. Weighted average duration of defined benefit obligation	8 Years	8 Years	8 Years	8 Years
D. Accrued Benefit Obligation	131.86	108.16	87.18	73.98
E. Plan Asset information	Percentage	Percentage	Percentage	Percentage
Government of India Securities (Central and State)	-	-	-	-
High quality corporate bonds (including Public Sector Bonds)	-	-	-	-
Equity shares of listed companies	-	-	-	-
Property	-	-	-	-
Cash (including special Deposits)	-	-	-	-
Schemes of insurance - conventional products	100%	100%	-	-
Schemes of insurance - ULIP Products	-	-	-	-
Other	-	-	-	-
Total	100%	100%	-	-
F. Current and Non Current Liability Breakup as at 31 March 2023				
1. Current Liability			-8.98	-4.33
2. Non Current Assets / (Liability)	-33.81	-15.76	-116.47	-105.76
3. Net Asset/(Liability)	-33.81	-15.76	-125.45	-110.09

36 Disclosure of under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company / identified by the Company management. The detail of the same is as under.

		(Rs.in lakhs)	
Sl No	Particulars	2022-23	2021-22
a)	i) Principal amount remaining unpaid at the end of the accounting year	251.34	23.98
	ii) Interest due on above	-	-
b)	i) Interest paid by the Company in terms of section 16 of MSMED Act.	-	-
	ii) Payment made to supplier beyond the appointed day during the year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this act.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of financial year.	-	-
e)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actually paid.	-	-



37 Segment Information

The Company is engaged in the business of manufacturing and selling of Bitumen, Coal Tar and Construction Chemical Products. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Construction and Allied Products".

38 Disclosure in respect of Related Parties**(i) List of related parties**

Name	Nature of Relationship
Berger Paints India Limited	Holding Company
UK Paints (India) Private Limited	Ultimate Holding Company
Berger Jenson & Nicholson (Nepal) Pvt. Ltd. Beepee Coatings Private Limited Berger Paints (Cyprus) Limited Lusako Trading Limited Berger Rock Paints Private Limited Berger Hesse Wood Coatings Pvt. Ltd. SBL SpecialtyCoatings Private Limited	Fellow Subsidiary Companies
Key Management Personnel	
Rajesh Kanhaiyalal Joshi	Managing Director
Jai Prakash Kukreja	Chief Finance Officer & Company Secretary

Other related parties with whom transactions have taken place

Related parties have been identified by the management and relied upon by the Auditors.

(ii) Transactions with Related Parties

During the year the following transactions were carried out with the related parties in the ordinary course of business:

Transaction	Related Party	Amount (Rs. in lakhs)	
		Year ended March 31, 2023	Year ended March 31, 2022
Salary - KMP	Rajesh Kanhaiyalal Joshi	95.89	91.10
Salary - KMP	Jai Prakash Kukreja	37.92	37.11
Sale	Berger Paints India Limited	1,926.03	1,270.17
Rent Received	Berger Paints India Limited	0.56	0.53
Processing Charges Received	Berger Paints India Limited	17.72	5.84
Purchase	Berger Paints India Limited	207.08	102.87
Technical Services Received	Berger Paints India Limited	0.94	9.82
Rent Paid	Berger Paints India Limited	0.48	0.48
Sale	Kuldip Singh Dhingra	3.08	-
Sale	Kanwardip Singh Dhingra	3.40	-
Sale	Beepee Coating (P) Limited	-	0.46
Sale	U K Paints (India) Pvt Limited	12.95	7.16

(iii) Balances outstanding at the year end (including commitments):

Outstanding	Related Party	Amount (Rs. in lakhs)	
		Year ended March 31, 2023	Year ended March 31, 2022
Outstanding amount Payable	Berger Paints India Limited	22.64	119.80
Outstanding amount Receivable	Berger Paints India Limited	548.46	389.15
Outstanding amount Receivable	Beepee Coating (P) Limited	0.54	0.54
Outstanding amount Receivable	Kuldip Singh Dhingra	0.07	-
Outstanding amount Receivable	Kanwardip Singh Dhingra	0.33	-
Outstanding amount Receivable	U K Paints (India) Pvt Limited	6.86	0.92



39 Fair Value Hierarchy

The table shown analyses financial instruments carried at fair value. The different levels have been defined below:

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices)

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(a) Financial assets and Liabilities measured at fair value through Profit & Loss account - Nil (Previous year nil)

