

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 11<sup>th</sup> Annual Report on the business of the Company and Audited Financial Statements for the financial year ended March 31, 2023 and Auditors report thereon. The financial statements for the Financial Year ended March 31, 2023, forming part of this Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

## 1. Standalone and Consolidated Financial Highlights

(Amount in ₹ Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2023	Year ended* 31.03.2022	Year ended 31.03.2023	Year ended* 31.03.2022
Revenue from operations	20,972.30	15,272.89	49,758.79	24,018.74
Other Income	392.59	135.48	248.77	131.48
Total Income	21,364.89	15,408.37	50,007.56	24,150.22
Total Expenses	18,656.98	13,290.63	42,822.30	20,773.18
Profit before exceptional items and Tax	2,707.91	2,117.74	7,185.26	3,377.04
Less: Exceptional items				
Profit before Tax	2,707.91	2,117.74	7,185.26	3,377.04
Less: Taxes				
Current Tax	675.83	529.19	1,821.10	907.66
Deferred Tax	20.20	(6.99)	21.85	(45.19)
Profit After Tax	2011.88	1595.54	5,342.32	2,514.56
Earnings per Share				
(EPS in Rupees)				
Basic	13.14	14.06	34.90	22.16
Diluted	13.14	14.06	34.90	22.16

\*Previous year's figures are restated, regrouped, rearranged and recast, wherever considered necessary.

## 2. Business Overview

Your Company achieved an enhanced standalone sales turnover of ₹ 20,972.30 lakhs as against ₹ 15,272.89 lakhs during the previous year (growth of 37.32%) and Profit After Tax of ₹ 2,011.88 lakhs as against ₹ 1,595.84 lakhs during the previous year (growth of 26.07%).

With regard to the consolidated sales turnover of ₹ 49,758.79 Lakhs against ₹ 24,018.74 lakhs during the previous year (growth of 107.17%) and Profit After Tax of ₹ 5,342.32 Lakhs against ₹ 2,514.56 lakhs during the previous year (growth of 112.46%).

## 3. Change in the Nature of Business, If Any

During the financial year under review, the Company has changed its status from 'Private Limited Company' to 'Public Limited Company' with effect from 17<sup>th</sup> June, 2022 pursuant to the resolution passed by the members at their Extraordinary General Meeting held on 4<sup>th</sup> June, 2022 only.

Except as stated above, there has been no change in the nature of business of the Company.

## 4. Transfer to Reserves

During the year the net profit of ₹ 2,011.88 Lakhs was transferred to reserves.

**5. Dividend**

The Company has not declared any dividend during the year under review.

**6. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The provisions of Section 125(2) of the Companies Act, 2013 are not applicable as the company has not declared any dividend.

**7. Share Capital**

During the year under review, except as stated under, the Company has not issued shares with or without differential rights including sweat equity shares or Employee Stock Option Shares or convertible instruments:

The Company has allotted 4,84,607 equity shares having a face value of ₹ 10/- each at a premium of ₹ 679/- aggregating to ₹ 689/- on private placement basis for consideration in cash.

Authorized Share Capital: Authorized share capital of the company as on March 31, 2023 was ₹ 20,00,00,000/- comprising of 2,00,00,000 Equity Shares of ₹ 10/- each.

Paid-up Share Capital: Paid-up share capital of the company as on March 31, 2023 was ₹ 15,78,46,070/- comprising of 1,57,84,607 Equity Shares of ₹ 10/- each.

Buy Back of Securities: The Company has not bought back any of its securities during the year under review.

**8. Material Changes and Commitment affecting the financial position of the company occurred between the ends of the financial year to which these financial statements relate and the date of the report**

There are no material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

**9. Deposits**

The Company has not accepted any Deposits during the financial year.

**10. Subsidiaries, Joint Ventures and Associate Companies**

M/s. S2 Engineering Industry Private Limited, wholly owned subsidiary of your Company achieved a sales turnover of ₹ 28,985.45 Lakhs and Profit After Tax of ₹ 3,382.53 Lakhs for the year ended 31<sup>st</sup> March 2023.

As per Section 129(3) of the Companies Act, 2013 the consolidated financial statement of the Company and its Subsidiary prepared in accordance with the applicable accounting standards forms part of this Annual Report. Further, a statement containing salient features of the financial statements of our subsidiary in the prescribed form in AOC-1 is attached as "Annexure-1" to the Directors' Report.

**Consolidated Financial Statements:** Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of applicable Accounting Standards and the provisions of Companies Act, 2013.

However, on 12<sup>th</sup> April, 2023 M/s. Standard Flora Private Limited, a Subsidiary Company was incorporated with 51% stake by your Company.

Except as stated above the Company does not have any other Subsidiary, Joint Venture or Associate Companies.

**11. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

Pursuant to Section 186 of Companies Act, 2013, the disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

**12. Particulars of contracts or arrangements made with related parties**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The transaction entered with Related Parties are attached as "Annexure -II" in Form AOC-2 to this report.

Further, all such contracts/arrangements/transactions were placed before the meetings of the Board of Directors and the Shareholders, as may be required, for their approval. Prior approval/s of the Board/Shareholders, as may be required, including omnibus approvals, if any, are obtained on an annual basis, which is reviewed and updated on a quarterly basis during the financial year.

**13. Annual Return**

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2023, is available on the Company's website and can be accessed at [www.standardglr.com](http://www.standardglr.com).

**14. Details of Directors and Key Managerial Personnel**

As on March 31, 2023, the Company has eight Directors comprising of four Executive Directors and four Non-Executive Directors out of which two are Independent Directors.

**A. Changes in Directors and Key Managerial Personnel:**

During the period under review, Mr. Punnarao Kudaravalli (DIN: 05347733) resigned as an Executive Director of the Company and was appointed as an executive director of M/s. S2 Engineering Industry Private Limited, a wholly owned subsidiary of the Company with effect from April 11, 2022. The Board placed on record its appreciation of the invaluable services of Mr. Punnarao Kudaravalli for the Company and requested to extend his services to the wholly owned subsidiary.

On April 11, 2022, the members approved the appointment of Mr. Venkata Siva Prasad Katragadda (DIN: 06606739) as the Executive Director of the Company.

On June 04, 2022, the members approved the appointment of Mr. Sudhakara Reddy Siddareddy (DIN: 06568783) and Mr. Ramakrishna Sunkavilli (DIN: 07167098) as the Independent Non-Executive Directors of the Company.

On June 11, 2022, the Board of Directors of the Company approved the change in designation of

Mr. Ramakrishna Kandula (DIN: 05281520) as Non-Executive Director.

On July 18, 2022, the Board of Directors of the Company approved the appointment of Mr. Anjaneyulu Pathuri as the Chief Financial Officer (CFO) of the Company.

On September 30, 2022, the members approved the re-appointment of Mr. Nageswara Rao Kandula (DIN: 00762497) as the Managing Director of the Company for a period of five years.

On March 24, 2023, the Board of Directors of the Company approved the appointment of Mr. Yasuyuki Ikeda (DIN: 02437433) as an Additional Non-Executive Director, subject to the regularization of members.

Pursuant to the provisions of Section 2(51) and Section 203 of the Act, Mr. Nageswara Rao Kandula, Managing Director, Mr. Venkata Mohana Rao Katragadda, Executive Director, Mr. Venkata Siva Prasad Katragadda, Executive Director, Mr. Anjaneyulu Pathuri, Chief Financial Officer and Ms. Hima Priya Kallam, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2023.

**B. Statement on Declaration by the Independent Directors:**

The Company has received necessary declaration from all the Independent Directors under sub-section 7 of Section 149 of the Companies Act, 2013 that

they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Companies Act, 2013.

The Independent Directors have complied with the Code of Conduct prescribed in Schedule IV to the Act.

**C. Formal Annual Evaluation of Board, its Committees and Directors including Independent Directors:**

As per the provisions of Section 134(3)(p) of Companies Act 2013, read with Rule 8 (4) of the Companies (Accounts) Rules, 2014, formal annual evaluation is not applicable to the Company.

However, as per the provisions of Section 149(8) of the Companies Act, 2013, read with Clause VIII of Schedule IV annual evaluation of the performance of all the Independent Directors was done by the entire Board of Directors, excluding the Director being evaluated. Accordingly, evaluation of the performance of the individual directors was done based on criteria such as attendance, participation in the deliberations, contribution to the discussions at the Board/Committee meetings, understanding of the issues involved, ability to bring in new ideas and initiatives, commitment to fulfill the obligations and responsibilities of a director, etc.

As per the provisions of Section 178(2) of the Companies Act 2013, the Nomination & Remuneration Committee has specified the manner and criteria for effective evaluation of performance of Board, its committees and individual directors.

**15. Board of Directors, Meetings and its Committees**

**A. Composition of Board of Directors:**

The Composition of the Board of Directors as on 31<sup>st</sup> March, 2023 is hereunder:

S. No.	Name of the Director	Designation	DIN
1.	Mr. Nageswara Rao Kandula	Managing Director	00762497
2.	Mrs. Krishna Veni kandula	Executive Director	02260233
3.	Mr. Venkata Mohana Rao Katragadda	Executive Director	08362181
4.	Mr. Venkata Siva Prasad Katragadda	Executive Director	06606739
5.	Mr. Ramakrishna Kandula	Non-Executive Director	05281520
6.	Mr. Sudhakara Reddy Siddareddy	Non-Executive Independent Director	06568783
7.	Mr. Ramakrishna Sunkavilli	Non-Executive Independent Director	07167098
8.	Mr. Yasuyuki Ikeda	Additional Non-Executive Director	02437433

**B. Number of Board Meetings:**

The Board met twelve times during the financial year 2022-2023. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

S. No	Date of meeting	Kandula Nageswara Rao	Kandula Krishna veni	Punnarao Kudara valli	Katragadda Venkata Mohana Rao	Katragadda Venkata Siva Prasad	Kandula Rama krishna	Siddareddy Sudhakara Reddy	Sunkavilli Rama krishna	Yasuyuki Ikeda
1	11-04-2022	Yes	Yes	Yes	Yes	-	Yes	-	-	-
2	26-05-2022	Yes	Yes	-	Yes	Yes	Yes	-	-	-
3	11-06-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
4	20-06-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
5	01-07-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
6	18-07-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
7	29-08-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
8	05-09-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
9	29-09-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
10	07-11-2022	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
11	18-01-2023	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
12	24-03-2023	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes

**C. Attendance of Directors:**

S. No	Name of the Director	Designation	No of Meetings which were entitled to attend	No. of Meetings Attended
1.	Mr. Nageswara Rao Kandula	Managing Director	12	12
2.	Ms. Krishna Veni kandula	Executive Director	12	12
3.	Mr. Punnarao Kudaravalli	Executive Director	1	1
4.	Mr. Venkata Mohana Rao Katragadda	Executive Director	12	12
5.	Mr. Venkata Siva Prasad Katragadda	Executive Director	11	11
6.	Mr. Ramakrishna Kandula	Non-Executive Director	12	12
7.	Mr. Sudhakara Reddy Siddareddy	Non-Executive Independent Director	10	10
8.	Mr. Ramakrishna Sunkavilli	Non-Executive Independent Director	10	10
9.	Mr. Yasuyuki Ikeda	Additional Non-Executive Director	1	1

**D. Audit Committee:****a. The roles and responsibilities of Audit Committee: -**

- 1) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 2) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 3) examination of the financial statement and the auditors' report thereon;
- 4) approval or any subsequent modification of transactions of the company with related parties;
- 5) scrutiny of inter-corporate loans and investments;
- 6) valuation of undertakings or assets of the company, wherever it is necessary;
- 7) evaluation of internal financial controls and risk management systems;
- 8) monitoring the end use of funds raised through public offers and related matters.
- 9) any other responsibility as may be assigned by the board from time to time.

**b. Composition of Audit Committee: -**

During the period under review, pursuant to the provisions of Section 177 of the Companies Act 2013, the composition of the Audit Committee as on 31<sup>st</sup> March, 2023 is as under:

S. No.	Name of the Director	Category	Designation
1.	Mr. Ramakrishna Sunkavilli	Non-Executive Independent Director	Chairman
2.	Mr. Sudhakara Reddy Siddareddy	Non-Executive Independent Director	Member
3.	Mr. Ramakrishna Kandula	Non-Executive Director	Member

**c. Attendance and details of Audit Committee Meeting: -**

During the financial year 2022-2023 the Audit Committee met as per the details given hereunder:

S. No	Name of the Director	29 <sup>th</sup> August, 2022	05 <sup>th</sup> September, 2022	29 <sup>th</sup> September, 2022	18 <sup>th</sup> January, 2023
1	Mr. Ramakrishna Sunkavilli	Present	Present	Present	Present
2	Mr. Sudhakara Reddy Siddareddy	Present	Present	Present	Present
3	Mr. Ramakrishna Kandula	Present	Present	Present	Present

**E. Nomination and Remuneration Committee (NRC):**
**a. The roles and responsibilities of Nomination and Remuneration Committee: -**

- 1) shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down,
- 2) recommend to the Board their appointment and removal and [shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee].
- 3) shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- 4) The Nomination and Remuneration Committee shall, while formulating the policy ensure that—
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**b. Composition of Nomination and Remuneration Committee: -**

During the period under review, pursuant to the provisions of Section 178 of the Companies Act 2013, the composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2023 is as under:

S. No.	Name of the Director	Category	Designation
1.	Mr. Ramakrishna Sunkavilli	Non-Executive Independent Director	Chairman
2.	Mr. Sudhakara Reddy Siddareddy	Non-Executive Independent Director	Member
3.	Mr. Ramakrishna Kandula	Non-Executive Director	Member

**c. Attendance and details of Nomination and Remuneration Committee Meeting: -**

During the financial year 2022-2023 the Nomination and Remuneration Committee met as per the details given hereunder:

S. No	Name of the Director	18 <sup>th</sup> July, 2022	29 <sup>th</sup> September, 2022
1	Mr. Ramakrishna Sunkavilli	Present	Present
2	Mr. Sudhakara Reddy Siddareddy	Present	Present
3	Mr. Ramakrishna Kandula	Present	Present

## F. Corporate Social Responsibility:

During the period under review, pursuant to the provisions of Section 135 of the Companies Act 2013, the Company has reconstituted the Corporate Social Responsibility Committee on 24<sup>th</sup> March, 2023 is as follows:

S. No.	Name of the Director	Category	Designation
1.	Mr. Ramakrishna Sunkavilli	Non-Executive Independent Director	Chairman
2.	Mr. Nageswara Rao Kandula	Managing Director	Member
3.	Mr. Venkata Mohana Rao Katragadda	Executive Director	Member

The CSR Committee met two times on April 04, 2022 and March 24, 2023, during the financial year.

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors had framed the policy on Corporate Social Responsibility and the Projects and Programmes undertaken by the Company during the year under review have been provided in **"Annexure-IV"** and forms part of this Report.

### 16. Director's Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company states that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operative effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operative effectively.

### 17. Statutory Auditors

M/s. MSKA & Associates, Chartered Accountants, (Firm Registration Number: 105047W) were appointed as the Statutory Auditors of the Company to hold office for a term of 4 (four) consecutive years from the conclusion of the 10<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2022 until the conclusion of the 14<sup>th</sup> Annual General Meeting (AGM) to be held in the year 2026.

### 18. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers Made by the Auditors in their Reports

The Report given by M/s. MSKA & Associates on the financial statements of the Company for the year ended March, 2023 is part of the Annual Report and the Report doesn't contain any qualifications or remarks. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments from the Board of Directors.

### 19. Details in Respect of Frauds Reported by Auditors Under Section 143 (12) other than those which are Reportable to the Central Government

There are no frauds as reported by the statutory auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with rules made there-under other than those which are reportable to the Central Government.

### 20. Cost records and Auditors

The Company is required to appoint cost auditor under Section 148(1) of the Companies Act, 2013 read with Companies (Audit & Auditors') Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the Company is required to maintain the cost records in respect of its business and accordingly such accounts and records are made and maintained.

Your Board has re-appointed M/s. G K & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2023-24. As required by the Act, the appointment of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

### 21. Secretarial Audit

In terms of the Provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Secretarial Audit is not applicable to the Company.

## 22. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

## 23. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

## 24. Disclosure of Employee Particulars

The statement containing particulars of appointment and remuneration of managerial personnel and employees as required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as "Annexure III" and forms part of this Report.

## 25. Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo

The information required under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014, is appended hereto as "Annexure-V" and forms part of this Report.

## 26. Internal Financial Controls

The Company has adequate internal control systems commensurate with the size of the Company and the nature of its business.

The Board of Directors of the Company have adopted various procedures for ensuring the orderly and efficient conduct of its business for safeguarding 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.

## 27. Risk Management Policy

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

## 28. Whistle Blower Policy/Vigil Mechanism

In staying true to our values of Passion, Result-Oriented, Wellness, Transparent & Trust, Customer Success, give back and in line with our vision of being one of the most respected companies, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. In line with requirement of the Companies Act, 2013, Vigil Mechanism/Whistle Blower Policy has been formulated for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of Board of Directors in exceptional cases. It is affirmed that no

person has been denied access to the Chairman. During the year, no Whistle Blower complaints were received.

## 29. Rating

The credit rating has upgraded by CRISIL with regards to the banking facilities enjoyed by your Company from its Bankers as "CRISIL A-" against "CRISIL BBB+" (for long term facilities) and "CRISIL A2+" against "CRISIL A2" (for short term facilities) with a stable outlook.

## 30. Insurance

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

## 31. Mergers and acquisitions

During the financial year under review, your company has not entered into any Scheme of Arrangement.

## 32. Insolvency proceeding

During the financial year under review, no insolvency proceedings have been initiated or pending against the Company.

## 33. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaints under the policy.

The Company has many systems, processes and policies to ensure professional ethics and a harmonious working environment. We follow Zero Tolerance towards Corruption and unethical conduct. These are ensured through whistle-blower Policy, Anti-Corruption Policy, Gift Policy, Sexual Harassment Policy and Redressal Guidelines.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 34. Events Subsequent to Date of Financial Statements

**1. Incorporation of subsidiary company:** on 12th April, 2023, the Company incorporated a new subsidiary company named as Standard Flora Private Limited with 51% ownership and with the object to manufacture the PTFE lined equipment and accessories thereof.

On 24<sup>th</sup> May, 2023, Standard Flora Private Limited acquired the business of M/s. Hygienic Flora and M/s. Yashasvee Glass Lining on slump sale basis.

**2. Allotment of equity shares on second tranche of private placement:** The Company allotted 1,57,344 equity shares of ₹ 10/- each at Premium of ₹ 679/- on second tranche of private placement basis on 26th May, 2023.

Post allotment of the above-mentioned shares, the paid-up capital of the Company was ₹ 15,94,19,510/- comprising of 1,59,41,951 Equity Shares of ₹ 10/- each.

### 35. Acknowledgements

The Board of Directors take this opportunity to place on record their appreciation to all the Stakeholders of the Company, viz., customers, investors, banks, regulators, suppliers and other business associates for the support received from them during the year under review. The Directors also wish to place on record their deep sense of gratitude and appreciation to all the employees for their commitment and contribution towards achieving the goals of the Company.

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
(Formerly known as Standard Glass Lining Technology Private Limited)

Place: Hyderabad  
Date: 26-07-2023

**Kandula Nageswara Rao**  
Managing Director  
DIN: 00762497

**Katragadda Venkata Mohana Rao**  
Director  
DIN: 08362181



# ANNEXURE-I

## FORM AOC – 1

### Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to Section 129 of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014]

S. No	Particulars	Details
1.	Name of Subsidiary	S2 Engineering Industry Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2022, to March 31, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Indian Rupees (in Lakhs)
4.	Share capital	10.00
5.	Reserves & Surplus	5194.31
6.	Total Assets	17,475.08
7.	Total Liabilities	12,270.77
8.	Investments	-
9.	Turnover	28,985.45
10.	Profit before taxation	4,529.44
11.	Provision for taxation	1,146.87
12.	Profit after taxation	3,382.53
13.	Proposed Dividend	-
14.	% of shareholding	100%

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 (Formerly known as Standard Glass Lining Technology Private Limited)

Place: Hyderabad

Date: 26-07-2023

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

**Anjaneyulu Pathuri**  
 Chief Financial Officer

**Kallam Hima Priya**  
 Company Secretary  
 Membership No. A62384

## ANNEXURE-II

### FORM AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31 March, 2023, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis are as follows: The details are set out in the standalone financial statements forming part of this Annual Report. The same may be referred for this purpose.