(b) Financial instrument at amortized cost

The carrying amount of financial assets and liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that eventually be received or settled

(c) During the year there has been no transfer from one level to another

40 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade payable. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The company enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors review financial risks and the appropriate financial risk governance framework for the Company. The Board ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnel's that have appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

(i) Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: Interest rate risk, currency risk and other price risk, such as its equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and financial derivative.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2022. The sensitivity analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations. The following assumptions have been made in calculating the sensitivity analyses.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022

The sensitivity of equity is calculated as at March 31, 2023 for the effects of the assumed changes of the underlying risk

Interest Rate Risk

The Company has incurred short term debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk. Borrowing issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate , applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

Although the Company has significant variable rate interest bearing liabilities at March 31, 2023, interest rate exposure of the Company is mainly on Borrowing from Bank/Fl, which is linked to their prime lending rate and the Company does not foresee any risk on the same.

Foreign currency risk

The Company has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

The Company proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedge cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financings. Accordingly there is no significant exposure to market risk.

(ii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financial activities, including deposits with banks and financial institutions, and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by The Board of Directors and corrective actions taken.

As per the policy, any trade receivables overdue for more than 365 days, equivalent provision / allowance are provided in the books of accounts on the relevant date.

Financial instruments and cash deposits

For banks and financial institutions, only high rated banks/institutions are accepted. Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's board of Directors on an annual basis and therefore mitigate financial loss through counterparty's potential failure to make payments.



(iii) Liquidity risk

The company objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on Borrowing to meet its additional need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs and hence evaluates the concentration of risk with respect to liquidity as low. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Amount(Rs. in lakhs)						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Financial Liabilities						
(i) Borrowings		4,426.63	-	-	-	4,426.63
(ii) Trade and other	-	2,360.24	129.02	18.78	-	2,508.04
(iii) Other financial	-	-	-	18.45	-	18.45
(iii) Lease liabilities	-	-	91.96	317.33	152.20	561.49

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserve attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company generally avails short term borrowings to bridge its working capital gap and finances its capital expenditure through internal generation of funds. The Company has a generally low debt equity ratio.

Amount (Rs. in lakhs)		
	Year ended March 31, 2023	Year ended March 31, 2022
Borrowings	4,426.63	4,934.01
Less : cash and cash equivalents	832.49	51.14
Net debt	3,594.14	4,882.87
Total capital	1,974.56	1,974.56
Capital and net debt	5,568.70	6,857.43
Gearing ratio	54.94	40.44

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

42 Expenditure on Research & Development

Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

	Year ended March 31, 2023	Year ended March 31, 2022
Employees benefits expense	92.49	97.01
Cost of materials consumed	-	3.66
Miscellaneous expenses	25.06	20.59

Details of Capital expenditures incurred for Research & Development are given below:

	Year ended March 31, 2023	Year ended March 31, 2022
Capital Expenditure	1.78	1.94

43 Particulars of Derivative instruments and unhedged foreign currency exposure as at Balance Sheet date:

Particulars of Unhedged foreign currency exposure:	31.03.2023		31.03.2022	
	Amount in Foreign Currency US\$	Amount (Rs. In Lacs)	Amount in Foreign Currency US\$	Amount (Rs. In Lacs)
Purchase of Raw Material				
a) Creditors	2,02,020.00	166.00	2,13,080.00	161.48
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

Particulars of Unhedged foreign currency exposure:	31.03.2023		31.03.2022	
	Amount in Foreign Currency US\$	Amount (Rs. In Lacs)	Amount in Foreign Currency US\$	Amount (Rs. In Lacs)
Purchase of Traded Goods				
a) Creditors	-	-	4,49,868.00	340.94
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-



44 Additional regulatory information required by Schedule III to The Companies Act, 2013

(i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and company has not been declared as willful defaulter by and bank or institution or other lender

(ii) To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(iii) Company is filing monthly statement of current assets in respect of its borrowings from banks status of agreement of quarter end statements with books are as under:

	Quarter-1	Quarter-2	Quarter-3	Quarter-4
Status	In agreement	In agreement	In agreement	In agreement
Reason of Material diff	NA	NA	NA	NA

(iv) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(v) The Company has not traded or invested in crypto currency or virtual currency during the year.