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (in ₹)
--	------------------------	-----------------------	---------------	---------------

\*Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 (Formerly known as Standard Glass Lining Technology Private Limited)

Place: Hyderabad  
 Date: 26-07-2023

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

## ANNEXURE-III

### DETAILS OF REMUNERATION

Information Pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the Financial Year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 are as under:

S. No.	Name of Director/KMP	Designation	% increase in remuneration in Financial Year 2022-23	Ratio of remuneration of each Director/KMP to median remuneration
1	Nageswara Rao Kandula	Managing Director	-	407
2	Punnarao Kudaravalli *	Executive Director	-	-
3	Krishna Veni Kandula	Executive Director	-	-
4	Venkata Mohana Rao Katragadda	Executive Director	50%	407
5	Venkata Siva Prasad Katragadda	Executive Director	-	679
6	Ramakrishna Kandula	Non-Executive Director	-	-
7	Sudhakara Reddy Siddareddy	Independent Director	-	-
8	Ramakrishna Sunkavilli	Independent Director	-	-
9	Yasuyuki Ikeda	Additional Non-Executive Director	-	-
10	Anjaneyulu Pathuri	Chief Financial Officer	-	279
11	Hima Priya Kallam	Company Secretary	20%	163

\* Director until 11th April, 2022

### OTHER INFORMATION:

I.	The percentage increase in the median remuneration of employees in the FY 2022-23	10%
II.	The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March 2023	148
III.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentile increases in salaries of employee other than managerial personnel was 10% whereas Average percentile increases in salaries of managerial personnel was 35%.  Justification: The base salary of the Director/KMP of Company is not as per the Market standard and hence, the Company has increased their salaries in line with the market standard.
IV.	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that remuneration has been paid as remuneration policy of the Company.

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 (Formerly known as Standard Glass Lining Technology Private Limited)

Place: Hyderabad  
 Date: 26-07-2023

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

## ANNEXURE-IV

### ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2022-23

1. **Brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken:**  
The scope of the CSR Policy would include all/any activities specified in Schedule VII of the Companies Act, 2013

2. **Composition of CSR Committee:**

- (a) Number of meetings of CSR Committee held during the year: Two (2)

- 1) Composition of CSR Committee as on April 04, 2022:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
2	Mr. Kandula Nageswara Rao	Chairman of the Committee & Managing Director	2	2
3	Mr. Kudaravalli Punnarao	Member of the Committee & Executive Director	2	1

- 2) Composition of CSR Committee as on March 24, 2023:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ramakrishna Sunkavilli	Chairman of the Committee & Independent Director	2	1
2	Mr. Kandula Nageswara Rao	Member of the Committee & Managing Director	2	2
3	Mr. Venkata Mohana Rao Katragadda	Member of the Committee & Executive Director	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.standardglr.com](http://www.standardglr.com).
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No	Financial Year	Amount required to be set-off for the financial year, if any (in ₹ Lakhs)	Amount available for set-off from preceding financial years (in ₹ Lakhs)
1	2021-22	0.58	0.58

6. **Average net profit of the company as per section 135(5): ₹ 1294.85 Lakhs**

- 7.a) Two percent of average net profit of the company as per section 135(5): ₹ 25.90 Lakhs

- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

- c) Amount required to be set off for the financial year if any: ₹ 0.58 Lakhs

- d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 25.32 Lakhs

**8.(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year	Amount Unspent (in ₹): ₹ 17.39 Lakhs				
₹ 7.93 Lakhs	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	24 Lakhs	13/04/2023	-	-	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project duration	Amount Allocated for the Project (in ₹ Lakhs)	Amount spent in the current Financial Year (in ₹ Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District						Name	CSR Registration number
1	Construction of Water Tanker	Making available safe drinking water	Yes	Telangana	Medak	24 months	30	6.00	24.00	Yes	Not Applicable	
							30	6.00	24.00			

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount Spent for the Project (in ₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR Registration number
1	Stipend paid through National Apprenticeship Promotion Scheme (NAPS)	Promoting education	Yes	Telangana	Hyderabad	1.93	Yes	Not Applicable	
						1.93			

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable:

Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):

₹ 7.93 Lakhs

(g) Excess amount for set off, if any

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 25.90 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 7.93 Lakhs
(iii)	Excess amount spent for the financial year[(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)-(iii)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details Nil

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

1. The company has identified certain projects namely Construction of water Tankers for making available the safe drinking water and the cost of the projects is ₹ 30 Lakhs. Out of ₹ 30 lakhs the company has paid ₹ 6 Lakhs as an advance to the vendor before 31<sup>st</sup> March, 2023 and the balance has been transferred to CSR unspent account which will be used to complete the above-mentioned projects as per the timelines mentioned in Section 135 of Companies Act, 2013.
2. Needed approval from local authorities and procurement of raw material including metal taken time and hence the payment is made in a phased manner and over the period of the entire projects.

For and on behalf of the Board of Directors of

**Standard Glass Lining Technology Limited**

(Formerly known as Standard Glass Lining Technology Private Limited)

Place: Hyderabad

Date: 26-07-2023

**Kandula Nageswara Rao**

Managing Director

DIN: 00762497

**Ramakrishna Sunkavilli**

Chairman of CSR Committee &

Independent Director

DIN: 07167098

## ANNEXURE-V

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. Energy Conservation:

1	The steps taken or impact on conservation of energy	Various initiatives like replacing inefficient energy equipment and increasing awareness on energy saving to have more energy conservation.
2	The steps taken by the Company for utilising alternate sources of energy	To increase renewable energy slab in power consumption, we have installed solar rooftop panels with a capacity of 2.5 MW to Kazipally unit.
3	The capital investment on energy conservation equipment	No significant capital investments in energy conservation equipment during the year

#### B. Technology Absorption:

1	The efforts made towards technology absorption	No major technology absorption from external sources during the year.  However there have been various internal technologies developed and used, such as:  Cryo fix: removable agitators  BE Reactor: mono block reactor without any gaskets
2	The benefits derived like product improvement, cost reduction, product development or import substitution:	Cost reduction, import substitution and new products
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	(a) The details of technology imported – Nil (b) The year of import – N.A. (c) Whether the technology been fully absorbed – N.A. (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.
4	The expenditure incurred on Research and Development	Nil

#### C. Foreign Exchange Earnings and Outgo:

1. Foreign Exchange earned in terms of actual inflows: Nil
2. Foreign Exchange outflow in terms of actual outflows: ₹ 236.08 Lakhs

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
(Formerly known as Standard Glass Lining Technology Private Limited)

Place: Hyderabad  
Date: 26-07-2023

**Kandula Nageswara Rao**  
Managing Director  
DIN: 00762497

**Katragadda Venkata Mohana Rao**  
Director  
DIN: 08362181

# INDEPENDENT AUDITOR'S REPORT

To the Members of Standard Glass Lining Technology Limited (Formerly known as Standard Glass Lining Technology Private Limited)

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Standard Glass Lining Technology Limited (Formerly known as Standard Glass Lining Technology Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity, Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, profit, Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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 Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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.

### Responsibilities of Management and Those charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### Other Matter

The comparative financial information of the Company for the year ended March 31, 2022 and the transition date opening Balance Sheet as at April 1, 2021 included in these standalone financial statements, are based on the previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated September 30, 2022 on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

### Report on Other Legal and Regulatory Requirements

- 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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. 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), Statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**.
- g. 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Management has represented that, to the best of its knowledge and belief, no funds 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 entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, 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.

v. The Company has neither declared nor paid any dividend during the year.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Amit Kumar Agarwal**

Partner

Membership No. 214198

UDIN: 23214198BGXCQK4655

Place: Hyderabad

Date: April 30, 2023

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STANDARD GLASS LINING TECHNOLOGY LIMITED**

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Amit Kumar Agarwal**

Partner

Membership No. 214198

UDIN: 23214198BGXCQK4655

Place: Hyderabad

Date: April 30, 2023

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STANDARD GLASS LINING TECHNOLOGY LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. Standard Glass Lining Technology Limited ('the Company') has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the immovable property acquired during the year as below:

Sr. No.	Description of Property	Gross carrying value (INR Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the Company
1	Land	802.81	TSIIC Limited	No	7 Months	Pursuant to the terms and conditions of the Agreement to sell, the registration of the land in the name of the Company would be made once the facility commences commercial operations.

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/financial institutions are in agreement with the books of account.
- iii. (a) According to the information explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to entities.
- (A)The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

Amounts ₹ Lakhs

Particulars	Guarantees	Loans
Aggregate amount granted/provided during the year		
- Subsidiary	5,100.00	1,000.00
Balance Outstanding as at balance sheet date in respect of above cases		
- Subsidiary	7,500.00	1,798.55

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of loan and guaranty are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to Company.

- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans during the year. These have stipulated the schedule for repayment of principal and interest. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the 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, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the company with appropriate authorities in all cases during the year.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess, and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x) (a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi. (a) Based on 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 report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company.
- xvi. (a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 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. In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance section 135(6) of the said Act.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Amit Kumar Agarwal**

Partner

Membership No. 214198

UDIN: 23214198BGXCQK4655

Place: Hyderabad

Date: April 30, 2023

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STANDARD GLASS LINING TECHNOLOGY LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Standard Glass Lining Technology Limited on the Standalone Financial Statements for the year ended March 31, 2023]

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Standard Glass Lining Technology Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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 with reference to standalone financial statements.

#### Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

#### For M S K A & Associates

Chartered Accountants  
ICAI Firm Registration No. 105047W

#### Amit Kumar Agarwal

Partner  
Membership No. 214198  
UDIN: 23214198BGXCQK4655

Place: Hyderabad  
Date: April 30, 2023

# STANDALONE BALANCE SHEET

(All amounts are in INR Lakh except share data or unless otherwise stated)

S. No.	Particulars	Note No	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	3 A	3,535.46	2,424.66	2,380.17
	(b) Capital work-in-progress	3 B	232.38	-	-
	(c) Right-of-use assets	3 C	1,218.89	1,422.04	-
	(d) Other Intangible assets	3 D	36.77	30.11	22.34
	(e) Financial Assets				
	(i) Investments	4	1,070.43	1,019.43	-
	(ii) Loans	5	1,256.83	1,246.00	25.00
	(iii) Other financial assets	6	3.99	103.94	132.88
	(f) Income tax asset (net)		68.65	-	-
	(g) Other non-current assets	7	325.03	320.79	273.79
<b>2</b>	<b>Current assets</b>				
	(a) Inventories	8	7,018.81	5,957.80	2,359.79
	(b) Financial Assets				
	(i) Trade receivables	9	3,408.61	2,908.93	2,096.15
	(ii) Cash and cash equivalents	10	541.57	11.36	0.63
	(iii) Loans	5	1,000.00	-	-
	(iv) Other financial assets	6	261.23	41.82	13.39
	(c) Other current assets	7	786.95	1,593.22	899.09
	<b>Total Assets</b>		<b>20,765.60</b>	<b>17,080.10</b>	<b>8,203.23</b>
	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	(a) Equity Share capital	11	1,578.46	1,530.00	900.00
	(b) Other Equity	12	9,840.29	4,541.66	1,365.71
<b>2</b>	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	13	207.22	428.57	651.78
	(ii) Lease liabilities	14	1,237.80	1,390.48	-
	(iii) Other financial liabilities	15	0.51	2.30	-
	(b) Provisions	16	106.56	75.37	62.81
	(c) Deferred tax liabilities (Net)	17	95.58	76.64	81.81
	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	13	2,249.76	1,911.12	1,081.20
	(ii) Lease liabilities	14	152.68	128.28	-
	(iii) Trade payables				
	(a) Total outstanding dues of micro and small enterprises	19	683.67	278.11	327.40
	(b) Total outstanding dues of creditors other than micro and small enterprises	19	3,050.87	2,801.31	1,961.11
	(iv) Other financial liabilities	15	79.10	72.54	104.66
	(b) Other current liabilities	18	1,451.18	3,679.54	1,423.56
	(c) Provisions	16	31.91	23.49	19.42
	(d) Current Tax Liabilities (Net)	20	-	140.69	223.77
	<b>Total Equity and Liabilities</b>		<b>20,765.60</b>	<b>17,080.10</b>	<b>8,203.23</b>

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

Place: Hyderabad  
 Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**P. Anjaneyulu**  
 Chief financial officer

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

**K.Hima Priya**  
 Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts are in INR Lakh except share data or unless otherwise stated)

S. No.	Particulars	Note	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I	Revenue From contracts with customers	21	20,972.30	15,272.89
II	Other Income	22	392.59	135.48
III	Total Income (I+II)		<b>21,364.89</b>	<b>15,408.37</b>
IV	<b>Expenses</b>			
	Cost of raw materials consumed	23	11,502.38	8,505.18
	Changes in inventories of finished goods and work-in-progress	24	(935.63)	(1,823.54)
	Labour charges		2,871.11	2,368.55
	Employee benefits expenses	25	851.46	684.07
	Finance costs	26	448.43	311.64
	Depreciation and amortization expenses	27	449.99	382.00
	Other expenses	28	3,469.24	2,862.73
	<b>Total expenses (IV)</b>		<b>18,656.98</b>	<b>13,290.63</b>
V	<b>Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>2,707.91</b>	<b>2,117.74</b>
VI	<b>Exceptional Items</b>			-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>2,707.91</b>	<b>2,117.74</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		671.22	529.19
	Income tax relating to earlier years		4.61	-
	(2) Deferred tax		20.20	(6.99)
IX	<b>Profit (Loss) for the year</b>		<b>2,011.88</b>	<b>1,595.54</b>
X	<b>Other Comprehensive Income</b>			
A	(i) Items that will not be reclassified to profit or loss		-	
	Re-measurement gains/ (losses) on defined benefit plans		(4.99)	7.23
	Income tax effect relating to above item		1.26	(1.82)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Other comprehensive income for the period, net of tax</b>		<b>(3.73)</b>	<b>5.41</b>
XI	<b>Total Comprehensive Income for the period</b>		<b>2,008.15</b>	<b>1,600.95</b>
XII	<b>Earnings per equity share</b>			
	(1) Basic Earnings per equity share		13.14	14.06
	(2) Diluted Earnings per equity share		13.14	14.06

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Amit Kumar Agarwal**  
Partner  
Membership No: 214198

Place: Hyderabad  
Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
Managing Director  
DIN: 00762497

**P. Anjaneyulu**  
Chief financial officer

**Katragadda Venkata Mohana Rao**  
Director  
DIN: 08362181

**K.Hima Priya**  
Company Secretary



# STANDALONE STATEMENT OF CASH FLOWS

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	<b>2,707.91</b>	<b>2,117.74</b>
<b>Adjustments for :</b>		
Finance costs	415.22	294.18
Interest income	(119.38)	(53.11)
Depreciation and Amortisation expense	449.99	382.00
Bad Debts written off	34.86	7.98
Advances written off	-	21.80
Allowance for Expected Credit Loss	10.66	17.34
Fair value measurement of Financial Liability	(52.18)	(10.97)
Liabilities written back	-	(31.65)
<b>Operating profit before working capital changes</b>	<b>3,447.08</b>	<b>2,745.31</b>
Adjustments for working capital changes in:		
Inventories	(1,061.02)	(3,598.01)
Trade receivables	(545.21)	(838.10)
Other financial assets	(8.21)	46.93
Other current assets	773.76	(748.67)
Trade payables	655.12	822.56
Other financial liabilities	(2,228.36)	2,255.98
Provisions	34.62	23.86
<b>Cash generated from operations</b>	<b>1,067.78</b>	<b>709.87</b>
Income tax paid	(885.14)	(612.29)
<b>Net cash flows generated from operating activities (A)</b>	<b>182.64</b>	<b>97.58</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital advances and creditors for capital goods)	(1,582.46)	(273.88)
Grant received	20.00	-
Right of Use Assets	-	(1,625.19)
Interest income	131.60	30.97
Investment in subsidiary (Equity shares and preference shares)	-	(987.97)
Loans given	(1,010.83)	(1,221.00)
investments in fixed deposits and margin money deposits	(123.47)	(46.08)
<b>Net cash flows used in investing activities (B)</b>	<b>(2,565.16)</b>	<b>(4,123.15)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	3,338.94	2,205.00
Proceeds from/ (Repayment of) Long-term borrowings	(221.35)	(228.39)
Proceeds from / (Repayment of) Current borrowings	338.64	835.10
Finance costs	(291.50)	(160.61)
Payment of interest Portion of Lease liabilities	(123.72)	(133.57)
Payment of Principal Portion of Lease liabilities	(128.28)	1,518.76
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>2,912.73</b>	<b>4,036.29</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>530.21</b>	<b>10.73</b>
Cash and cash equivalents at the beginning of the year	11.36	0.63
<b>Cash and cash equivalents at the end of the year</b>	<b>541.57</b>	<b>11.36</b>

## 1) Cash and Cash equivalents includes:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash on hand	0.02	0.24
Cash Equivalents		
- Current accounts	541.55	11.12
Margin money deposits	-	-
Short Term Borrowings From Banks	-	-
<b>Total</b>	<b>541.57</b>	<b>11.36</b>

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

Place: Hyderabad  
 Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**P. Anjaneyulu**  
 Chief financial officer

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

**K.Hima Priya**  
 Company Secretary

# STATEMENT OF CHANGES IN EQUITY

(All amounts are in INR Lakh except share data or unless otherwise stated)

## A Equity Share Capital

For the year ended 31 March 2023	31 March 2023	
	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
Balance as at 1 April 2022	15,300,000	1,530.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 1 April 2022	15,300,000	1,530.00
Changes in equity share capital during the current year (Note 11)	484,607	48.46
Balance as at 31 March 2023	15,784,607	1,578.46

For the year ended 31 March 2022	31 March 2022	
	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
Balance as at 1 April 2021	9,000,000	900.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 1 April 2021	9,000,000	900.00
Changes in equity share capital during the previous year (Note 11)	6,300,000	630.00
Balance as at 31 March 2022	15,300,000	1,530.00

## B Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings	Re-measurement gains/ (losses) on defined benefit plans	
Balance as at April 1, 2021	67.86	1,297.85	-	1,365.71
Profit for the year	-	1,595.54	-	1,595.54
Other comprehensive income for the year	-	-	5.41	5.41
Issue of share capital during the year	1,575.00	-	-	1,575.00
Balance as at March 31, 2022	1,642.86	2,893.39	5.41	4,541.66
Premium on issue of Equity Shares	3,290.48	-	-	3,290.48
Profit for the year	-	2,011.88	-	2,011.88
Other comprehensive income for the year	-	-	(3.73)	(3.73)
Balance as at March 31, 2023	4,933.34	4,905.27	1.68	9,840.29

### Nature and purpose of reserves

#### i. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Act.

#### ii. Retained earnings

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

#### iii. Re-measurement gains/ (losses) on defined benefit plans

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

Place: Hyderabad  
 Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**P. Anjaneyulu**  
 Chief financial officer

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

**K.Hima Priya**  
 Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### 1.1 General Information

Standard Glass Lining Technology Limited (the Company) (formerly known as Standard Glass Lining Technology Private Limited) was incorporated on 6 September, 2012 and subsequently converted in to an unlisted public company with effective from 17 June 2022. The Company is engaged in manufacturing and selling of glass lined reactors, receivers and storage tanks and is specialized in providing the turnkey solutions for the pharmaceutical Industry sector.

The registered office of the Company is located at D.12, Phase I, IDA, Jeedimetla, Hyderabad-500055.

### 1.2 Statement of Compliance

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date 31 March 2023. These financial statements for the period ended 31 March 2023, were approved by the Company's Board of Directors on 30 April 2023.

### 1.3 Basis of preparation and presentation of Financial Statements

The financial statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (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.

For all periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2023 are the first the Company has prepared in accordance with Ind AS.

**Refer note 29 for information on how the Company adopted Ind AS.**

### 1.4 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Derivative financial instruments are measured at fair value.
- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation,
- Long-term borrowings are measured at amortized cost using the effective interest rate method. And
- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

## 2. Summary of significant accounting policies

### 2.1 Current and noncurrent classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as noncurrent.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. Deferred tax assets and liabilities are always disclosed as non- current.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

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.

### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (rounded off to nearest lakhs), which is also the functional currency of the Company.

### 2.3 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, maximizing 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved, wherever considered necessary. 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. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### 2.4 Foreign Currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

### 2.5 Property Plant & Equipment

On transition to Ind AS i.e. on 1 April 2021, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

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.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation is recognized in the Statement of profit and loss on a straight line basis based on the Companies Act, 2013 ("Schedule II"). For assets acquired or disposed of during the year, depreciation is provided on pro rata basis. Land is not depreciated.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Factory sheds	30
Plant and machinery	15
Electrical equipment	10
Computers	3
Office equipment	5
Furniture and Fixtures	10
Motor cars and cycles	8 to 10 years
Right of use assets	8 years

Insurance/capital/critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/critical spares, whichever is lower.