(vi) Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

45 Disclosure of ratios

Ratios	Numerator Item	Denominator Item	Ratio-Current Year	Ratio-Previous Year	%age change in the ratio (Explanation)
(i) Current Ratio	Current Assets	Current Liabilities	1.48	1.21	22%
(ii) Debt-Equity Ratio	Total debt	Equity	0.63	0.91	-31%

Ratio decreased due to decline in debt.

(iii) Debt Service Coverage Ratio	Profit before Interest, Depreciation, Tax and Exceptional Items	Interest + Short Term Debt	8.08	6.55	23%
(iv) Return on Equity Ratio(%age)	Net Profit after tax	Equity	0.26	0.07	250%

Ratios increased due to increase in Profits

(v) Inventory turnover ratio	Turnover	(Op inventory+Cl inventory)/2	6.54	5.93	10%
(vi) Trade Receivables turnover ratio	Revenue from Operation + Other Operating Income	(Op trade receivable +Cl trade receivable payable)/2	5.42	4.88	11%
(vii) Trade payables turnover ratio	Total Purchases	(Op trade payable +Cl trade payable)/2	11.00	7.52	46%

(Ratio improved because of increase in purchases and decrease in payable)

(viii) Net capital turnover ratio	Revenue From Operation + Other Operating Income	Networth	8.89	14.04	-37%
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Ratio Increased due to increase in Profits



(ix) Net profit ratio (%age)	Net Profit After Tax before Exceptional Items	(Revenue From Operation + Other Operating Income)	0.05	0.02	129%
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Increased due to decrease in Cost of Material

(x) Return on Capital employed (%age)	Profit before Interest, tax	Share capital+reserve +long term borrowing	0.39	0.26	49%
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(xi) Return on investment.(%age)	Net return on onvestment	Cost of investment			
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Undisclosed Income surrendered during the year

Relevant Provision of IT Act	Related FY	Amount-CY	Amount-PY
NA	NA	NIL	NIL

The management has taken steps to obtain confirmation from sundry debtors, creditors and advances from respective parties. As per opinion of management all dues are realisable.

46 Immovable Property (Not in the name of the Company)

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying Amount		Title Deeds Held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director
		As at 31st March, 2023	As at 31st March, 2022		
Property, Plant & Equipment	Leasehold land at Panoli Gujarat	53,83,598.00	53,83,598.00	STP InfraCare P Limited	No

47 The figures in these accounts have been rounded off to nearest lakhs of rupees. Figures marked with (*) are below the rounding off norm adopted by the Company.



Cash Flow Statement Annexed to the Balance Sheet for the year ended 31th March 2023

Amount (Rs. in lakhs)

		31.03.23		31.03.22
A Cash Flow from operating activities				
Net Profit/(loss)before tax and exceptional items		2493.48		915.23
Adjustment for :				
Depreciation	394.58		487.42	
Interest Expenses	388.05		291.34	
Interest Income	-3.61		(3.38)	
Actuarial loss	-16.38		(32.82)	
Adujstments of debtors provision	0.00		7.30	
Bad debt / Advance Written Off	7.63		9.73	
Lease rent	-102.92		(136.11)	
Assets Discarded	0.00		8.69	
(Profit) / Loss on Sale of Fixed Assets (net)		667.35		632.17
Operating Profit Before Working Capital Change		3,160.84		1,547.40
Operating Profit Before Working Capital Change		3,160.84		1,547.40
Adjustments for :				
Inventories	323.98		(1,402.88)	
Trade and Other receivables	-1829.83		(1,384.87)	
Trade & other payables	-65.27	(1,571.12)	745.02	(2,042.73)
Cash Generated from Operations		1,589.71		(495.33)
Direct Tax Refund/(Paid)		400.00		(85.83)
Net Cash From/(Used in) Operating Activities		1,989.71		(581.16)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	-245.80		(772.88)	
Net movement in Capital Work In Progress	-70.74		36.67	
Sale of Fixed Assets	0.00		61.03	
Interest Received	3.61		3.38	
Net Cash From/(Used in) Investing Activities		-312.93		(671.80)
C Cash Flow from Financing Activities				
Proceeds from Long Term Borrowings	0.00		(3.96)	
Repayment of Long Term Borrowings	-507.38		1,413.73	
Proceeds/(Repayment) of Short Term Bank Borrowings	-388.05		(291.34)	
Interest Paid				
Net Cash From/(Used in) Financing Activities		-895.43		1,118.43
Net Increase/(Decrease) in Cash & Cash Equivalent		781.35		(134.53)
Opening Balance:				
Cash & Cash Equivalent	47.04		181.57	
Others	4.10		4.10	
Total	51.14		185.67	
Closing Balance:				
Cash & Cash Equivalent	832.49		47.04	
Others	0.00		4.10	
Total	832.49		51.14	
Net Increase/(Decrease) in Cash & Cash Equivalent		781.35		(134.53)

Note: Cash & Cash equivalent includes Cash & Bank balance only. Previous year figures have been rearranged/regrouped/recast wherever considered necessary.