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 de-recognition 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.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress.

Assets not ready for use are not depreciated.

### 2.6 Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2021 measured as per the previous GAAP and use that carrying value as the deemed cost.

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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition 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.

#### Computer Software

The computer software is amortised on a straight-line basis over the useful economic life of 6 years, as estimated by the management.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Tabulated below is the useful life determined by the management for different class of intangible assets:

Type of Asset	Estimated useful life
Intangible Assets	6

### 2.7 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

##### Initial recognition and measurement

All financial assets are recognized 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) 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 finance 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.

##### Debt instrument at FVTOCI

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met: (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

##### Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as 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. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### **Impairment of Financial Assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated.

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### **b. Financial liabilities**

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized 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, financial guarantee contracts.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification.

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of profit and loss.

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

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

the EIR amortization process. Amortized 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.

### *De-recognition*

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

### **Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **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.

## **2.8 Investment in Subsidiaries, Associates and Joint Ventures**

The company has accounted for its investments in equity shares of Subsidiaries, associates and joint venture at cost less impairment loss (if any).

## **2.9 Derivative financial instruments and hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts, currency and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets

when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

## **2.10 Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment, and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## **2.11 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Inventories consisting of raw materials, stores and spares, work-in-progress and consumable stores and spares are measured at the lower of cost and net realizable value.

The cost of all categories of inventories is based on the weighted average method

Materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

## **2.12 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

### **Reversal of Impairment of Assets**

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.13 Employee Benefits**

### **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **Defined contribution plans**

The Company's contributions to defined contribution plans are charged to the Statement of profit and loss as and when the services are received from the employees.

### **Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

### **Termination benefits**

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### **Other long-term employee benefits**

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

### **Compensated absences**

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

## **2.14 Provisions, contingent liabilities and contingent assets**

### **Provisions**

A provision is recognized in the Statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **Contingent liabilities and contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

### **Onerous contracts**

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

### **Reimbursement rights**

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

## **2.15 Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in its revenue arrangements.

Goods and Service Tax (GST) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

### **Sale of products**

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

### **Sale of services**

Service income is recognized, on an accrual basis, at agreed rate in accordance with the terms of the agreement.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### **Contract balances**

#### *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### *Trade receivables*

A trade 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).

#### *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### **2.16 Interest Income**

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee and Deposits. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

### **2.17 Borrowing Costs**

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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **2.18 Tax Expenses**

Tax expense consists of current and deferred tax.

#### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current

income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). 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 between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

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

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 period 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 relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### 2.19 Leases

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

#### *The Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial assets.

#### *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the

commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Borrowings.

#### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### 2.21 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### 2.22 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions about resources to

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the CODM.

### 2.23 Significant accounting judgements, estimates, and assumption

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

#### ***Determining the lease term of contracts with renewal and termination options***

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### ***Property, plant and equipment***

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

#### ***Impairment of financial and non-financial assets***

Significant management judgement is required to determine the amounts of impairment loss on the financial

and none financial assets. The calculations of impairment loss are sensitive to underlying assumptions.

#### ***Tax provisions and contingencies***

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### ***Defined benefit plans***

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

#### ***Fair value measurement of financial instruments***

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

### 2.24 New Accounting pronouncements

The Ministry of Corporate Affairs (MCA) vide notification dated 23 March 2022 issued the Companies (Indian Accounting Standards) Amendment Rules, 2022. These rules notify certain amendments to Indian Accounting Standards (Ind AS). These amendments are effective from 1 April 2022.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### **Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**

As per Ind AS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations (i.e. the lower of the costs of fulfilling the contract and the costs of terminating it) outweigh the economic benefits. Ind AS 37 did not define what are the costs of fulfilling a contract.

The amendments have clarified the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

- (a) The incremental costs of fulfilling that contract—for example, direct labour and materials; and
- (b) An allocation of other costs that relate directly to fulfilling contracts—for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

The amendments apply for annual reporting periods beginning on or after 1 April 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of initially applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not required to be restated.

### **Ind AS 103, Business Combinations**

The amendments have given reference of Conceptual Framework for Financial Reporting under Ind AS for definition of assets and liabilities without changing the accounting requirements for business combinations.

This amendment is applicable to business combinations for which acquisition date is on or after 1 April 2022.

### **Ind AS 16, Property, Plant and Equipment**

Amendments to Ind AS 16 have clarified the accounting treatment for sale proceeds of items produced by PPE while preparing it for its intended use.

These amendments have clarified that excess of net sale proceeds of items produced over the cost of testing, if any, would not be recognised in the statement of profit or loss, but deducted from the directly attributable costs considered as part of cost of an item of PPE.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022

The aforesaid amendments do not have any material impact on the financial statements of the Company.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## NOTE NO:3 A

### Property, plant and equipment

#### Gross carrying amount

Particulars	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equip-ment	Com-puters	Electrical Equip-ment	Lease hold improve-ments	Land*	Total
<b>Balance as at April 1, 2021</b>	<b>1,826.17</b>	<b>10.67</b>	<b>23.52</b>	<b>22.50</b>	<b>17.12</b>	<b>409.09</b>	<b>71.10</b>	<b>-</b>	<b>2,380.17</b>
Reclassification	43.93	6.12	-	(15.70)	(4.82)	(44.45)	14.14	-	(0.78)
	<b>1,870.10</b>	<b>16.79</b>	<b>23.52</b>	<b>6.80</b>	<b>12.30</b>	<b>364.64</b>	<b>85.24</b>	<b>-</b>	<b>2,379.39</b>
Additions for the year	206.28	0.06	0.25	0.36	1.62	12.55	0.88	-	222.00
Disposals for the year	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>2,076.38</b>	<b>16.85</b>	<b>23.77</b>	<b>7.16</b>	<b>13.92</b>	<b>377.19</b>	<b>86.12</b>	<b>-</b>	<b>2,601.39</b>
Additions for the year	181.31	172.89	58.58	18.35	22.39	45.72	66.85	802.81	1,368.90
Disposals for the year **	(20.00)	-	-	-	-	-	-	-	(20.00)
<b>Balance as at March 31, 2023</b>	<b>2,237.69</b>	<b>189.74</b>	<b>82.35</b>	<b>25.51</b>	<b>36.31</b>	<b>422.91</b>	<b>152.97</b>	<b>802.81</b>	<b>3,950.29</b>

#### Accumulated depreciation

Particulars	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equip-ment	Com-puters	Electrical Equip-ment	Lease hold improve-ments	Land	Total
<b>Balance as at April 1, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	124.92	3.46	4.59	0.08	3.54	36.60	3.54	-	176.73
On Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>124.92</b>	<b>3.46</b>	<b>4.59</b>	<b>0.08</b>	<b>3.54</b>	<b>36.60</b>	<b>3.54</b>	<b>-</b>	<b>176.73</b>
Depreciation charge for the year	159.94	6.02	6.38	4.40	8.76	48.00	4.60	-	238.10
On Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>284.86</b>	<b>9.48</b>	<b>10.97</b>	<b>4.48</b>	<b>12.30</b>	<b>84.60</b>	<b>8.14</b>	<b>-</b>	<b>414.83</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Net carrying amount

Particulars	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equip-ment	Com-puters	Electrical Equip-ment	Lease hold improve-ments	Land	Total
As on April 1, 2021	1,826.17	10.67	23.52	22.50	17.12	409.09	71.10	-	2,380.17
As on March 31, 2022	1,951.46	13.39	19.18	7.08	10.38	340.59	82.58	-	2,424.66
As on March 31, 2023	1,952.83	180.26	71.38	21.03	24.01	338.31	144.83	802.81	3,535.46

\*The Company has been allotted land by TSIC for setting up manufacturing facility. The agreement is entered into with the authority and possession obtained. Pursuant to the terms and conditions the registration of the land in the name of the Company would be made once the facility commences commercial operations.

\*\* The Company has received government grant amounting to Rs. 20.00 Lakhs towards capital investment made under 11PP 2010-25 scheme.

Note: The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property Plant and Equipment measured as per the previous GAAP and use that as its deemed cost as at the date of adoption i.e. April 01, 2021.

## Note No:3 B

### Gross carrying amount

Particulars	Capital Work in Progress	Total
Balance as at April 1, 2021	-	-
Additions for the year	-	-
Disposals for the year	-	-
Balance as at March 31, 2022	-	-
Additions for the year	232.38	232.38
Disposals for the year	-	-
Balance as at March 31, 2023	232.38	232.38

### Ageing of Capital Work in Progress as at 31st March, 2023

CWIP-Tangibles	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects-in-progress	232.38	-	-	-	232.38
	232.38	-	-	-	232.38



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note No:3 C

### Right-of-use assets

#### Gross carrying amount

Particulars	Land& Building leasehold	Total
<b>Balance as at April 1, 2021</b>	-	-
Additions for the year	1,625.19	1,625.19
Disposals for the year	-	-
<b>Balance as at March 31, 2022</b>	<b>1,625.19</b>	<b>1,625.19</b>
Additions for the year	-	-
Disposals for the year	-	-
<b>Balance as at March 31, 2023</b>	<b>1,625.19</b>	<b>1,625.19</b>

#### Accumulated amortisation

Particulars	Land& Building leasehold	Total
<b>Balance as at April 1, 2021</b>	-	-
Amortisation for the year	203.15	203.15
<b>Balance as at March 31, 2022</b>	<b>203.15</b>	<b>203.15</b>
Amortisation for the year	203.15	203.15
<b>Balance as at March 31, 2023</b>	<b>406.30</b>	<b>406.30</b>

#### Net carrying amount

Particulars	Land& Building leasehold	Total
<b>As on April 1, 2021</b>	-	-
<b>As on March 31, 2022</b>	1,422.04	1,422.04
<b>As on March 31, 2023</b>	1,218.89	1,218.89

## Note No:3 D

### Other Intangible assets

#### Gross carrying amount

Particulars	Computer Software	Total
<b>Balance as at April 1, 2021</b>	<b>22.34</b>	<b>22.34</b>
Reclassification	0.78	0.78
	<b>23.12</b>	<b>23.12</b>
Additions for the year	9.11	9.11
Disposals for the year	-	-
<b>Balance as at March 31, 2022</b>	<b>32.23</b>	<b>32.23</b>
Additions for the year	15.40	15.40
Disposals for the year	-	-
<b>Balance as at March 31, 2023</b>	<b>47.63</b>	<b>47.63</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Accumulated depreciation

Particulars	Computer Software	Total
<b>Balance as at April 1, 2021</b>	-	-
Depreciation charge for the year	2.12	2.12
On Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>2.12</b>	<b>2.12</b>
Depreciation charge for the year	8.74	8.74
On Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>10.86</b>	<b>10.86</b>

## Net carrying amount

Particulars	Computer Software	Total
<b>As on April 1, 2021</b>	22.34	22.34
<b>As on March 31, 2022</b>	30.11	30.11
<b>As on March 31, 2023</b>	36.77	36.77

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property Plant and Equipment measured as per the previous GAAP and use that as its deemed cost as at the date of adoption i.e. April 01, 2021.

## Note 4

### Non current investments

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>Investment in equity instruments (fully paid-up)</b>			
<b>(i) Investment in Subsidiaries</b>			
<b>Unquoted equity shares (at cost)</b>			
1,00,000 (31 March 2022: 1,00,000, 1 April 2021: Nil) equity shares of ₹ 10 each fully paid-up in S2 Engineering Industry Private Limited	10.00	10.00	-
<b>Unquoted Preference shares (at amortised cost)</b>			
1,39,00,000 (31 March 2022: 1,39,00,000, 1 April 2021: Nil) equity shares of ₹ 10 each fully paid-up in S2 Engineering Industry Private Limited	977.97	977.97	-
<b>Deemed Investment</b>			
Investment in subsidiary company ( financial guarantee)	82.46	31.46	-
<b>Total of Investments measured at Cost</b>	<b>1,070.43</b>	<b>1,019.43</b>	-
<b>Total</b>	<b>1,070.43</b>	<b>1,019.43</b>	-
<b>Foot notes:</b>			
Aggregate value of quoted investments and market value thereof	-	-	-
Aggregate value of unquoted investments	1,070.43	1,019.43	-

During the year ended March 31, 2022, the company has invested in 0.01% Redeemable Non- Convertible Preference Shares of S2 Engineering Industries Private Limited with face value of ₹ 10 each aggregating to ₹ 1390.00 Lakhs. As a part of IND AS transition, the same has been subject to fair valuation, resulting in an adjustment of ₹ 977.97 Lakhs and treated as investment in subsidiary.

The Company has provided guarantee with respect to the term loan and cash credits availed by S2 Engineering Private Limited. The financial guarantee contract is initially recognised at fair value. The fair value of the guarantee is the present value of the difference between the net contractual cash flows required under the loan, and the net contractual cash flows that would have been required without the guarantee.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 5

### Loans

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, Considered good						
Loans to related parties	1,256.83	1,000.00	1,246.00	-	25.00	-
<b>Total</b>	<b>1,256.83</b>	<b>1,000.00</b>	<b>1,246.00</b>	<b>-</b>	<b>25.00</b>	<b>-</b>

## Note 6

### Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good						
Bank deposits with more than/ less than twelve months maturity	3.99	223.42	103.94	-	57.86	-
Advance with chit fund company	-	-	-	-	75.02	-
Interest accrued but not due on Fixed Deposits	-	9.92	-	22.14	-	-
Advances to employees	-	27.89	-	19.68	-	13.39
<b>Total</b>	<b>3.99</b>	<b>261.23</b>	<b>103.94</b>	<b>41.82</b>	<b>132.88</b>	<b>13.39</b>

## Note 7

### Other assets

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good						
Capital Advances	93.79	-	122.06	-	129.60	-
Security Deposits	231.24	-	198.73	-	144.19	-
Advances to vendors	-	573.54	-	841.46	-	511.20
Balances with statutory / government authorities	-	190.45	-	743.99	-	386.59
Prepaid expenses	-	22.96	-	7.77	-	1.29
<b>Total</b>	<b>325.03</b>	<b>786.95</b>	<b>320.79</b>	<b>1,593.22</b>	<b>273.79</b>	<b>899.09</b>

## Note 8

### Inventories

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Raw materials	2,342.24	2,039.11	306.72
Work-in-progress	4,305.14	3,369.51	1,545.97
Consumable stores and spares	371.43	549.18	507.10
<b>Total</b>	<b>7,018.81</b>	<b>5,957.80</b>	<b>2,359.79</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 9

### Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Trade receivables considered good - unsecured	3,481.34	2,971.00	2,140.88
Less: Allowance against expected credit loss	(72.73)	(62.07)	(44.72)
<b>Total</b>	<b>3,408.61</b>	<b>2,908.93</b>	<b>2,096.15</b>

**Note: Trade receivable include debts dues by:**

Firm in which director is a partner*	0.25	3.49	-
--------------------------------------	------	------	---

\* Trade receivables are hypothecated as security for borrowings as disclosed in note 13

### Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	3,243.56	203.88	10.50	23.40	3,481.34
(ii) Undisputed Trade Receivables - considered doubtful unsecured	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	(72.73)
<b>Total</b>	<b>3,243.56</b>	<b>203.88</b>	<b>10.50</b>	<b>23.40</b>	<b>3,408.61</b>

### Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,842.10	67.57	10.46	-	2,920.13
(ii) Undisputed Trade Receivables - considered doubtful unsecured	-	16.39	10.45	24.03	50.87
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	(62.07)
<b>Total</b>	<b>2,842.10</b>	<b>83.95</b>	<b>20.91</b>	<b>24.03</b>	<b>2,908.93</b>

### Trade receivables ageing schedule as at April 01, 2021 (Opening Balance sheet)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,012.79	38.63	10.55	78.90	2,140.87
(ii) Undisputed Trade Receivables - considered doubtful unsecured	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	(44.72)
<b>Total</b>	<b>2,012.79</b>	<b>38.63</b>	<b>10.55</b>	<b>78.90</b>	<b>2,096.15</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 10

### Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Cash on hand	0.02	0.24	0.03
Balances with banks- in Current Accounts	541.55	11.12	0.60
<b>Total</b>	<b>541.57</b>	<b>11.36</b>	<b>0.63</b>

## Note 11

### Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
<b>Authorised:</b>						
Equity shares of ₹ 10 each	20,000,000	2,000.00	20,000,000	2,000.00	9,000,000	900.00
<b>Issued, subscribed and paid up:</b>						
Equity shares of ₹ 10 each fully paid up	15,784,607	1,578.46	15,300,000	1,530.00	9,000,000	900.00

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

#### Equity Shares

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of the period	15,300,000	1,530.00	9,000,000	900.00	9,000,000	900.00
Add: Issued during the period	484,607	48.46	6,300,000	630.00	-	-
Outstanding at the end of the period	15,784,607	1,578.46	15,300,000	1,530.00	9,000,000	900.00

### (b) Terms / rights attached to equity shares

The Company has only one class of share referred to as Equity Share having a par value of ₹ 10/-. Each share holder is entitled to one vote per share and the amount of dividend declared if any, by the Board of Directors. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining net assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

### c) Details of shareholders holding more than 5% of the equity shares of the company

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Equity shares of INR 10 each fully paid up						
K Rama Krishna	4,896,000.00	31.02%	4,896,000	32.00%	2,340,000	26.00%
K Krishna Veni	4,131,000.00	26.17%	4,131,000	27.00%	1,980,000	22.00%
S2 Engineering Services (Partnership firm)	2,403,000.00	15.22%	2,709,000	17.71%	1,440,000	16.00%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## d) Details of Shares held by Promoters at the balance sheet date

Promoter Name	As at March 31, 2023			As at March 31, 2022			As at April 01, 2021	
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares
Kandula Ramakrishna	4,896,000	31.02%	-0.98%	4,896,000	32.00%	6.00%	2,340,000	26.00%
Kandula Krishna Veni	4,131,000	26.17%	-0.83%	4,131,000	27.00%	5.00%	1,980,000	22.00%
Kandula Nageswara Rao	765,000	4.85%	-0.15%	765,000	5.00%	0.00%	450,000	5.00%
Venkata Mohana Rao Katragadda	180,000	1.14%	-0.04%	180,000	1.18%	-0.82%	180,000	2.00%
Venkata Siva Prasad Katragadda	180,000	1.14%	-0.04%	180,000	1.18%	-0.82%	180,000	2.00%
Kudaravalli Punna Rao	83,077	0.53%	-0.02%	83,077	0.54%	-1.46%	180,000	2.00%
<b>Promoter group</b>								
Katragadda Harini	217,384	1.38%	-0.04%	217,384	1.42%	-3.58%	450,000	5.00%
Katragadda Likitha	225,000	1.43%	-0.05%	225,000	1.47%	-1.03%	225,000	2.50%
Katragadda Mahitha	225,000	1.43%	-0.05%	225,000	1.47%	-1.03%	225,000	2.50%
Katragadda Venkataramani	275,539	1.75%	-0.06%	275,539	1.80%	-3.20%	450,000	5.00%
Katragadda Poojitha	180,000	1.14%	-0.04%	180,000	1.18%	-0.82%	180,000	2.00%
Kudaravalli Bala Bhavani	90,000	0.57%	-0.02%	90,000	0.59%	-0.41%	90,000	1.00%
Kudaravalli Srikanth	90,000	0.57%	-0.02%	90,000	0.59%	-0.41%	90,000	1.00%
Kudaravalli Krishnakanth	90,000	0.57%	-0.02%	90,000	0.59%	-0.41%	90,000	1.00%
M/s.S2 Engineering services (Represented by its Managing Partner Mr. Ramakrishna Kandula)	2,403,000	15.22%	-2.48%	2,709,000	17.71%	1.71%	1,440,000	16.00%
M/s. Standard Holdings (Represented by its Managing Partner Mrs. Krishna Veni Kandula)	504,000	3.19%	-0.10%	504,000	3.29%	3.29%	-	0.00%
<b>Total</b>	<b>14,535,000</b>	<b>92.08%</b>	<b>-4.92%</b>	<b>14,841,000.00</b>	<b>97.00%</b>	<b>2.00%</b>	<b>8,550,000.00</b>	<b>95.00%</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 12

### Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings	Re-measurement gains/ (losses) on defined benefit plans	
<b>Balance as at April 1, 2021</b>	<b>67.86</b>	<b>1,297.85</b>	<b>-</b>	<b>1,365.71</b>
Profit for the year	-	1,595.54	-	1,595.54
Other comprehensive income for the year	-	-	5.41	5.41
Issue of share capital during the year	1,575.00	-	-	1,575.00
<b>Balance as at March 31, 2022</b>	<b>1,642.86</b>	<b>2,893.39</b>	<b>5.41</b>	<b>4,541.66</b>
Premium on issue of Equity Shares	3,290.48	-	-	3,290.48
Profit for the year	-	2,011.88	-	2,011.88
Other comprehensive income for the year	-	-	(3.73)	(3.73)
<b>Balance as at March 31, 2023</b>	<b>4,933.34</b>	<b>4,905.27</b>	<b>1.68</b>	<b>9,840.29</b>

## Note 13

### Non-current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Term loans (Secured, at amortised cost)			
Term loans from bank	207.22	419.32	651.78
Other loans(Unsecured, at amortised cost)			
Loan from chit fund company	-	9.25	-
<b>Total</b>	<b>207.22</b>	<b>428.57</b>	<b>651.78</b>

## Note 13

### Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Cash credit facility from bank (secured)	1,598.50	1,344.90	530.76
Current maturities of long term borrowings	250.31	234.11	239.30
Interest free Loans from related parties (repayable on demand)	391.68	292.82	311.14
Other loans(Unsecured, at amortised cost)			
Loan from chit fund company	9.26	39.29	-
<b>Total</b>	<b>2,249.76</b>	<b>1,911.12</b>	<b>1,081.20</b>

- Indian Rupee term loans amounting to ₹ 457.54 Lakhs carrying interest rate ranging from 8.5% per annum to 9.9% per annum repayable on a monthly basis till January 2025. Loan from chit fund is payable is at ₹ 5.00 Lakhs pm (before considering dividend on chit) till May 2023.
- All the facilities from banks (Term loans, Emergency Credit loan Letter of Credits and Cash credit) are secured by exclusive charge on all the unencumbered PPE and current assets (Inventories and Trade receivables) of the Company.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

- iii) Further, all the loans are secured (primary security) by exclusive charge on
- Residential property situated at No 593/MIGII, KPHB colony, Kukatpally, Hyderabad Telangana
  - Industrial property situated at Sy no 293/2 Phase 1, Jeedimetla Hyderabad Telangana Quthbullapur
  - Industrial property situated at Plot no D12, Jeedimetla, Hyderabad
  - Paripassu charge on Plot no 43 to 48, 50 to 54, Tech park, IDA Nacharam, Telangana
- iv) Further, all the loans has been guaranteed by the personal guarantee of the following directors unconditionally and irrevocably:
- Kandula Krishna Veni, Kudaravalli Punna Rao, Kandula Nageshwara Rao, Katragadda Venkata Ramani, Katragadda Venkata Shiva Prasad, Kandula Rama Krishna and S2 Engineering services.
- v) The Company has obtained term loan from ICICI Bank during the financial year 2019-20 & 2020-21. As per the Loan Agreement/ term sheet, the said Loan was taken for the general corporate and working capital management. The Company has used such borrowings for the purposes as stated in the loan agreement.

### Note 14

#### Lease liabilities

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Lease liability	1,237.80	152.68	1,390.48	128.28	-	-
<b>Total</b>	<b>1,237.80</b>	<b>152.68</b>	<b>1,390.48</b>	<b>128.28</b>	<b>-</b>	<b>-</b>

### Note 15

#### Other financial liabilities

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Capital creditors	-	60.30	-	54.35	-	104.66
Financial Guarantee liability	0.51	18.80	2.30	18.19	-	-
<b>Total</b>	<b>0.51</b>	<b>79.10</b>	<b>2.30</b>	<b>72.54</b>	<b>-</b>	<b>104.66</b>

### Note 16

#### Provisions

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for gratuity	64.78	5.30	43.38	3.74	36.98	3.21
Provision for leave encashment	12.87	3.09	11.05	2.61	8.49	2.01
Provision for warranties	28.91	23.52	20.94	17.14	17.35	14.20
<b>Total</b>	<b>106.56</b>	<b>31.91</b>	<b>75.37</b>	<b>23.49</b>	<b>62.81</b>	<b>19.42</b>

#### Provision for warranties

As per the contractual terms with customers, the Company provides warranty to the customers for 18 months from date of sales or 12 months from date of installation which ever is earlier. The provision is made at 0.25% of Turnover for such returns/rejections on the basis of historical warranty trends in similar industry.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	31-Mar-23	31-Mar-22	1-Apr-21
At the beginning of the year	38.08	31.55	-
Arising during the year	55.66	29.16	31.55
Utilized during the year	27.51	22.63	-
Reversed during the year	13.80	-	-
At the end of the year	<b>52.43</b>	<b>38.08</b>	<b>31.55</b>

## Note 17

### Deferred tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Deferred tax asset	83.95	62.93	24.01
Deferred tax liabilities	179.53	139.57	105.82
<b>Deferred tax Liability (net)</b>	<b>95.58</b>	<b>76.64</b>	<b>81.81</b>

## Note 18

### Other liabilities

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-current	Current	Non-current	Current	Non-current	Current
Statutory dues payable	-	16.94	-	49.01	-	166.73
Advance from customer	-	1,434.24	-	3,630.53	-	1,256.84
<b>Total</b>	<b>-</b>	<b>1,451.18</b>	<b>-</b>	<b>3,679.54</b>	<b>-</b>	<b>1,423.56</b>

## Note 19

### Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Total outstanding dues of micro enterprises and small enterprises	683.67	278.11	327.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,050.87	2,801.31	1,961.11
<b>Total</b>	<b>3,734.54</b>	<b>3,079.42</b>	<b>2,288.51</b>

Trade payables ageing schedule as at March 31, 2023	Outstanding for following periods from due date of payment					
Particulars	Billed but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	253.12	430.55	-	-	-	683.67
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	1,995.07	1,044.49	2.57	1.15	7.60	3,050.87
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,248.19</b>	<b>1,475.04</b>	<b>2.57</b>	<b>1.15</b>	<b>7.60</b>	<b>3,734.54</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Trade payables ageing schedule as at March 31, 2022	Outstanding for following periods from due date of payment					
Particulars	Billed but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	165.44	112.67	-	-	-	278.11
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	900.05	1,880.77	10.51	2.28	7.70	2,801.31
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,065.49</b>	<b>1,993.44</b>	<b>10.51</b>	<b>2.28</b>	<b>7.70</b>	<b>3,079.42</b>

Trade payables ageing schedule as at March 31, 2021	Outstanding for following periods from due date of payment					
Particulars	Billed but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	48.52	278.88	-	-	-	327.40
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	517.99	1,431.88	2.75	1.49	7.00	1,961.11
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>566.52</b>	<b>1,710.75</b>	<b>2.75</b>	<b>1.49</b>	<b>7.00</b>	<b>2,288.51</b>

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

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

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act at the end of each accounting year;			
- Principal amount (including capital creditors)	683.67	278.11	327.40
- Interest amount	-	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
<b>Total</b>	<b>683.67</b>	<b>278.11</b>	<b>327.40</b>

Note: Interest on principal amount outstanding for MSME vendors is not provided for.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 20

### Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Provision for Income Taxes (net of prepaid taxes)	-	140.69	223.77
<b>Total</b>	<b>-</b>	<b>140.69</b>	<b>223.77</b>

## Note 21

### Revenue From contracts with customers

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
(a) Sales of Products	20,910.44	15,184.13
(b) Sales of services	61.86	88.76
<b>Total</b>	<b>20,972.30</b>	<b>15,272.89</b>

## Note 22

### Other Income

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Interest on Deposits	7.04	9.87
Interest income on unsecured loans measured at amortised cost	112.34	43.24
Insurance Claim received	-	37.61
Amount no longer payable written back	-	31.65
Other miscellaneous income	221.03	2.14
Fair value measurement of Financial Liability	52.18	10.97
<b>Total</b>	<b>392.59</b>	<b>135.48</b>

## Note 23

### Cost of raw materials consumed

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Inventory at beginning of the year	2,039.11	306.72
add: Purchases during the year	11,805.51	10,237.57
less: Inventory at the end of the year	(2,342.24)	(2,039.11)
<b>Consumption</b>	<b>11,502.38</b>	<b>8,505.18</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 24

### Changes in inventories of finished goods and work-in-progress

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
<b>Opening stock</b>		
Work-in-progress	3,369.51	1,545.97
<b>Closing stock</b>		
Work-in-progress	(4,305.14)	(3,369.51)
<b>(Increase) / Decrease in Stock</b>	<b>(935.63)</b>	<b>(1,823.54)</b>

## Note 25

### Employee benefits expense

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Salaries, wages and bonus	734.09	589.96
Contribution to provident and other funds	23.22	23.41
Gratuity	18.78	11.39
Staff welfare expenses	75.37	59.31
<b>Total</b>	<b>851.46</b>	<b>684.07</b>

## Note 26

### Finance costs

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Interest expense on borrowing measured at amortised cost	291.50	160.61
Interest on lease liabilities	123.72	133.57
Other finance costs	33.21	17.46
<b>Total</b>	<b>448.43</b>	<b>311.64</b>

## Note 27

### Depreciation and amortization expenses

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Depreciation on property, plant and equipment	238.10	176.73
Depreciation of Right-of-use assets	203.15	203.15
Amortisation of intangible assets	8.74	2.12
<b>Total</b>	<b>449.99</b>	<b>382.00</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 28

### Other expenses

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Power and fuel	1,115.00	941.08
Consumption of stores and spares	1,236.05	1,016.00
Rent	33.93	48.15
Freight and forwarding charges	318.00	335.60
<b>Repairs and maintenance</b>		
Others	149.58	89.68
Security charges	44.02	52.58
Water charges	11.38	10.07
Rates and taxes	82.45	69.20
Insurance	19.37	7.06
Legal and professional fees	156.80	65.25
Travelling and conveyance	61.52	34.16
Sales Commission	26.21	39.09
Warranty expense	41.87	29.16
Printing and stationery	7.71	8.65
Payments to auditors*	8.50	8.50
Bad debts written off	34.86	7.98
Allowance for expected credit loss	10.66	17.34
Communication expenses	5.77	4.62
Corporate social responsibility expenditure	1.93	14.50
Office maintenance expenses	15.10	15.36
Advances written off	-	21.80
Subscription & Renewals	17.68	16.34
Exchange differences	0.06	7.57
Advertising and sales promotion	48.90	-
Miscellaneous expenses	21.89	2.99
<b>Total</b>	<b>3,469.24</b>	<b>2,862.73</b>

\*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

	For the year Ended March 31, 2023	For the year Ended March 31, 2022
<b>As auditor:</b>		
Statutory audit	8.50	8.50
Reimbursement of expenses	-	-
<b>Total</b>	<b>8.50</b>	<b>8.50</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### 29 First-time adoption of Indian Accounting Standards (Ind AS)

The financial statements, for the year ended 31 March 2023, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2023, together with the comparative period data as at and for the year ended 31 March 2022, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2021, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2021 and the financial statements as at and for the year ended 31 March 2022.

#### Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

#### Deemed Cost:

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

#### Estimates:

The estimates at 1 April 2021 and at 31 March 2022 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) and the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2021, the date of transition to Ind AS and as of 31 March 2022.

The following reconciliations along with explanations have been presented to explain the impact of transition to Ind AS:

Reconciliation of equity as at 1 April 2021 (date of transition to Ind AS); and

Reconciliation of equity as at 31 March 2022

#### Reconciliation of equity as reported under Previous GAAP and that computed under Ind AS:

Particulars	As on 31 March 2022	As on 01 April 2021
<b>Other equity as per GAAP</b>	<b>4,558.70</b>	<b>1,417.39</b>
<b>Adjustments on account of transition to IND AS</b>		
Impairment of trade receivables on account of expected credit loss under IND AS 109	(11.19)	(44.72)
Interest Adjustment due to Amortised Cost Method	(2.63)	3.59
Impact on account of IND AS 116 (interest cost+depreciation-rent)	(96.72)	-
Adjustment for interest income on Financial Assets	36.59	20.75
Fair value measurement of Financial Assets	-	-
Fair value measurement of Financial Liabilities	10.97	-
<b>Adjustment for difference in Deferred tax</b>	<b>53.24</b>	<b>50.93</b>
<b>De recognition of previously recognised exceptional items</b>	<b>45.01</b>	<b>-</b>
<b>Adjustments on account of errors</b>	<b>-</b>	<b>-</b>
Rectification of errors in measurement and recognition of gratuity	(36.55)	(40.19)
Rectification of errors in measurement and recognition of leave encashment	(8.46)	(10.49)
Rectification of errors in making the provision for warranty	(7.31)	(31.56)
<b>Total Adjustments</b>	<b>(17.05)</b>	<b>(51.69)</b>
<b>Equity as reported per IND AS</b>	<b>4,541.65</b>	<b>1,365.70</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Reconciliation of profit / (loss) between financial results as previously reported under Previous GAAP and Ind AS for the year ended

Particulars	For the year ended 31 March 2022
<b>Net profit under previous GAAP</b>	<b>1,566.31</b>
<b>Adjustments on account of transition to IND AS</b>	<b>-</b>
Impairment of trade receivables on account of expected credit loss under IND AS 109	33.53
Interest Adjustment due to Amortised Cost Method	(6.22)
Impact on account of IND AS 116 (interest cost+depreciation-rent)	15.84
Adjustment for interest income on Financial Assets	(96.72)
Fair value measurement of Financial Assets	-
Fair value measurement of Financial Liabilities	10.97
Re-measurement (gains)/losses on defined benefit plans	(7.23)
<b>Adjustment for difference in Deferred tax</b>	<b>4.13</b>
<b>De recognition of previously recognised exceptional items</b>	<b>45.01</b>
<b>Adjustments on account of errors</b>	
Rectification of errors in measurement and recognition of gratuity	3.64
Rectification of errors in measurement and recognition of leave encashment	2.04
Rectification of errors in making the provision for warranty	24.25
<b>Net profit for under Ind AS</b>	<b>1,595.54</b>

### On account of transition to IND AS

#### Trade receivables

Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Due to ECL model, the company impaired its trade receivable by Rs. 44.72 Lakhs on 1 April 2021 which has been eliminated against retained earnings.

#### Deferred tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

#### Leases:

The new standard, Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases.

***The lease liability reflects the net present value of the remaining lease payments adjusted for payments made before the commencement date, lease incentives and other items related to the lease agreement, and the right-of-use asset corresponds to the lease liability.***

Upon adoption of the new standard, a portion of the annual operating lease costs, which was previously fully recognised as a rental / lease expense, is recorded as interest expense. In addition, the portion of the lease payments which represents the reduction of the lease liability is recognised in the cash flow statement as an outflow from financing activities, which was previously fully recognised as an outflow from operating activities.

#### Fair values:

An entity is permitted to designate a previously recognised financial asset as a financial asset measured at fair value through profit or loss. The entity shall disclose the fair value of financial assets so designated at the date of designation and their classification and carrying amount in the previous financial statements.

An entity is permitted to designate a previously recognised financial liability as a financial liability at fair value through profit or loss. The entity shall disclose the fair value of financial liabilities so designated at the date of designation and their classification and carrying amount in the previous financial statements.

At the date of transition to Ind AS, difference between the fair value of assets and liabilities and IGAAP carrying amount has

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

been recognised in Retained Earnings.

### Defined benefit obligations

Both under Indian GAAP and Ind AS, the group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

### On account of errors

#### Employee benefit liabilities (gratuity and leave encashment)

Errors were observed in the measurement of employment benefits plans which were now rectified.

Leave encashment and gratuity: The Company did not use projected unit credit method in measuring the liability for gratuity and leave encashment till March 31, 2021. The same has been rectified.

#### Provision for warranty

Certain errors were identified with respect to the measurement of provision for warranties. These errors are now rectified.

## 30 Changes in liabilities arising from financing activities

### For the year ended March 31, 2023

Particulars	Current		Non-current	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
<b>1-Apr-22</b>	<b>1,911.12</b>	<b>128.28</b>	<b>428.57</b>	<b>1,390.48</b>
Cash flows	338.64	24.40	-	-
Reclassified as part of disposal group	-	-	-	-
Foreign exchange management	-	-	-	-
Changes in fair values	-	-	-	-
New leases	-	-	-	-
Other	-	-	(221.35)	(152.68)
<b>31-Mar-23</b>	<b>2,249.76</b>	<b>152.68</b>	<b>207.22</b>	<b>1,237.80</b>

### For the year ended March 31, 2022

Particulars	Current		Non-current	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
<b>1-Apr-21</b>	<b>1,081.20</b>	<b>-</b>	<b>651.78</b>	
Cash flows	829.92	128.28	-	1,390.48
Reclassified as part of disposal group	-	-	-	-
Foreign exchange management	-	-	-	-
Changes in fair values	-	-	-	-
New leases	-	-	-	-
Other	-	-	(223.21)	-
<b>31-Mar-22</b>	<b>1,911.12</b>	<b>128.28</b>	<b>428.57</b>	<b>1,390.48</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 31 Revenue from contract with customer

### Disaggregated revenue information

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Sale of products	20,851.18	15,158.55
Sale of services	61.86	88.76
Other operating revenues (scrap sales)	59.26	25.58
<b>Total</b>	<b>20,972.30</b>	<b>15,272.89</b>
<b>(a) Disaggregated revenue information</b>		
<u>Manufactured</u>		
India	20,910.44	15,184.13
Outside India		
	<b>20,910.44</b>	<b>15,184.13</b>
<u>Traded</u>		
India	-	-
Outside India	-	-
	-	-
<b>(b) Timing of revenue recognition</b>		
Products transferred for a point in time	20,910.44	15,184.13
Services rendered at a point in time	61.86	88.76
	<b>20,972.30</b>	<b>15,272.89</b>
<b>(c) Reconciliation of amount of revenue recognised with contract price</b>		
Revenue as per contracted price (including concession)	21,020.33	15,423.73
Adjustments		
Rebates	26.23	22.90
Others	21.80	127.94
<b>Revenue from contracts with customers</b>	<b>20,972.30</b>	<b>15,272.89</b>

## 32. Auditor's Remuneration

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Audit fees	8.50	8.50
b) Other charges		
- Tax Audit	-	-
- Cost Audit	-	-
- Certification fee	-	-
- Others	-	-
c) GST Audit	-	-
<b>TOTAL</b>	<b>8.50</b>	<b>8.50</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 33 Earning per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Earnings</b>		
Profit attributable to equity holders	2,011.88	1,595.54
<b>Shares</b>		
Number of shares at the beginning of the year	15,300,000	9,000,000
Add: Equity shares issued	484,607	6,300,000
Less: Buy back of equity shares		
Total number of equity shares outstanding at the end of the year	15,784,607	15,300,000
Weighted average number of equity shares outstanding during the year – Basic	153.09	113.47
Weighted average number of equity shares outstanding during the year – Diluted	153.09	113.47
<b>Earnings per share of par value ₹ 10/- -Basic</b>	<b>13.14</b>	<b>14.06</b>
<b>Earnings per share of par value ₹ 10/- – Diluted</b>	<b>13.14</b>	<b>14.06</b>

## 34. Income taxes

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current taxes expense</b>		
Domestic	671.22	529.19
<b>Deferred taxes expense/(benefit)</b>		
Relating to origination and reversal of temporary differences	20.20	(6.99)
<b>Total income tax expense/(benefit) recognized in the statement of profit and loss</b>	<b>691.42</b>	<b>522.20</b>

## OCI section

Deferred tax related to items recognised in OCI during in the year:

Particulars	31-Mar-23	31-Mar-22
Net loss/(gain) on remeasurements of defined benefit plans	(4.99)	7.23
<b>Deferred tax charged to OCI</b>	<b>1.26</b>	<b>(1.82)</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

Particulars	31-Mar-23	31-Mar-22
<b>Accounting profit before tax from continuing operations</b>	<b>2,707.91</b>	<b>2,117.74</b>
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>2,707.91</b>	<b>2,117.74</b>
<b>At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)</b>	<b>681.58</b>	<b>533.04</b>
<b>Non-deductible expenses for tax purposes:</b>		
Expenses disallowed under Income tax act, 1961	9.83	11.05
On account of prior period tax expense	4.61	-
On account of IND AS transition impact	-	-0.00
Others	-	-1.61
	<b>14.44</b>	<b>9.44</b>
Income tax expense reported in the statement of profit and loss	696.03	522.20
Income tax attributable to a discontinued operation		
Effective Income tax rate	<b>25.70%</b>	<b>24.66%</b>

Deferred tax relates to the following:	Balance Sheet	
	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax liabilities:</b>		
WDV differences of assets as per books and tax laws	179.31	139.08
Loan (Due to Processing Charges)	0.22	0.49
	<b>179.53</b>	<b>139.57</b>
<b>Deferred tax assets:</b>		
Gratuity	(17.64)	(11.86)
Leave Encashment	(4.01)	(3.44)
Bad Debts	(18.30)	(15.62)
Leases	(43.19)	(29.38)
Other Temporary Difference	(0.81)	(2.64)
	<b>(83.95)</b>	<b>(62.93)</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>95.58</b>	<b>76.64</b>

## 35 Segment information

The Managing Director of the company has been identified as being the Chief Operating Decision Maker (CODM). In the opinion of the management the company has only one operating segment i.e., is engaged in manufacturing and selling of glass lined reactors, receivers and storage tanks and company is specialized in providing the turnkey solutions for the pharmaceutical Industry sector. Hence, the same becomes the reportable segment for the Company. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 "Operating segments" is not applicable.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 36 Employee benefits

Notes:

- (i) The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
- (ii) The Company operates defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.

During the period the Company has recognized the following amounts in the Statement of profit and loss:-

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Employers Contribution to Provident fund	19.69	19.00
Employers Contribution to Employee state insurance	3.53	4.41
	<b>23.22</b>	<b>23.41</b>

### Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and plan is unfunded.

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31 March 2023 and 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	13.49	8.62
Interest on net defined benefit liability/(asset)	3.43	2.78
Expected Return on plan Assets	-	-
<b>Components of defined benefit costs recognized in statement of profit or loss - (A)</b>	<b>16.92</b>	<b>11.40</b>
Actuarial (gain) / loss on plan obligations	6.04	-4.47
<b>Components of defined benefit costs recognized in other comprehensive income - (B)</b>	<b>6.04</b>	<b>-4.47</b>
<b>Total (A+B)</b>	<b>22.96</b>	<b>6.93</b>

### Current and Non current Portion

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of defined benefit obligation	70.08	47.12	40.19
Less: Fair value of plan assets			
<b>Net liability recognized in the balance sheet</b>	<b>70.08</b>	<b>47.12</b>	<b>40.19</b>
Current portion of the above	5.30	3.74	3.21
Non-current portion of the above	<b>64.78</b>	<b>43.38</b>	<b>36.98</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Movement in Present Obligation of Defined Benefit

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Defined benefit obligations at the beginning of the year</b>	<b>47.12</b>	<b>40.19</b>
<b>Expenses Recognised in statement of Profit &amp; Loss</b>	<b>16.92</b>	<b>11.39</b>
Defined benefit cost included in P&L	16.92	11.39
Expected Return on Plan assets	-	-
<b>Expenses Recognised in statement of OCI</b>	<b>6.03</b>	<b>(4.46)</b>
Actuarial loss/(gain) due to change in financial assumptions	(0.82)	(1.74)
Actuarial loss/(gain) due to experience changes	6.85	(2.72)
Actuarial (Gain) / Loss on Obligation – Plan Assets		
Benefits paid		
<b>Defined benefit obligations at the end of the year</b>	<b>70.08</b>	<b>47.12</b>

## Actuarial Assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.50%	7.35%
Rate of compensation Increase	8.00%	8.00%

## Leave Encashment

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was ₹ 15.96 Lakhs as at 31<sup>st</sup> March 2023 (₹ 13.66 Lakhs as at 31 March 2022 and ₹ 10.79 Lakhs as at 1 April 2021).

## 37 Name of the Related Party and description of relationship

Particulars	Nature of relationship
S2 Engineering Industry Private Limited	Wholly owned subsidiary company
Stanseals Private Limited	Enterprises owned or significantly influenced by KMP or their relatives
Stanvalves & Controls Pvt Limited	Enterprises owned or significantly influenced by KMP or their relatives
S2 Engineering Services	Enterprises owned or significantly influenced by KMP or their relatives
Standard Holdings	Enterprises owned or significantly influenced by KMP or their relatives
Stanpumps Engineering Industries	Enterprises owned or significantly influenced by KMP or their relatives
Standard Equipment Leasing Services	Enterprises owned or significantly influenced by KMP or their relatives
<b>Key Managerial personnel</b>	
Kandula Nageswara Rao	Managing director
Pathuri Anjaneyulu	Chief Financial officer (W.e.f. 18/07/2022 )
Kallam Hima Priya	Company Secretary (W.e.f. 01/10/2021)
Kandula Ramakrishna	Director
Kandula Krishna Veni	Director
Katragadda Venkata Mohana Rao	Director
Katragadda Venkata Siva Prasad	Director
Kudaravalli Punna Rao	Director ( up to 11/04/ 2022)
Katragadda Harini	Relative of Director
Kandula Bhanu Prakash	Relative of Director
Kudaravalli Krishnakanth	Relative of Director ( up to 11/04/ 2022)
B. Radhakrishna	Relative of Director
Katragadda Venkata Ramani	Relative of Director

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Transactions during the year

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
<b>Remuneration paid</b>		
Kandula Nageswara Rao	18.08	18.00
Katragadda Venkata Mohana Rao	18.08	12.00
Kudaravalli Punna Rao	0.85	12.00
Katragadda Venkata Siva Prasad	29.21	-
K Harini	6.08	6.00
K Bhanu Prakash	9.08	6.00
K Krishnakanth	0.26	5.48
K Venkata Ramani	6.08	6.00
Kallam Hima priya	6.56	3.00
P. Anjaneyulu	12.05	-
B.Radhakrishna	12.41	-
<b>Rent Expense</b>		
Kandula Ramakrishna	16.89	13.49
Sales of goods	-	-
S2 Engineering Services	-	9.46
S2 Engineering Industry private Limited	64.10	-
Stanvalves & Controls Pvt Limited	0.01	-
Standard Equipment Leasing Services	101.11	-
<b>Purchase of goods</b>		
S2 Engineering Industry Private Limited	134.87	21.61
S2 Engineering Services	2.40	50.61
Stanpumps Engineering Industries	-	7.88
Stanvalves & Controls Pvt Limited	0.62	
Schematic Engineering Industries	1.20	
Receipt of Services		
Stanseals Private Limited	0.79	0.16
Standard Holdings	16.75	14.42
Standard Group of Companies Private Limited	83.37	
<b>Rendiring of Services</b>		
S2 Engineering Industry Private Limited	0.11	
<b>Loans taken from</b>		
Kandula Nageswara Rao	600.00	40.00
Kudaravalli Punna Rao	-	29.68
Katragadda Venkata Mohana Rao	-	120.00
<b>Investment in Subsidiary</b>		
S2 Engineering Industry Private Limited	51.00	1,019.43
<b>Loan given to</b>		
S2 Engineering Industry Private Limited	1,418.37	1,098.55
<b>Repayment received from S2 Engineering Industry Private Limited</b>	418.37	300.00
<b>Interest income</b>		
S2 Engineering Industry Private Limited	110.50	34.87
Stanseals Private Limited	1.98	-
<b>Corporate guarantee given on behalf</b>		
S2 Engineering Industry Private Limited	7,500.00	3,109.00

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Outstanding balances as at year end

	March 31, 2023	March 31, 2022
<b>Loan payable</b>		
Kandula Nageswara Rao	222.86	124.00
Kandula Rama Krishna	19.14	19.14
Kudaravalli Punna Rao	29.68	29.68
Katragadda Venkata Mohana Rao	120.00	120.00
<b>Receivables</b>		
Standard Holdings	0.25	3.49
<b>Payables</b>		
S2 Engineering Industry Private Limited	87.93	28.95
Stanseals Private Limited	0.15	23.60
S2 Engineering Services	16.99	-
Stanvalves & Controls Pvt Limited	1.09	-
Kandula Ramakrishna	1.74	-
Schematic Engineering Industries	1.42	-
<b>Loan Receivables</b>		
Stanseals Private Limited	-	24.81
S2 Engineering Industry Private Limited	2,256.83	1,246.00
<b>Interest Receivables</b>		
Stanseals Private Limited	-	0.30
S2 Engineering Industry Private Limited	9.92	21.84
<b>Corporate Guarantee</b>		
S2 Engineering Industry Private Limited	3,572.25	2,183.50

## 38. Transactions in foreign currency

	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>CIF value of Imports :</b>		
<b>Particulars</b>		
(a) Raw Material	164.86	33.30
(b) Stores, spares Parts and chemicals	16.55	20.00
<b>Earnings in Foreign currency :</b>		
(a) FOB value of Exports	-	58.79
<b>Expenditure in Foreign Currency:</b>		
(a) Consultancy charges paid	54.67	35.73
	<b>236.08</b>	<b>147.82</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 39 Financial instruments and fair value

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, as below, 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.

### Financial instruments by category

The carrying value and fair value of financial instruments as of 31 March 2023 and 2022, respectively were as follows:

Particulars	As of March 31, 2023		As of March 31, 2022	
	Total carrying value	Total fair value	Total carrying value	Total fair value
<b>Assets:</b>				
Investments	1,070.43	1,070.43	1,019.43	1,019.43
Cash and cash equivalents	541.57	541.57	11.36	11.36
Trade and other receivables	3,408.61	3,408.61	2,908.93	2,908.93
Loans	2,256.83	2,256.83	1,246.00	1,246.00
Other Financial assets	265.22	265.22	145.76	145.76
<b>Total</b>	<b>7,542.66</b>	<b>7,542.66</b>	<b>5,331.48</b>	<b>5,331.48</b>
<b>Liabilities:</b>				
Trade and other payables	3,734.55	3,734.55	3,079.42	3,079.42
Borrowings	2,456.98	2,456.98	2,339.69	2,339.69
Lease liabilities	1,390.48	1,390.48	1,518.76	1,518.76
Other financial liabilities	79.61	79.61	74.84	74.84
<b>Total</b>	<b>7,661.62</b>	<b>7,661.62</b>	<b>7,012.71</b>	<b>7,012.71</b>

There has been no transfers between levels during the year. The fair values of derivatives are based on derived mark-to-market values. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

Borrowings include Indian currency and Foreign currency long-term loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

## 40 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

### i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's Interest Expense is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

	Increase/decrease in basis points	Effect on Interest Expense
	31-Mar-23	INR lacs
INR	100.00	29.88
INR	-100.00	-29.88
	31-Mar-22	
INR	100.00	19.79
INR	-100.00	-19.79

### ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings and trade payables. The summary of derivative instruments and unhedged foreign currency exposure is as below:

#### Derivatives (not designated as hedges) outstanding as at the reporting date

Type	Currency	March 31, 2023		March 31, 2022	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
Cross currency swaps*	EURO	-	-	-	-
Interest rate swaps*	EURO	-	-	-	-
Forward contracts	USD	-	-	-	-

#### Un-hedged foreign currency exposure as at the reporting date:

Type	Currency	March 31, 2023		March 31, 2022	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
Trade payables	YEN	14.99	9.54	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant and without considering impact of derivatives not designated as hedges:

	March 31, 2023		March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
<u>Impact on profit before tax</u>				
YEN	0.48	0.48	-	-

### (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

#### *Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

#### *Investments*

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

#### *Details of financial assets – not due, past due and impaired*

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as of 31 March 2023. The Company's credit period for trade and other receivables payable by its customers generally ranges from 30-90 days.

The ageing of trade and other receivables is given below:

Reconciliation of impairment of trade receivables and other assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Impairment of Trade receivable</b>			
<b>Balance at the beginning of the year</b>	62.07	44.72	-
Add: Provision made during the year	45.52	74.50	44.72
Less: Reversal of earlier years provisions	34.86	57.15	-
Less: Bad debts written off from earlier years provisions			
<b>Balance at the end of the year*</b>	<b>72.73</b>	<b>62.07</b>	<b>44.72</b>
<b>Impairment of Other assets</b>			
Balance at the beginning of the year	-	-	-
Add: Provision made during the year	-	-	-
Less: Provision reversed during the year	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## (c) Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the 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 on undiscounted basis:

Maturities	Up to 1 year	1-3 years	3-5 years	Above 5 years	Total
<b>March 31, 2023</b>					
Non-current borrowings	250.31	207.22	-	-	457.53
Lease liabilities	152.68	179.88	432.88	472.37	1,237.80
Current borrowings	1,999.45	-	-	-	1,999.45
Trade payables	3,734.54	-	-	-	3,734.54
Other financial liabilities	79.61	-	-	-	79.61
<b>Total</b>	<b>6,216.59</b>	<b>387.10</b>	<b>432.88</b>	<b>472.37</b>	<b>7,508.93</b>
<b>March 31, 2022</b>					
Non-current borrowings	234.11	243.37	185.20	-	662.68
Lease liabilities	128.28	152.68	179.88	929.65	1,390.48
Current borrowings	1,677.01	-	-	-	1,677.01
Trade payables	3,079.42	-	-	-	3,079.42
Other financial liabilities	74.84	-	-	-	74.84
<b>Total</b>	<b>5,193.66</b>	<b>396.04</b>	<b>365.08</b>	<b>929.65</b>	<b>6,884.43</b>

## 41 Details of CSR expenditure

Details of Corporate Social Responsibility expenditure in accordance with section 135 of the Companies Act, 2013:

Particulars	For the year ended	
	31-Mar-23	31-Mar-22
i) Amount required to be spent by the company during the year	25.90	14.34
ii) Amount required to be set off for the financial year, if any	(0.58)	-0.42
<b>(iii) Total CSR obligation for the financial year</b>	<b>25.32</b>	<b>13.92</b>
iv) Amount of expenditure incurred		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above (including advance paid against the ongoing projects)	7.93	14.50
v) Shortfall/(excess) at the end of the year ((iii)-(iv))	<b>17.39</b>	<b>(0.58)</b>
vi) Total of previous years shortfall		
vii) Reason for shortfall	Refer below*	-

\* The company has identified certain projects namely Construction of water plants for providing the safe drinking water and the cost of the projects are ₹ 30 Lakhs. Out of ₹ 30 lakhs the company has paid ₹ 6 Lakhs as an advance to the vendor before 31 Mar 2023 and the balance has been transferred to CSR unspent account which will be used to complete the above mentioned projects as per the time lines mentioned in the section 135 of Companies Act, 2013.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### 42 Ratio Analysis:

Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (%)
Current ratio	Current Assets	Current Liabilities	1.69	1.16	45.30%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.82	1.81	-54.85%
Debt Service Coverage ratio	Earnings for debt service	Debt service	4.41	4.28	2.94%
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.23	0.38	-39.89%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	1.63	1.61	1.37%
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	6.64	6.10	8.79%
Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	3.89	4.29	-9.42%
Net Capital Turnover Ratio	Revenue	Working capital	3.94	10.33	-61.83%
Net Profit ratio	Net Profit	Revenue	0.10	0.10	-8.17%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.25	0.31	-20.28%

Note : All the ratios are calculated in terms of times

Explanations for Change in ratio by 25%

Current ratio - the change is due to issue of loan to related party.

Debt-Equity Ratio - the change is due to issue of equity shares during the year.

Return on Equity Ratio - the change is due increase in net profit and issue of equity shares during the year.

Net Capital Turnover Ratio - the change is due to increase in revenue & working capital (both are due to increase in operations).

### 43 Other statutory information

- (i) The Company has been allotted land by TSIC for setting up manufacturing facility. The agreement is entered into with the authority and possession obtained. Pursuant to the terms and conditions the registration of the land in the name of the Company would be made once the facility commences commercial operations.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (iii) The Company does not have any transactions with companies struck off under the Companies Act, 2013.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars						Year ended 31 March 2023		Year ended 31 March 2022	
Type of Borrower	Loans/ Advances granted Individually or Jointly with other. (Individually / Jointly)*	Repayable on demand (Yes / No)	Terms/ Period of repayment is specified (Yes / No)	Amount outstanding as at the balance sheet date	% of Total [Shall represent Percentage to total loan & advance in the nature of loan]	Amount outstanding as at the balance sheet date	% of Total [Shall represent Percentage to total loan & advance in the nature of loan]	Amount outstanding as at the balance sheet date	% of Total [Shall represent Percentage to total loan & advance in the nature of loan]
Related Parties	Individually	No	Yes	1,256.83	100	1,256.83	100.00	823.36	100.00

(viii) Utilisation of Borrowed funds and share premium:

- i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii) 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 Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (x) The Company has not revalued its Property Plant and Equipment and Intangible assets during the year.
- (xi) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xiii) The Company has not entered into any scheme of arrangement under the Companies Act, 2013.

## 44 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	31-Mar-23	31-Mar-22
Borrowings	207.22	428.57
Lease liabilities	1,390.48	1,518.76
Current borrowing	<b>2,249.76</b>	<b>1,911.12</b>
Less: cash and cash equivalents	541.57	11.36
<b>Net debt</b>	<b>3,305.89</b>	<b>3,847.09</b>
Equity share capital	1,578.46	1,530.00
Other equity	9,840.29	4,541.66
<b>Total capital</b>	<b>11,418.75</b>	<b>6,071.66</b>
<b>Capital and net debt</b>	<b>8,112.86</b>	<b>2,224.57</b>
Gearing ratio	0.29	0.63

## 45 Commitments and Contingent Liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Capital and other commitments</b>		
(a) Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	536.18	148.36
<b>Contingent liabilities</b>		
Claims against the company not acknowledge as debts		
(a) Bank Guarantee	378.87	-
(b) LC issued but not accepted	67.28	-
(c) Corporate guarantees given for the loans taken by wholly owned subsidiary	3,572.25	2,183.50
<i>Stamps Enforcement, Mumbai, for registration of Mumbai property transferred and vested into the company in pursuance of demerger</i>		

## 46 Leases:

The Company has lease contracts for buildings. The leases generally have lease terms between 3 to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There lease contracts that include extension and termination options, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer Note 3 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
At the beginning of the year	1,518.76	-
Additions	-	1,645.19
Leases terminated		-
Accretion of interest	123.72	133.57
Payments	(252.00)	(260.00)
<b>At the end of the year</b>	<b>1,390.48</b>	<b>1,518.76</b>
Current	152.68	128.28
Non-current	1,237.80	1,390.48

The maturity analysis of lease liabilities is disclosed in Note 41. The following are the amounts recognised in the statement of profit or loss:

Depreciation expense of right-of-use assets	203.15	203.15
Interest expense on lease liabilities	123.72	133.57
Expense relating to short-term leases	33.93	48.15
<b>Total amount recognized in the P&amp;L account</b>	<b>360.80</b>	<b>384.87</b>

The Company had total cash outflows for leases of INR 252.00 Lakhs (Previous year: INR 260.00 Lakhs).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The effective interest rate for lease liabilities is 8.47%, with maturity between 2028-29.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense relating to leases of low-value assets	-	-
Expense relating to short-term leases	33.93	48.15
Variable lease payments	-	-
<b>Total Lease Payments not considered as Lease payments under Ind AS 116</b>	<b>33.93</b>	<b>48.15</b>

47 Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

Place: Hyderabad  
 Date : 30 April 2023

**P. Anjaneyulu**  
 Chief financial officer

**K.Hima Priya**  
 Company Secretary

# INDEPENDENT AUDITOR'S REPORT

To the Members of Standard Glass Lining Technology Limited (Formerly known as Standard Glass Lining Technology Private Limited)

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Standard Glass Lining Technology Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (Including other comprehensive income), the consolidated statement of changes in equity, the Consolidated Statement of Cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Accounting Standards prescribed under section 133 of the Act read Companies (Accounts) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of Consolidated profit and other comprehensive income, consolidated changes in equity and its Consolidated Cash Flows for the year then ended.

### Basis for Opinion

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 Consolidated Financial Statements section of our report. We are independent of the Group its associate and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective

Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### Other Matter

The comparative consolidated financial information of the Company for the year ended March 31, 2022 included in these consolidated financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated September 30, 2022 on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls with reference to financial statements of the Group 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 Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 45 to the Consolidated financial statements;
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
    - iv. The respective Managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their

knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The respective Managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary 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.

V. The Company has neither declared nor paid any dividend during the year.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiary company included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

### For M S K A & Associates

Chartered Accountants  
ICAI Firm Registration No. 105047W

### Amit Kumar Agarwal

Partner  
Membership No. 214198  
UDIN: 23214198BGXCQK4655

Place: Hyderabad  
Date: April 30, 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STANDARD GLASS LINING TECHNOLOGY LIMITED

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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 ability of the Group and its associates and jointly controlled entities 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 consolidated 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 Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

### Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 23214198BGXCQK4655

Place: Hyderabad

Date: April 30, 2023

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF STANDARD GLASS LINING TECHNOLOGY LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Standard Glass Lining Technology Limited on the consolidated Financial Statements for the year ended March 31, 2023]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Standard Glass Lining Technology Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 the respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary company, which is a company incorporated in India.

#### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the 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 consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated

financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Amit Kumar Agarwal**

Partner

Membership No. 214198

UDIN: 23214198BGXCQK4655

Place: Hyderabad

Date: April 30, 2023

# CONSOLIDATED BALANCE SHEET

(All amounts are in INR Lakh except share data or unless otherwise stated)

S. No.	Particulars	Note	As at March 31, 2023	As at March 31, 2022
	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3A	5,468.15	3,193.27
	(b) Capital work-in-progress	3B	329.14	70.00
	(c) Right-of-use assets	3C	1,974.14	1,966.65
	(d) Other Intangible assets	4	61.58	38.96
	(e) Financial Assets			
	(i) Loans	5	-	24.81
	(ii) Other financial assets	6	212.62	355.09
	(f) Income tax asset (net)		68.65	-
	(g) Other non-current assets	7	351.27	406.39
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	8	14,340.94	12,592.69
	(b) Financial Assets			
	(i) Trade receivables	9	9,128.08	8,216.58
	(ii) Cash and cash equivalents	10	542.06	11.67
	(iii) Other financial assets	6	519.86	122.44
	(c) Other current assets	7	1,781.96	2,812.13
	<b>Total Assets</b>		<b>34,778.45</b>	<b>29,810.68</b>
	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	11	1,578.46	1,530.00
	(b) Other Equity	12	13,993.52	5,366.00
<b>2</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	13	302.98	678.90
	(ii) Lease liabilities	14	1,847.25	1,824.57
	(b) Provisions	16	208.27	142.27
	(c) Deferred tax liabilities (Net)	17	58.52	38.44
	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	13	5,703.19	4,236.12
	(ii) Lease liabilities	14	342.86	241.27
	(iii) Trade payables			
	(a) Total Outstanding dues to micro and small enterprises	19	826.03	612.96
	(b) Total Outstanding dues other than micro and small enterprises	19	6,670.55	5,634.61
	(iv) Other financial liabilities	15	77.29	205.23
	(b) Other current liabilities	18	2,936.18	8,931.84
	(c) Provisions	16	83.31	58.76
	(d) Current Tax Liabilities (Net)	20	150.04	309.72
	<b>Total Equity and Liabilities</b>		<b>34,778.45</b>	<b>29,810.68</b>

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

Place: Hyderabad  
 Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**P. Anjaneyulu**  
 Chief financial officer

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

**K.Hima Priya**  
 Company Secretary

# CONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(All amounts are in INR Lakh except share data or unless otherwise stated)

S. No.	Particulars	Note	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I	Revenue from Operations	21	49,758.79	24,018.74
II	Other Income	22	248.77	131.48
III	<b>Total Income (I+II)</b>		<b>50,007.56</b>	<b>24,150.22</b>
IV	Expenses			
	Cost of raw materials consumed	23	29,966.54	13,918.66
	Changes in inventories of work-in-progress	24	(1417.44)	(2404.22)
	Labour charges		4,422.30	2,822.35
	Employee benefits expenses	25	2,503.80	1,352.07
	Finance costs	26	869.56	377.29
	Depreciation and amortization expenses	27	770.78	423.57
	Other expenses	28	5,706.76	4,283.46
	<b>Total expenses (IV)</b>		<b>42,822.30</b>	<b>20,773.18</b>
V	<b>Profit/(loss) before tax (III-VI)</b>		<b>7,185.26</b>	<b>3,377.04</b>
VI	<b>Tax expense:</b>			
	(1) Current tax		1,823.99	907.66
	Income tax relating to earlier years		(2.89)	-
	(2) Deferred tax		21.85	(45.19)
VII	<b>Profit (Loss) for the year (V-VI)</b>		<b>5,342.32</b>	<b>2,514.56</b>
VIII	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss		(7.05)	7.23
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.77	(1.82)
	Other comprehensive income for the year, net of tax		(5.28)	5.41
IX	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>5,337.04</b>	<b>2,519.97</b>
X	<b>Total comprehensive income for the year</b>			
	Attributable to:			
	Equity holders of the parent		<b>5,337.04</b>	<b>2,519.97</b>
	Non-controlling interests		-	-
XI	<b>Earnings per equity share</b>			
	(1) Basic Earnings per equity share		34.90	22.16
	(2) Diluted Earnings per equity share		34.90	22.16

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Amit Kumar Agarwal**  
**Rao**  
Partner  
Membership No: 214198

Place: Hyderabad  
Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
Managing Director  
DIN: 00762497

**P. Anjaneyulu**  
Chief financial officer

**Katragadda Venkata Mohana**  
Director  
DIN: 08362181

**K.Hima Priya**  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	<b>7,185.26</b>	<b>3,377.04</b>
<b>Adjustments for :</b>		
Finance costs	869.56	377.29
Interest income	(16.36)	(59.23)
Depreciation and Amortisation expense	770.78	423.57
Allowance for Expected Credit Loss including the bad debts	114.36	139.09
Liabilities written back	-	31.65
Advances written off	-	7.23
<b>Operating profit before working capital changes</b>	<b>8,923.60</b>	<b>4,296.64</b>
Adjustments for working capital changes in:		
Inventories	(1,748.25)	(10,232.89)
Trade receivables	(1,025.86)	(6,259.52)
Other financial assets	(256.56)	(331.26)
Other current assets	1,030.16	(1,783.43)
Other non current assets	(35.57)	(63.75)
Trade payables	1,249.02	3,927.41
Other current liabilities	(5,995.65)	7,508.27
Provisions	83.49	118.79
<b>Cash generated from operations</b>	<b>2,224.38</b>	<b>(2,719.18)</b>
Income tax paid	(2,049.40)	(821.71)
<b>Net cash flows generated from operating activities (A)</b>	<b>174.98</b>	<b>(3,540.89)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital advances and creditors for capital goods)	(3,349.55)	(3,471.77)
Purchase of Intangible Assets	(22.63)	(16.62)
Interest income	17.98	59.23
<b>Net cash flows used in investing activities (B)</b>	<b>(3,354.20)</b>	<b>(3,429.16)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	3,338.94	2,110.32
Proceeds from/ (Repayment of) Long-term borrowings	(375.92)	27.13
Proceeds from / (Repayment of) Current borrowings	1,467.06	3,154.92
Loans	24.81	0.19
Finance costs	(670.46)	(233.88)
Payment of interest Portion of Lease liabilities	(199.10)	(143.41)
inflow from (Payment) of Principal Portion of Lease liabilities	124.28	2,065.83
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>3,709.61</b>	<b>6,981.10</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>530.39</b>	<b>11.04</b>
Cash and cash equivalents at the beginning of the year	11.67	0.63
<b>Cash and cash equivalents at the end of the year</b>	<b>542.06</b>	<b>11.67</b>

Cash and Cash equivalents includes:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash on hand	0.01	0.28
Cash Equivalents		
- Current accounts	542.05	11.39
<b>Total</b>	<b>542.06</b>	<b>11.67</b>

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

Place: Hyderabad  
 Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**P. Anjaneyulu**  
 Chief financial officer

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

**K.Hima Priya**  
 Company Secretary

# STATEMENT OF CHANGES IN EQUITY

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Equity Share Capital

For the year ended March 31, 2023	31 March 2023	
	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
Balance as at April 01, 2022	15,300,000	1,530.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 01, 2022	15,300,000	1,530.00
Changes in equity share capital during the current year (Note 11)	484,607	48.46
Balance as at March 31, 2023	15,784,607	1,578.46

For the year ended March 31, 2022	31 March 2022	
	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
Balance as at April 01, 2021	9,000,000	900.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 01, 2021	9,000,000	900.00
Changes in equity share capital during the previous year (Note 11)	6,300,000	630.00
Balance as at March 31, 2022	15,300,000	1,530.00

Particulars	No. of Shares	Amount
Balance as at April 1, 2021	9,000,000	900.00
Changes in equity share capital during the year	6,300,000	630.00
Balance as at March 31, 2022	15,300,000	1,530.00
Changes in equity share capital during the year	484,607	48.46
Balance as at March 31, 2023	15,784,607	1,578.46

## Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total Other Equity
	Securities Premium	Capital Reserve	Retained Earnings	Re-measurement gains/ (losses) on defined benefit plans	
Balance as at April 1, 2021	67.86	-	1,297.85	-	1,365.71
Profit for the year	-	-	2,514.56	-	2,514.56
Other comprehensive income for the year	-	-	-	5.41	5.41
Issue of share capital during the year	1,575.00	-	-	-	1,575.00
On account of business combination	-	(94.68)	-	-	(94.68)
Balance as at March 31, 2022	1,642.86	(94.68)	3,812.41	5.41	5,366.00
Profit for the year	-	-	5,342.32	-	5,342.32
Other comprehensive income for the year	-	-	-	(5.28)	(5.28)
Issue of share capital during the year	3,290.48	-	-	-	3,290.48
Balance as at March 31, 2023	4,933.34	(94.68)	9,154.73	0.13	13,993.52

## Nature and purpose of reserves

### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Act.

### Retained earnings

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

### Re-measurement gains/ (losses) on defined benefit plans

Remeasurements of the net defined benefit plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

Summary of significant accounting policies

1-2

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Amit Kumar Agarwal**  
Partner  
Membership No: 214198

Place: Hyderabad  
Date : 30 April 2023

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
CIN: U29220TG2012PLC082904

**Kandula Nageswara Rao**  
Managing Director  
DIN: 00762497

**P. Anjaneyulu**  
Chief financial officer

**Katragadda Venkata Mohana Rao**  
Director  
DIN: 08362181

**K.Hima Priya**  
Company Secretary



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### 1.1 General Information

Standard Glass Lining Technology Limited (the Company) (formerly known as Standard Glass Lining Technology Private Limited) was incorporated on September 06, 2012 and subsequently converted in to unlisted public Company with effective from June 17, 2022. The Company is engaged in manufacturing and selling of glass lined reactors, receivers and storage tanks and Company is specialized in providing the turnkey solutions for the pharmaceutical Industry sector.

The registered office of the Company is located at D.12, Phase I, IDA, Jeedimetla, Hyderabad-500055.

### 1.2 Basis of preparation and presentation of Financial Statements

The consolidated financial statements of Standard Glass Lining Technology Limited (the Company or parent) (formerly known as Standard Glass Lining Technology Private Limited) together with its subsidiary (collectively termed as "Group" or "the consolidated entities" have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (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

For all periods up to and including the year ended March 31, 2022, the Company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These financial statements for the year ended March 31, 2023 are the first the Company has prepared in accordance with Ind AS.

Refer note 29 for information on how the Company adopted Ind AS.

### 1.3 Statement of Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date March 31, 2023. These financial statements for the year ended March 31, 2023 were approved and authorised to issue by the Board of Directors as on April 30, 2023.

### 1.4 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Derivative financial instruments are measured at fair value.

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- Long-term borrowings are measured at amortized cost using the effective interest rate method.
- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

### 1.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at March 31, 2023.

Details of entities being consolidated are as under

S No	Name of the Company	Country of incorporation	Relationship	% of Voting power
1	S2 Engineering Industry Pvt Ltd	India	Wholly owned subsidiary	100%

## 2. Summary of significant accounting policies

### 2.1 Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

- a. It is expected to be settled in the Group's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as noncurrent.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. Deferred tax assets and liabilities are always disclosed as non-current.

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

### 2.2 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Group.

### 2.3 Fair value measurement

The Group 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 Group. 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing 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 Group 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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved, wherever considered necessary. For the purpose of fair value disclosures, the Group 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. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### 2.4 Foreign Currency transactions

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

comprehensive income ("OCI") or Statement of profit or loss are also recognised in OCI or Statement of profit or loss, respectively).

### 2.5 Property Plant & Equipment

On transition to Ind AS i.e. on 1 April 2021, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation is recognized in the statement of profit and loss on a straight line basis based on the Companies Act, 2013 ("Schedule II"). For assets acquired or disposed of during the year, depreciation is provided on pro rata basis. Land is not depreciated.

### The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Factory sheds	30
Plant and machinery	15
Electrical equipment	10
Computers	3
Office equipments	5
Furniture and Fixtures	10
Motor cars and cycles	8 to 10 years

Insurance/capital/critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/critical spares, whichever is lower.

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 de-recognition 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.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress.

Assets not ready for use are not depreciated.

### 2.6 Intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2021 measured as per the previous GAAP and use that carrying value as the deemed cost.

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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition 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.

### Computer Software

The computer software is amortised on a straightline basis over the useful economic life of 6 years, as estimated by the management.

Tabulated below is the useful life determined by the management for different class of intangible assets:

### Type of Asset

Intangible Assets	6
-------------------	---

## 2.7 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

#### Initial recognition and measurement

All financial assets are recognized 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) 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 finance 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.

### Debt instrument at FVTOCI

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met: (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Equity Instruments

fair value. Equity instruments which are held for trading are classified as FVTPL. If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### Impairment of Financial Assets

The Group assesses at each balance sheet date whether a financial asset or a Group of financial assets is impaired.

In accordance with Ind AS 109, the Group uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Group follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated

For other assets, the Group uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### b. Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

#### Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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 Group 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 risk

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Group 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

Borrowings is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized 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.

### De-recognition

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

### Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### 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.

### 2.8 Investment in Subsidiaries, Associates and Joint Ventures

The Group has accounted for its investments in equity shares of Subsidiaries, associates and joint venture at cost less impairment loss (if any).

### 2.9 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, currency and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

### 2.10 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment, and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### 2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventories consisting of raw materials, stores and spares, packing materials, work-in-progress and finished goods.

Finished goods and Work-in-Progress are valued at lower of cost and net realisable value.

Raw Materials and Packing Materials are valued at cost on weighted average basis.

Stores & Spares are valued at weighted average cost.

Goods-in-Transit are valued at cost.

Materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

### 2.12 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit. For the purpose of impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or Groups of assets (the "cash-generating unit").

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

### *Reversal of Impairment of Assets*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 2.13 Employee Benefits

#### **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Defined contribution plans**

The Group's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

#### **Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the Statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

in the statement of profit and loss. The Group recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

### **Termination benefits**

Termination benefits are recognised as an expense in the statement of profit and loss when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### **Other long-term employee benefits**

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

### **Compensated absences**

The Group's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

## **2.14 Provisions, contingent liabilities and contingent assets**

### **Provisions**

A provision is recognized in the statement of profit and loss if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **Contingent liabilities and contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but

probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

### **Onerous contracts**

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### **Reimbursement rights**

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

## **2.15 Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in its revenue arrangements.

Goods and Service Tax (GST) is not received by the Group on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

### **Sale of products**

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

### **Sale of services**

Service income is recognized, on an accrual basis, at agreed rate in accordance with the terms of the agreement.

### **Contract balances**

#### *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### *Trade receivables*

A trade receivable represents the Group'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).

#### *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## **2.16 Interest Income**

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee and Deposits. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

## **2.17 Borrowing Costs**

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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.18 Tax Expenses**

Tax expense consists of current and deferred tax.

### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). 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 between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

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

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 period 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 relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 2.19 Leases

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

#### *The Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial assets.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives

receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Borrowings.

#### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### 2.21 Government grants

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### 2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 2.23 Significant accounting judgements, estimates, and assumption

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

#### *Determining the lease term of contracts with renewal and termination options*

The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### *Property, plant and equipment*

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

#### *Impairment of financial and non-financial assets*

Significant management judgement is required to determine the amounts of impairment loss on the financial and non financial assets. The calculations of impairment loss are sensitive to underlying assumptions.

#### *Tax provisions and contingencies*

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### *Defined benefit plans*

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

#### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### 2.24 New Accounting pronouncements

The Ministry of Corporate Affairs (MCA) vide notification dated March 23, 2022 issued the Companies (Indian Accounting Standards) Amendment Rules, 2022. These rules notify certain amendments to Indian Accounting Standards (Ind AS). These amendments are effective from April 01, 2022.

#### **Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**

As per Ind AS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations (i.e. the lower of the costs of fulfilling the contract and the costs of terminating it) outweigh the economic benefits. Ind AS 37 did not define what are the costs of fulfilling a contract.

The amendments have clarified the types of costs a Group can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

- (a) The incremental costs of fulfilling that contract—for example, direct labour and materials; and
- (b) An allocation of other costs that relate directly to fulfilling contracts—for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

The amendments apply for annual reporting periods beginning on or after April 01, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of initially applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not required to be restated.

#### **Ind AS 103, Business Combinations**

The amendments have given reference of Conceptual Framework for Financial Reporting under Ind AS for definition of assets and liabilities without changing the accounting requirements for business combinations.

This amendment is applicable to business combinations for which acquisition date is on or after April 01, 2022.

#### **Ind AS 16, Property, Plant and Equipment**

Amendments to Ind AS 16 have clarified the accounting treatment for sale proceeds of items produced by PPE while preparing it for its intended use.

These amendments have clarified that excess of net sale proceeds of items produced over the cost of testing, if any, would not be recognised in the statement of profit or loss, but deducted from the directly attributable costs considered as part of cost of an item of PPE.

The amendments are effective for annual reporting periods beginning on or after April 1, 2022

The aforesaid amendments do not have any material impact on the financial statements of the Group.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## NOTE NO:3 A

### Property, plant and equipment

#### Gross carrying amount

Particulars	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equip-ment	Compu-ters	Electrical Equip-ment"	Lease hold improve-ments	Road	Land	Total
<b>Balance as at April 1, 2021</b>	<b>1,826.17</b>	<b>10.67</b>	<b>23.52</b>	<b>22.50</b>	<b>17.12</b>	<b>409.09</b>	<b>71.10</b>	-	-	<b>2,380.17</b>
Reclassification	43.93	6.13	-	(15.70)	(4.82)	(44.45)	14.14	-	-	(0.78)
<b>Balance as at April 1, 2021</b>	<b>1,870.10</b>	<b>16.80</b>	<b>23.52</b>	<b>6.80</b>	<b>12.30</b>	<b>364.64</b>	<b>85.24</b>	-	-	<b>2,379.39</b>
Additions for the year	813.22	25.29	103.50	16.79	15.77	26.98	99.48	-	-	1,101.02
Disposals for the year	94.68	-	-	-	-	-	-	-	-	94.68
<b>Balance as at March 31, 2022</b>	<b>2,588.64</b>	<b>42.09</b>	<b>127.02</b>	<b>23.59</b>	<b>28.07</b>	<b>391.62</b>	<b>184.72</b>	-	-	<b>3,385.73</b>
Additions for the year	558.94	197.83	68.48	51.92	47.50	47.16	25.51	42.82	1,605.18	2,645.33
Disposals for the year	(30.67)	-	-	-	-	-	-	-	-	(30.67)
<b>Balance as at March 31, 2023</b>	<b>3,116.91</b>	<b>239.92</b>	<b>195.50</b>	<b>75.51</b>	<b>75.57</b>	<b>438.78</b>	<b>210.23</b>	<b>42.82</b>	<b>1,605.18</b>	<b>6,000.39</b>

#### Accumulated depreciation

Particulars	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equip-ment	Compu-ters	Electrical Equip-ment"	Lease hold improve-ments	Road	Land	Total
<b>Balance as at April 1, 2021</b>	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	134.43	4.09	7.52	0.80	4.46	36.94	4.23	-	-	192.47
On Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>134.43</b>	<b>4.09</b>	<b>7.52</b>	<b>0.80</b>	<b>4.46</b>	<b>36.94</b>	<b>4.23</b>	-	-	<b>192.47</b>
Depreciation charge for the year	212.70	10.09	26.80	12.56	19.80	50.30	6.89	0.99	-	340.13
On Disposals	(0.34)	-	-	-	-	-	-	-	-	(0.34)
<b>Balance as at March 31, 2023</b>	<b>346.79</b>	<b>14.18</b>	<b>34.32</b>	<b>13.36</b>	<b>24.26</b>	<b>87.24</b>	<b>11.12</b>	<b>0.99</b>	-	<b>532.26</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Net carrying amount

Particulars	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equip-ment	Compu-ters	Electrical Equip-ment"	Lease hold improve-ments	Road	Land	Total
As on April 1, 2021	1,826.17	10.67	23.52	22.50	17.12	409.09	71.10	-	-	2,380.17
As on March 31, 2022	2,454.21	38.00	119.49	22.79	23.61	354.68	180.49	-	-	3,193.27
As on March 31, 2023	2,770.11	225.74	161.18	62.15	51.32	351.53	199.10	41.83	1,605.18	5,468.15

\*The companies within the group have been allotted land by TSIC for setting up manufacturing facility. The agreement is entered into with the authority and possession obtained Pursuant to the terms and conditions the registration of the land in the name of the respective company would be made once the facility commences commercial operations.

\*\* The Company has received government grant amounting to ₹ 20 Lakhs towards capital investment made under IIPP 2010-15 Scheme.

## Note:3B

### Capital Work in Progress

Particulars	Amount
<b>Balance as at April 1, 2021</b>	-
Additions for the year	70.00
Capitalized during the year	-
<b>Balance as at March 31, 2022</b>	<b>70.00</b>
Additions for the year	329.14
Capitalized during the year	(70.00)
<b>Balance as at March 31, 2023</b>	<b>329.14</b>

### Ageing of Capital Work in Progress as at March 31,2023

CWIP-Tangibles	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	329.14	-	-	-	329.14
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>329.14</b>	-	-	-	<b>329.14</b>

### Ageing of Capital Work in Progress as at March 31,2022

CWIP-Tangibles	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	70.00	-	-	-	70.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>70.00</b>	-	-	-	<b>70.00</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note No:3 C

### Right-of-use assets

#### Gross carrying amount

Particulars	Land& Building leasehold	Total
<b>Balance as at April 1, 2021</b>	-	-
Additions for the year	2,233.77	2,233.77
Disposals for the year	38.37	38.37
<b>Balance as at March 31, 2022</b>	<b>2,195.40</b>	<b>2,195.40</b>
Additions for the year	427.69	427.69
Disposals for the year	-	-
<b>Balance as at March 31, 2023</b>	<b>2,623.09</b>	<b>2,623.09</b>

#### Accumulated amortisation

Particulars	Land& Building leasehold	Total
<b>Balance as at April 1, 2021</b>	-	-
Amortisation for the year	228.74	228.74
Disposals for the year	-	-
<b>Balance as at March 31, 2022</b>	<b>228.74</b>	<b>228.74</b>
Amortisation for the year	420.21	420.21
<b>Balance as at March 31, 2023</b>	<b>648.95</b>	<b>648.95</b>

#### Net carrying amount

Particulars	Land& Building leasehold	Total
<b>As on April 1, 2021</b>	-	-
<b>As on March 31, 2022</b>	1,966.65	1,966.65
<b>As on March 31, 2023</b>	1,974.14	1,974.14

## Note:4

### Other Intangible assets

#### Gross carrying amount

Particulars	Computer Software	Total
<b>Balance as at April 1, 2021</b>	<b>22.34</b>	<b>22.34</b>
Reclassification	0.78	0.78
<b>Balance as at April 1, 2021</b>	<b>23.12</b>	<b>23.12</b>
Additions for the year	18.19	18.19
Disposals for the year	-	-
<b>Balance as at March 31, 2022</b>	<b>41.31</b>	<b>41.31</b>
Additions for the year	33.07	33.07
Disposals for the year	-	-
<b>Balance as at March 31, 2023</b>	<b>74.38</b>	<b>74.38</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Accumulated depreciation

Particulars	Computer Software	Total
Balance as at April 1, 2021	-	-
Depreciation charge for the year	2.36	2.36
On Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>2.36</b>	<b>2.36</b>
Depreciation charge for the year	10.44	10.44
On Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>12.80</b>	<b>12.80</b>

## Net carrying amount

Particulars	Computer Software	Total
As on April 1, 2021	22.34	22.34
As on March 31, 2022	38.96	38.96
As on March 31, 2023	61.58	61.58

Note: The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property Plant and Equipment and Intangible asset measured as per the previous GAAP and use that as its deemed cost as at the date of adoption i.e. April 01, 2021 or date of incorporation, whichever is later.

## Note 5

### Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Loans to related parties	-	-	24.81	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24.81</b>	<b>-</b>

## Note 6

### Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Security Deposits	52.62	-	49.02	-
Bank deposits with more than twelve months maturity	3.99	361.08	198.06	-
Advance with chitfund company	156.01	-	108.01	-
Advances to employees	-	152.64	-	114.69
Interest accrued	-	6.14	-	7.75
<b>Total</b>	<b>212.62</b>	<b>519.86</b>	<b>355.09</b>	<b>122.44</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 7

### Other assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Capital Advances	107.76	-	198.45	-
Security Deposits	243.51	-	207.94	-
Advances to vendors	-	1,204.42	-	1,876.52
Balances with statutory / government authorities	-	540.62	-	927.84
Prepaid Insurance	-	10.33	-	7.77
Prepaid Expenses	-	26.59	-	-
<b>Total</b>	<b>351.27</b>	<b>1,781.96</b>	<b>406.39</b>	<b>2,812.13</b>

## Note 8

### Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	5,174.63	3,781.75
Work-in-progress	8,620.41	7,202.97
Consumable stores and spares	545.90	1,607.97
<b>Total</b>	<b>14,340.94</b>	<b>12,592.69</b>

## Note 9

### Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - unsecured	9,324.71	8,387.82
Trade receivables considered doubtful - unsecured	-	-
Less: Allowance against expected credit loss	(196.63)	(171.24)
<b>Total</b>	<b>9,128.08</b>	<b>8,216.58</b>

### Trade receivables ageing schedule as at March 31, 2023

Particulars	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	Total
(i) Undisputed Trade receivables - considered good	6,811.72	1,539.71	939.38	10.50	23.40	9,324.71
(ii) Undisputed Trade Receivables - considered doubtful unsecured	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	(196.63)
<b>Total</b>	<b>6,811.72</b>	<b>1,539.71</b>	<b>939.38</b>	<b>10.50</b>	<b>23.40</b>	<b>9,128.08</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Trade receivables ageing schedule as at March 31, 2022

Particulars	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	Total
(i) Undisputed Trade receivables - considered good	8,052.87	206.06	67.57	10.46	-	8,336.95
(ii) Undisputed Trade Receivables - considered doubtful unsecured	-	-	16.39	10.46	24.03	50.87
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	(171.24)
<b>Total</b>	<b>8,052.87</b>	<b>206.06</b>	<b>83.95</b>	<b>20.91</b>	<b>24.03</b>	<b>8,216.58</b>

### Note 10

#### Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.01	0.28
Balances with banks in current account	542.05	11.39
<b>Total</b>	<b>542.06</b>	<b>11.67</b>

### Note 11

#### Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Authorised:</b>				
Equity shares of ₹ 10 each	20,000,000	2,000.00	20,000,000	2,000.00
<b>Issued, subscribed and paid up:</b>				
Equity shares of ₹ 10 each fully paid up	15,784,607	1,578.46	15,300,000	1,530.00

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

##### Equity Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	15,300,000	1,530.00	9,000,000	900.00
Add: Issued during the period	484,607	48.46	6,300,000	630.00
Outstanding at the end of the period	15,784,607	1,578.46	15,300,000	1,530.00

#### (b) Terms / rights attached to equity shares

The Company has only one class of share referred to as Equity Share having a par value of ₹ 10/-. Each share holder is entitled to one vote per share and the amount of dividend declared if any, by the Board of Directors. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining net assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## c) Details of shareholders holding more than 5% of the equity shares of the company

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Equity shares of INR 10 each fully paid up				
K Rama Krishna	48.96	31.02%	48.96	32.00%
K Krishna Veni	41.31	26.17%	41.31	27.00%
S2 Engineering Services	27.09	17.16%	27.09	17.71%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## d) Details of Shares held by Promoters at the end of the year

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Kandula Ramakrishna	48.96	31.02%	-0.98%	48.96	32.00%	6.00%
Kandula Krishna Veni	41.31	26.17%	-0.83%	41.31	27.00%	5.00%
Kandula Nageswara Rao	7.65	4.85%	-0.15%	7.65	5.00%	0.00%
Venkata Mohana Rao Katragadda	1.80	1.14%	-0.04%	1.80	1.18%	-0.82%
Venkata Siva Prasad Katragadda	1.80	1.14%	-0.04%	1.80	1.18%	-0.82%
Kudaravalli Punna Rao	0.83	0.53%	-0.02%	0.83	0.54%	-1.46%
<b>Promoter group</b>						
Katragadda Harini	2.17	1.38%	-0.04%	2.17	1.42%	-3.58%
Katragadda Likitha	2.25	1.43%	-0.05%	2.25	1.47%	-1.03%
Katragadda Mahitha	2.25	1.43%	-0.05%	2.25	1.47%	-1.03%
Katragadda Venkataramani	2.76	1.75%	-0.06%	2.76	1.80%	-3.20%
Katragadda Poojitha	1.80	1.14%	-0.04%	1.80	1.18%	-0.82%
Kudaravalli Bala Bhavani	0.90	0.57%	-0.02%	0.90	0.59%	-0.41%
Kudaravalli Srikanth	0.90	0.57%	-0.02%	0.90	0.59%	-0.41%
Kudaravalli Krishnakanth	0.90	0.57%	-0.02%	0.90	0.59%	-0.41%
M/s.S2 Engineering services (Represented by its Managing Partner Mr. Ramakrishna Kandula)	24.03	15.22%	-2.48%	27.09	17.71%	1.71%
M/s. Standard Holdings (Represented by its Managing Partner Mrs. Krishna Veni Kandula)	5.04	3.19%	-0.10%	5.04	3.29%	3.29%
<b>Total</b>	<b>145.35</b>	<b>92.10%</b>		<b>148.41</b>	<b>97.01%</b>	

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 12

### Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total Other Equity
	Securities Premium	Capital Reserve	Retained Earnings	Re-measurement gains/(losses) on defined benefit plans	
<b>Balance as at April 1, 2021</b>	<b>67.86</b>	-	<b>1,297.85</b>	-	<b>1,365.71</b>
Profit for the year	-	-	2,514.56	-	2,514.56
Other comprehensive income for the year	-	-	-	5.41	5.41
Issue of share capital during the year	1,575.00	-	-	-	1,575.00
On account of business combination	-	(94.68)	-	-	(94.68)
<b>Balance as at March 31, 2022</b>	<b>1,642.86</b>	<b>(94.68)</b>	<b>3,812.41</b>	<b>5.41</b>	<b>5,366.00</b>
Profit for the year	-	-	5,342.32	-	5,342.32
Other comprehensive income for the year	-	-	-	(5.28)	(5.28)
Issue of share capital during the year	3,290.48	-	-	-	3,290.48
<b>Balance as at March 31, 2023</b>	<b>4,933.34</b>	<b>(94.68)</b>	<b>9,154.73</b>	<b>0.13</b>	<b>13,993.52</b>

## Note 13

### Non-current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans (Secured, at amortised cost)		
Term loans from bank (secured)	302.98	678.90
<b>Total</b>	<b>302.98</b>	<b>678.90</b>

### Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Cash credit facility from bank (secured)	4,896.87	3,098.71
Current maturities of long term borrowings	405.38	412.55
Interest free Loans from related parties (repayable on demand)	391.68	685.57
Loan from chit fund company	9.26	39.29
<b>Total</b>	<b>5,703.19</b>	<b>4,236.12</b>

### Standard Glass Lining Technology Limited

- Indian Rupee term loans amounting to ₹ 708.36 Lakhs carrying interest rate ranging from 7.1% per annum to 10.9% per annum repayable on a monthly basis till January 2025. Loan from chit fund is payable is at ₹ 5,00,000 pm (before considering dividend on chit) till May 2023.
- All the facilities from banks (Term loans, Emergency Credit loan Letter of Credits and Cash credit) are secured by exclusive charge on all the unencumbered fixed assets and current assets (Inventories and Trade receivables) of the company.
- Further, all the loans are secured (primary security) by exclusive charge on
  - Residential property situated at No 593/MIGII, KPHB colony, Kukatpally, Hyderabad Telangana
  - Industrial property situated at Sy no 293/2 Phase 1, Jeedimetla Hyderabad Telangana Quthbullapur

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

- c) Industrial property situated at Plot no D12, Jeedimetla, Hyderabad
- d) Paripassu charge on Plot no 43 to 48, 50 to 54, Tech park, IDA Nacharam, Telangana
- iv) Further, all the loans has been guranteed by the personal guarentee of the following directors unconditionally and irrevocably:
  - Kandula Krishna Veni , Kudaravalli Punna rao, Kandula Nageshwara rao, Katragadda Venkata Ramani, Katragadda Venkata Shiva Prasad, Kandula Rama Krishna and S2 Engineering services.
- v) The Company has obtained term loan from ICICI Bank during the financial year 2019-20 & 2020-21. As per the Loan Agreement/ term sheet, the said Loan was taken for the general corporate and working capital management. The company has used such borrowings for the purposes as stated in the loan agreement.

## Subsidiary company - S2 Engineering Industry Private Limited

- a) Cash Credit from banks carries an interest ranging from 7.10% to 8.95% per annum and repayable in tenure of 12 months.
- b) Indian rupee term loans from banks carries interest ranging from 7.85% to 9.4% per annum and the loans are repayable in the tenure of 19 months to 34 months.
- c) Cash Credit from banks is secured by the hypothecation of entire current assets of the company, both present & future.
- d) Term loans from the banks are secured by hypothecation of entire unencumbered movable fixed assets of the company excluding vehicles/assets under HP/Lease, both present and future.
- e) Cash credit loan and term loans have been guaranteed by Standard Glass Lining Technology Limited (Parent company) and directors of the company.
- f) The loan from parent company carries an interest ranging from 7.25% to 8.25% per annum.
- g) All the term loans and cash credit facilities obtained from the bank during the year were used for the general corporate purpose and working capital management.
- h) all the facilities of the axis is secured by equitable mortagage of industrial building admeasing 2 acres situated at survy no 53/4, Baahadurpally village, medchal mandal, Malkajgiri district standing on the name of S2 engineering equipments represented by Mr. K. Ramakrishna and Mrs. K. Krishnaveni.
- i) All the term loans and cash credit facilities obtained from the bank during the year were used for the general corporate purpose and working capital management.

## Note 14

### Lease liabilities

#### Non-current Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability	1,847.25	1,824.57
<b>Total</b>	<b>1,847.25</b>	<b>1,824.57</b>

#### Current Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability	342.86	241.27
<b>Total</b>	<b>342.86</b>	<b>241.27</b>

## Note 15

### Other financial liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Capital creditors	-	77.29	-	205.23
<b>Total</b>	<b>-</b>	<b>77.29</b>	<b>-</b>	<b>205.23</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 16

### Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Provision for gratuity	127.69	11.31	89.73	8.20
Provision for leave encashment	22.40	5.60	11.05	2.61
Provision for warranties	58.18	66.40	41.49	47.95
<b>Total</b>	<b>208.27</b>	<b>83.31</b>	<b>142.27</b>	<b>58.76</b>

### Provision for warranties

As per the contractual terms with customers, the Company provides warranty to the customers for 18 months from date of sales or 12 months from date of installation which ever is earlier. The provision is made for such returns/rejections on the basis of historical warranty trends in similiar industries @0.25% of Revenue from Operations.

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	89.43	31.56
Arising during the year	81.86	80.51
Utilized during the year	32.90	22.63
Reversed during the year	13.80	-
<b>At the end of the year</b>	<b>124.59</b>	<b>89.44</b>

## Note 17

### Deferred tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	202.16	143.41
Deferred tax Asset	(143.64)	(104.97)
<b>Deferred tax Liability (net)</b>	<b>58.52</b>	<b>38.44</b>

## Note 18

### Other liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Advance from customers	-	2,886.60	-	8,858.96
Statutory dues	-	49.58	-	72.88
<b>Total</b>	<b>-</b>	<b>2,936.18</b>	<b>-</b>	<b>8,931.84</b>

## Note 19

### Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	826.03	612.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,670.55	5,634.61
<b>Total</b>	<b>7,496.58</b>	<b>6,247.57</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Trade payables ageing schedule as at March 31, 2023	Outstanding for following periods from due date of payment					
Particulars	Billed but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	253.12	489.84	83.07	-	-	826.03
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	3,415.06	3,225.99	20.76	1.15	7.60	6,670.55
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,668.19</b>	<b>3,715.83</b>	<b>103.83</b>	<b>1.15</b>	<b>7.60</b>	<b>7,496.58</b>

Trade payables ageing schedule as at March 31, 2022	Outstanding for following periods from due date of payment					
Particulars	Billed but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	500.29	112.67	-	-	-	612.96
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	3,549.78	2,064.34	10.51	2.28	7.70	5,634.61
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,050.07</b>	<b>2,177.01</b>	<b>10.51</b>	<b>2.28</b>	<b>7.70</b>	<b>6,247.57</b>

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

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

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act at the end of each accounting year;		
- Principal amount (including capital creditors)	826.03	612.96
- Interest amount	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>826.03</b>	<b>612.96</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 20

### Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Taxes (net of prepaid taxes)	150.04	309.72
<b>Total</b>	<b>150.04</b>	<b>309.72</b>

## Note 21

### Revenue from Operations

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
(a) Sales of Products	49,296.86	23,905.45
(b) Sales of services	461.93	113.29
<b>Total</b>	<b>49,758.79</b>	<b>24,018.74</b>

## Note 22

### Other Income

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Interest income from financial assets		
bank deposits	10.56	9.87
Other Financial assets	5.80	49.36
Insurance Claim received	6.28	37.61
Amount no longer payable written back	-	31.65
Other miscellaneous income	221.03	2.14
Other Income	5.10	0.85
<b>Total</b>	<b>248.77</b>	<b>131.48</b>

## Note 23

### Cost of raw materials consumed

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Inventory at beginning of the year	4,693.43	306.72
add: Purchases during the year	30,450.88	18,305.37
less: Inventory at the end of the year	(5,177.77)	(4,693.43)
<b>Total</b>	<b>29,966.54</b>	<b>13,918.66</b>

## Note 24

### Changes in inventories of work-in-progress

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
<b>Opening stock</b>		
Work-in-progress	7,202.97	4,798.75
<b>Closing stock</b>		
Work-in-progress	(8,620.41)	(7,202.97)
<b>(Increase) / Decrease in Stock</b>	<b>(1,417.44)</b>	<b>(2,404.22)</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 25

### Employee benefits expense

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Salaries, wages and bonus	2,261.06	1,191.67
Contribution to provident and other funds	48.18	27.85
Gratuity	35.52	62.20
Staff welfare expenses	159.04	70.35
<b>Total</b>	<b>2,503.80</b>	<b>1,352.07</b>

## Note 26

### Finance costs

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Interest expense on borrowing measured at amortised cost	590.62	208.46
Interest on lease liabilities	199.10	143.41
Other finance costs	79.84	25.42
<b>Total</b>	<b>869.56</b>	<b>377.29</b>

## Note 27

### Depreciation and amortization expenses

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Depreciation on property, plant and equipment	340.13	192.47
Depreciation of Right-of-use assets	420.21	228.74
Amortisation of intangible assets	10.44	2.36
<b>Total</b>	<b>770.78</b>	<b>423.57</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Note 28

### Other expenses

Particulars	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Power and fuel	1,319.81	984.95
Consumption of stores and spares	2,310.80	1,973.23
Rent	121.79	80.07
Freight and forwarding charges	-	435.09
Repairs and maintenance	607.22	-
Buildings	175.38	1.31
Plant & Machinery	-	89.68
Security charges	134.05	74.74
Water charges	22.36	11.53
Rates and taxes	102.47	78.91
Insurance	29.65	17.63
Legal and professional fees	242.62	87.58
Travelling and conveyance	108.85	40.67
Sales Commission	48.14	42.14
Warranty expense	68.05	80.51
Printing and stationery	18.60	11.26
Payments to auditors*	14.50	14.50
Bad debts written off	88.97	57.16
Allowance for expected credit loss	25.39	81.93
Communication expenses	9.55	4.92
Corporate social responsibility expenditure	21.99	14.50
Office maintenance expenses	24.26	16.16
Advances written off	-	21.80
Subscription & Renewals	17.68	16.34
Exchange differences	8.63	8.34
Fair value measurement of Financial Assets	-	-
Preliminary expenses	-	14.90
Advertising and sales promotion	125.35	4.40
Miscellaneous expenses	60.65	19.21
<b>Total</b>	<b>5,706.76</b>	<b>4,283.46</b>

\*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

	For the year Ended March 31, 2023	For the year Ended March 31, 2022
a) Audit fees	14.50	14.50
b) Out of Pocket expenses	-	-
<b>TOTAL</b>	<b>14.50</b>	<b>14.50</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

### 29 First-time adoption of Indian Accounting Standards (Ind AS)

The financial statements, for the year ended March 31, 2023, are the first the group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2022, the group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31 2023, together with the comparative period data as at and for the year ended March 31, 2022, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at transition date and the financial statements as at and for the year ended March 31, 2022.

#### Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied the following exemptions:

#### Deemed Cost:

The group has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

#### Estimates:

The estimates at transition date and at March 31, 2022 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) and the group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the group for the relevant reporting dates reflecting conditions existing as at that date.

The estimates used by the group to present these amounts in accordance with Ind AS reflect conditions at the date of transition to Ind AS and as of March 31, 2022.

The following reconciliations along with explanations have been presented to explain the impact of transition to Ind AS:

Reconciliation of equity as at date of transition to Ind AS;

Reconciliation of equity as at March 31, 2022;

Reconciliation of profit and loss for the year ended March 31, 2022; and

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS:

### Reconciliation of profit / (loss) between financial results as previously reported under Previous GAAP and Ind As for the year ended

Particulars	As on March 31, 2022
<b>Other equity as reported per Previous GAAP</b>	<b>5,525.70</b>
<b>Adjustments on account of transition to IND AS</b>	
Impairment of trade receivables on account of expected credit loss under IND AS 109	(120.37)
Interest Adjustment due to Amortised Cost Method	(23.29)
Impact on account of IND AS 116 (interest cost+depreciation-rent)	(104.40)
Adjustment for interest income on Financial Assets	37.24
Impact on account of Preference Shares Measured at Amortized Cost	-
Fair value measurement of Financial Liabilities	10.97
<b>Adjustment for difference in Deferred tax asset</b>	<b>81.03</b>
<b>De recognition of previously recognised exceptional items</b>	<b>45.01</b>
<b>Adjustments on account of errors</b>	
Rectification of errors in measurement and recognition of gratuity	(36.55)
Rectification of errors in measurement and recognition of leave encashment	(8.46)
Rectification of errors in making the provision for warranty	(40.87)
<b>Total Adjustments</b>	<b>(159.70)</b>
<b>Equity as reported per IND AS</b>	<b>5,366.00</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	For the year ended March 31, 2022
<b>Net profit under previous GAAP</b>	<b>2,627.98</b>
Adjustments on account of transition to IND AS	
Impairment of trade receivables on account of expected credit loss under IND AS 109	(75.64)
Interest Adjustment due to Amortised Cost Method	(26.19)
Impact on account of IND AS 116 (interest cost+depreciation-rent)	(104.40)
Adjustment for interest income on Financial Assets	16.49
Fair value measurement of Financial Assets	-
Fair value measurement of Financial Liabilities	10.97
Re-measurement (gains)/losses on defined benefit plans	(7.23)
<b>Adjustment for difference in Deferred tax asset</b>	<b>31.22</b>
<b>De recognition of previously recognised exceptional items</b>	<b>45.01</b>
<b>Adjustments on account of errors</b>	
Rectification of errors in measurement and recognition of gratuity	3.64
Rectification of errors in measurement and recognition of leave encashment	2.04
Rectification of errors in making the provision for warranty	(9.32)
<b>Net profit for under Ind AS</b>	<b>2,514.56</b>

## On account of transition to IND AS

### Trade receivables

Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Due to ECL model, the group impaired its trade receivable by ₹ 44.72 lakhs on April 01, 2021 which has been eliminated against retained earnings.

### Deferred tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

### Leases:

The new standard, Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases.

The lease liability reflects the net present value of the remaining lease payments adjusted for payments made before the

commencement date, lease incentives and other items related to the lease agreement, and the right-of-use asset corresponds to the lease liability.

Upon adoption of the new standard, a portion of the annual operating lease costs, which was previously fully recognised as a rental / lease expense, is recorded as interest expense. In addition, the portion of the lease payments which represents the reduction of the lease liability is recognised in the cash flow statement as an outflow from financing activities, which was previously fully recognised as an outflow from operating activities.

### Fair values:

An entity is permitted to designate a previously recognised financial asset as a financial asset measured at fair value through profit or loss. The entity shall disclose the fair value of financial assets so designated at the date of designation and their classification and carrying amount in the previous financial statements.

An entity is permitted to designate a previously recognised financial liability as a financial liability at fair value through profit or loss. The entity shall disclose the fair value of financial liabilities so designated at the date of designation and their classification and carrying amount in the previous financial statements.

At the date of transition to Ind AS, difference between the fair value of assets and liabilities and IGAAP carrying amount has been recognised in Retained Earnings.

### Defined benefit obligations

Both under Indian GAAP and Ind AS, the group recognised

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

## On account of errors

### Employee benefit liabilities (gratuity and leave encashment)

Errors were observed in the measurement of employment benefits plans which were now rectified.

Leave encashment and gratuity: The Company did not use projected unit credit method in measuring the liability for gratuity and leave encashment till March 31, 2021. The same has been rectified.

### Provision for warranty

Certain errors were identified with respect to the measurement of provision for warranties. These errors are now rectified.

## 30 Changes in liabilities arising from financing activities

### For the year ended March 31, 2023

Particulars	Current		Non-current	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
<b>April 1, 2022</b>	<b>4,236.12</b>	<b>241.27</b>	<b>678.90</b>	<b>1,824.57</b>
Cash flows	1,467.06	-	-375.92	22.68
Reclassified as part of disposal group	-	-	-	-
Foreign exchange management	-	-	-	-
Changes in fair values	-	-	-	-
New leases	-	101.60	-	-
Other	-	-	-	-
<b>March 31, 2023</b>	<b>5,703.18</b>	<b>342.87</b>	<b>302.98</b>	<b>1,847.25</b>

### For the year ended March 31, 2022

Particulars	Current		Non-current	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
<b>April 1, 2021</b>	-	-	-	-
Cash flows	4,236.12	-	678.90	-
Reclassified as part of disposal group	-	-	-	-
Foreign exchange management	-	-	-	-
Changes in fair values	-	-	-	-
New leases	-	241.27	-	1,824.57
Other	-	-	-	-
<b>March 31, 2022</b>	<b>4,236.13</b>	<b>241.27</b>	<b>678.90</b>	<b>1,824.57</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 31 Revenue from contract with customer

### Disaggregated revenue information

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Sale of products	49,296.86	23,905.45
Sale of services	461.93	113.29
Other operating revenues (scrap sales)	-	-
<b>Total</b>	<b>49,758.79</b>	<b>24,018.74</b>
<b>(a) Disaggregated revenue information</b>		
<u>Manufactured</u>		
India	49,296.86	23,905.45
Outside India	-	-
	<b>49,296.86</b>	<b>23,905.45</b>
<u>Traded</u>		
India	-	-
Outside India	-	-
<b>(b) Timing of revenue recognition</b>		
Products transferred for a point in time	49,296.86	23,905.45
Services rendered at a point in time	461.93	113.29
	<b>49,758.79</b>	<b>24,018.74</b>
<b>(c) Reconciliation of amount of revenue recognised with contract price</b>		
Revenue as per contracted price (including concession / subsidy on fertilisers)	49,808.56	24,169.57
Adjustments		
Rebates	27.97	22.90
Others	21.80	127.93
<b>Revenue from contracts with customers</b>	<b>49,758.79</b>	<b>24,018.74</b>

## 32. Earning per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Earnings</b>		
Profit attributable to equity holders	5,342.32	2,514.56
<b>Shares</b>		
Number of shares at the beginning of the year	15,300,000	9,000,000
Add: Equity shares issued	484,607	6,300,000
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	15,784,607	15,300,000
Weighted average number of equity shares outstanding during the year – Basic	153.09	113.47
Weighted average number of equity shares outstanding during the year – Diluted	153.09	113.47
<b>Earnings per share of par value ₹ 10/- -Basic</b>	<b>34.90</b>	<b>22.16</b>
<b>Earnings per share of par value ₹ 10/- – Diluted</b>	<b>34.90</b>	<b>22.16</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 33. Income taxes

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current taxes expense</b>		
Domestic	1,823.99	907.66
<b>Deferred taxes expense/(benefit)</b>		
Relating to origination and reversal of temporary differences	21.85	(45.18)
<b>Total income tax expense/(benefit) recognized in the statement of profit and loss</b>	<b>1,845.84</b>	<b>862.48</b>

### OCI section

Deferred tax related to items recognised in OCI during in the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	(7.05)	7.23
<b>Deferred tax charged to OCI</b>	<b>1.77</b>	<b>(1.82)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Accounting profit before tax from continuing operations</b>	<b>7,185.26</b>	<b>3,377.04</b>
Profit/(loss) before tax from a discontinued operation		-
<b>Accounting profit before income tax</b>	<b>7,185.26</b>	<b>3,377.04</b>
<b>At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)</b>	<b>1,808.53</b>	<b>850.00</b>
<b>Non-deductible expenses for tax purposes:</b>		
Expenses disallowed under Income tax act, 1961	21.40	18.22
On account of prior period tax expense	(2.89)	-
On account of IND AS transition impact	-	(16.06)
Others	15.91	10.31
	<b>34.41</b>	<b>12.47</b>
Income tax expense reported in the statement of profit and loss	1,842.94	862.48
	1,842.94	862.48
<b>Effective Income tax rate</b>	<b>25.65%</b>	<b>25.54%</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Deferred tax relates to the following:	Balance Sheet	
	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax liabilities:</b>		
WDV differences of assets as per books and tax laws	201.84	142.69
Loan (Due to Processing Charges)	0.32	0.72
	<b>202.16</b>	<b>143.41</b>
<b>Deferred tax assets:</b>		
Gratuity	(34.98)	(24.65)
Leave Encashment	(4.01)	(3.44)
Bad Debts	(49.49)	(44.25)
Leases	(54.35)	(30.00)
Other Temporary Difference	(0.81)	(2.63)
	<b>(143.64)</b>	<b>(104.97)</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>58.52</b>	<b>38.44</b>
<b>Reflected in the balance sheet as follows:</b>		
<b>Deferred tax assets</b>	(143.64)	(104.97)
<b>Deferred tax liabilities:</b>		
<b>Continuing operations</b>	202.16	143.41
<b>Deferred tax liabilities, net</b>	<b>58.52</b>	<b>38.44</b>

## 34 Segment information

The group is engaged in the manufacturing of pharmaceutical glass lined equipments & heavy engineering equipments and the same are two reportable segments of the group as per IND AS 108, disclosure regarding operating segments is given below.

Reportable segments based on Products	For the year ended March 31, 2023				
	Glass Lined Equipment	Heavy Engineering Equipment	Total	Eliminations	Consolidated
<b>Revenue</b>					
External Sales	20,908.09	28,850.70	49,758.79	-	49,758.79
Inter- segment sales	64.21	134.87	199.08	(199.08)	-
<b>Total Revenue</b>	<b>20,972.30</b>	<b>28,985.57</b>	<b>49,957.87</b>	<b>78,943.44</b>	<b>49,758.79</b>
<b>Segment Results:</b>					
Profit / (Loss) before Tax and Interest	3,156.34	5,060.93	8,217.27	(162.46)	8,054.82
Less: Interest Expenses					869.56
<b>Profit Before Taxes</b>					<b>7,185.26</b>
Taxes					1,842.94
Net Profit after Tax					<b>5,342.31</b>
<b>Other Information</b>					
<b>Segment Assets</b>	20,765.60	17,475.08	38,240.68	3,462.22	34,778.46
<b>Unallocated Corporate assets</b>			-		-
Total assets	20,765.60	17,475.08	38,240.68	3,462.22	34,778.46
<b>Segment liabilities</b>	9,346.85	12,270.77	21,617.62	2,411.14	19,206.48
Unallocated Corporate liabilities			-		-
<b>Total liabilities</b>	<b>9,346.85</b>	<b>12,270.77</b>	<b>21,617.62</b>	<b>2,411.14</b>	<b>19,206.48</b>
<b>Depreciation</b>	<b>449.99</b>	<b>320.78</b>	<b>770.78</b>	-	<b>770.78</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Reportable segments based on Products	For the year ended March 31, 2022				
	Glass Lined Equipment	Heavy Engineering Equipment	Total	Eliminations	Consolidated
<b>Revenue</b>					
External Sales	15,272.89	8,745.85	24,018.74	-	24,018.74
Inter- segment sales	-	21.61	21.61	21.61	-
<b>Total Revenue</b>	<b>15,272.89</b>	<b>8,767.46</b>	<b>24,040.34</b>	<b>21.61</b>	<b>24,018.74</b>
<b>Segment Results:</b>					
Profit / (Loss) before Tax and Interest	2,429.38	1,382.10	3,811.48	57.15	3,754.33
Less: Interest Expenses	-	-	-	-	377.29
<b>Profit Before Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,377.04</b>
Taxes	-	-	-	-	862.48
Net Profit after Tax	-	-	-	-	<b>2,514.56</b>
<b>Other Information</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Segment Assets</b>	<b>17,080.09</b>	<b>15,060.26</b>	<b>32,140.35</b>	<b>2,329.67</b>	<b>29,810.68</b>
<b>Unallocated Corporate assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total assets	17,080.09	15,060.26	32,140.35	2,329.67	<b>29,810.68</b>
<b>Segment liabilities</b>	<b>11,008.44</b>	<b>13,236.94</b>	<b>24,245.38</b>	<b>1,330.69</b>	<b>22,914.68</b>
Unallocated Corporate liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>11,008.44</b>	<b>13,236.94</b>	<b>24,245.38</b>	<b>1,330.69</b>	<b>22,914.68</b>
<b>Depreciation</b>	<b>381.99</b>	<b>41.58</b>	<b>423.57</b>	<b>-</b>	<b>423.57</b>

## 35 Employee benefits

### The Code on Social Security, 2020

- The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The group is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
- The group operates defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.

During the period the group has recognized the following amounts in the Statement of profit and loss:-

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employers Contribution to Provident fund	43.94	23.18
Employers Contribution to Employee state insurance	4.23	4.66
<b>Total</b>	<b>48.17</b>	<b>27.84</b>

### Gratuity benefits

In accordance with applicable laws, the group has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the group. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and plan is unfunded.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

The components of gratuity cost recognized in the statement of profit and loss for the years ended March 31, 2023 and 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	26.51	17.57
Interest on net defined benefit liability/(asset)	7.15	44.64
Expected Return on plan Assets	-	-
<b>Components of defined benefit costs recognized in statement of profit or loss - (A)</b>	<b>33.66</b>	<b>62.21</b>
Actuarial (gain) / loss on plan obligations	6.04	(4.47)
<b>Components of defined benefit costs recognized in other comprehensive income - (B)</b>	<b>6.04</b>	<b>(4.47)</b>
<b>Total (A+B)</b>	<b>39.70</b>	<b>57.74</b>

### Current and Non current Portion

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of defined benefit obligation	139.00	97.93
Less: Fair value of plan assets	-	-
<b>Net liability recognized in the balance sheet</b>	<b>139.00</b>	<b>97.93</b>
Current portion of the above	11.31	8.20
Non-current portion of the above	<b>127.69</b>	<b>89.73</b>

### Movement in Present Obligation of Defined Benefit

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Defined benefit obligations at the beginning of the year</b>	<b>97.93</b>	<b>40.19</b>
Defined benefit cost included in P&L	33.66	62.20
Expected Return on Plan assets	-	-
Actuarial loss/(gain) due to change in financial assumptions	(0.82)	(1.74)
Actuarial loss/(gain) due to experience changes	8.22	(2.72)
<b>Expenses Recognised in statement of OCI</b>	<b>7.41</b>	<b>(4.46)</b>
Actuarial (Gain) / Loss on Obligation – Plan Assets	-	-
Benefits paid	-	-
<b>Defined benefit obligations at the end of the year</b>	<b>139.00</b>	<b>97.93</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.50%	7.35%
Salary Growth Rate	8.00%	8.00%

### 36. Leave Encashment

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was ₹ 47.00 Lakhs as at March 31, 2023 (₹ 13.65 Lakhs as at March 31, 2022).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 37 Related party disclosures

### Name of the Related Party and description of relationship

Particulars	Nature of relationship
Stanseals Private Limited	Enterprises owned or significantly influenced by KMP or their relatives
Stanvalves & Controls Pvt Limited	Enterprises owned or significantly influenced by KMP or their relatives
S2 Engineering Services	Enterprises owned or significantly influenced by KMP or their relatives
Standard Holdings	Enterprises owned or significantly influenced by KMP or their relatives
Stanpumps Engineering Industries	Enterprises owned or significantly influenced by KMP or their relatives
Standard Equipment Leasing Services	Enterprises owned or significantly influenced by KMP or their relatives
Stanflow Engineering Industries	Enterprises owned or significantly influenced by KMP or their relatives
Sri Krishna Equipments	Enterprises owned or significantly influenced by KMP or their relatives
Standard Properties	Enterprises owned or significantly influenced by KMP or their relatives
Schematic Engineering Industries	Enterprises owned or significantly influenced by KMP or their relatives
Sri Krishna Equipments	Enterprises owned or significantly influenced by KMP or their relatives
Standard Group of Companies Private Limited	Enterprises owned or significantly influenced by KMP or their relatives
<b>Key Managerial personnel</b>	
Kandula Nageswara Rao	Managing director
Pathuri Anjaneyulu	Chief Financial officer (W.e.f. 18/07/2022 )
Kallam Hima Priya	Company Secretary (W.e.f. 01/10/2021)
Kandula Ramakrishna	Director
Kandula Krishna Veni	Director
Katragadda Venkata Mohana Rao	Director
Katragadda Venkata Siva Prasad	Director
Kudaravalli Punna Rao	Director ( up to 11/04/ 2022)
Sudhakara Reddy Siddieddy	Independent Director (w.e.f 04/06/2022)
Sunkavilli Ramakrishna	Independent Director (w.e.f 04/06/2022)
Yasuyuki Ikeda	Director (w.e.f 24/03/2023)
Katragadda Harini	Relative of Director
Kandula Bhanu Prakash	Relative of Director
Kudaravalli Krishnakanth	Relative of Director ( up to 11/04/ 2022)
B. Radhakrishna	Relative of Director
Katragadda Venkata Ramani	Relative of Director

### Transactions during the year

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Remuneration paid</b>		
Kandula Nageswara Rao	18.08	18.00
Kandula Ramakrishna	48.00	12.52
Kandula Krishnaveni	24.00	6.00
Katragadda Venkata Mohana Rao	18.08	12.00
Kudaravalli Punna Rao	0.85	12.00
Katragadda Venkata Siva Prasad	29.21	-
K Harini	6.08	6.00
K Bhanu Prakash	9.08	6.00
K Krishnakanth	0.26	5.48
K Venkata Ramani	6.08	6.00

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Kallam Hima priya	6.56	3.00
P. Anjaneyulu	24.05	-
B.Radhakrishna	12.41	-
<b>Rent Expense</b>		
Kandula Ramakrishna	16.89	13.49
S2 Engineering Equipment	96.80	24.00
S2 Engineering Services	96.80	-
Stanseals Private Limited	26.00	-
<b>Sales of goods</b>		
S2 Engineering Services	3,232.22	6,443.41
Stanpumps Engineering Industries	478.60	361.78
Stanvalves & Controls Pvt Limited	0.79	-
Schematic Engineering Industries	35.07	-
Standard Equipment Leasing Services	651.40	-
<b>Purchase of goods</b>		
S2 Engineering Services	81.97	169.88
Stanpumps Engineering Industries	17.84	181.50
Stanvalves & Controls Pvt Limited	24.85	-
Schematic Engineering Industries	89.55	65.15
<b>Receipt of Services</b>		
Stanseals Private Limited	0.98	0.16
Standard Holdings	39.93	26.32
Standard Group of Companies Private Limited	167.30	-
S2 Engineering Services	-	23.08
Stanpumps Engineering Industries	-	8.14
Sri Krishna Equipments	24.52	3.13
<b>Rendiring of Services</b>		
S2 Engineering Services	0.90	-
<b>Loans taken from</b>		
Kandula Nageswara Rao	1,200.00	40.00
Kudaravalli Punna Rao	-	29.68
Katragadda Venkata Mohana Rao	-	120.00
Kandula Ramakrishna	50.00	172.97
Kandula Krishnaveni	250.00	219.50
<b>Purchase of business</b>		
S2 Engineering Services	-	2,000.00
Stanpumps Engineering Industries	-	650.00
<b>Interest income</b>		
Stanseals Private Limited	1.98	-
<b>Personal guarantee given jointly by</b>		
Kandula Krishna Veni	7,500.00	3,109.00

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Outstanding balances as at year end

	March 31, 2023	March 31, 2022
<b>Loan payable</b>		
Kandula Nageswara Rao	222.86	124.00
Kandula Rama Krishna	19.14	182.39
Kudaravalli Punna Rao	29.68	29.68
Katragadda Venkata Mohana Rao	120.00	120.00
Kandula Krishnaveni	-	219.50
Schematic Engineering Industries	-	10.00
<b>Receivables</b>	-	-
Standard Holdings	0.25	3.49
Schematic Engineering Industries	28.56	-
Stanseals Private Limited	0.09	30.47
S2 Engineering Equipment	-	14.47
S2 Engineering Services	-	174.43
Stanpumps Engineering Industries	0.78	31.17
Sri Krishna Equipments	0.99	19.42
Stanvalves & Controls Pvt Limited	1.22	1.95
Standard Equipment Leasing Services	436.49	-
<b>Payables</b>	-	-
Stanseals Private Limited	0.15	23.60
S2 Engineering Services	16.99	-
Stanvalves & Controls Pvt Limited	1.09	-
Kandula Ramakrishna	1.74	-
Schematic Engineering Industries	1.42	81.99
Standard Equipment Leasing Services	-	30.10
S2 Engineering