As per our report of even date

For L B Jha & Co
Chartered Accountants
Firm Registration No. 301088E

Ranjan Singh

Ranjan Singh
Partner
Membership No. 305423
Place: Kolkata
Dated: 12.05.2023



J P Kukreja
J P Kukreja
CFO & CS
FCS 3551

For and on Behalf of Board of Directors

Rajesh Joshi
Rajesh Joshi
Managing Director
DIN 08607064

Anrudha Sen
Anrudha Sen
Director
DIN 01496602

1 Corporate Information

STP Limited ("STP or the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. It has been a pioneer in manufacturing Bitumen, Coal Tar and Construction Chemical Products in India for over 87 years. STP is a research-led innovative Company with business segments of Waterproofing, Protective Coating & Road Surfacing. It caters primarily to the domestic market and the registered office of the Company is located at Berger House, 129 Park Street, Kolkata - 700 017.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on 10th May, 2023.

1.1 Basis of Preparation

The Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company. The Ind AS financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values. (refer accounting policy regarding financial instruments)

The Ind AS financial statements are presented in INR which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The charge in respect of periodic depreciation is derived of the determining an estimate of an asset expected useful life and the expected residual value at the end of its life. 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

(ii) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities are disclosed in the notes to the financial statements.

(iii) Claims, Provisions and Contingent Liabilities

In case of any ongoing dispute / litigation, where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.



(iv) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

1.3 Significant Accounting Policies

1.3.(i) Current and Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.3.(ii) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market 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



For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.3.(iii) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The revenue is based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, rights to return or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company provides volume rebates to certain customers once the quantity of products purchased by the customers during the period exceeds a threshold specified in the contract. Generally, rebates are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method.

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS on constraining estimates of variable consideration to are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement".

1.3.(iv) Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under Other Operating Revenue, over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.3.(v) Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates (i.e. INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.



1.3.(vi) Taxes

Current Tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Ind AS financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

1.3.(vii) Property, Plant and Equipment

Property, plant and equipment and Capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided on prorata basis over the estimated useful lives of property, plant and equipment where applicable, as prescribed under Schedule II to the Companies Act 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



1.3.(viii) Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.3.(ix) Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
- (b) the Company intends to complete the intangible asset and use or sell it.
- (c) the Company has ability to use or sell the intangible asset.
- (d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.
- (e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

1.3.(x) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Discount on Commercial papers is amortised over the tenor of the underlying instrument. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.



1.3.(xi) Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

Generally, the company uses its incremental borrowing rate as the discount rate.

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

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

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

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

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.3.(xii) Inventories

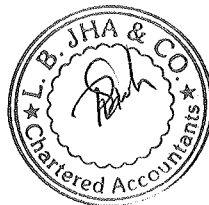
Raw materials and Packing Materials are valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and Work-in-process are stated at the lower of cost and estimated net realisable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.



1.3.(xiii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

1.3.(xiv) Provisions and Contingencies

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 Company 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. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements.

1.3.(xv) Employee Benefits

(i) Defined Contribution Plan

Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are recognised in the Statement of Profit and Loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective authorities.

(ii) Defined Benefits Plan

(a) Gratuity

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. The costs of providing benefits are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to Statement of Profit and Loss in subsequent periods. The excess / shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions

(b) Long Term Compensated Absences

The Company treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to Statement of Profit and Loss in subsequent periods. The excess / shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Statement of Profit and Loss.



1.3.(xvi) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.3.(xvii) Forward Currency Contracts

The Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

1.3.(xviii) Earning per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

1.3.(xix) 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.

A Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent Measurement

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

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.



Equity investments

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred substantially all the risks and rewards of the asset

(iv) Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

B Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowing or payables, as appropriate.

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

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

(ii) Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.



(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(iv) Offsetting of financial instruments

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

1.3.(xx) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

2 Recent Accounting Pronouncements

Standards) Amendment Rules, 2023, as follows:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

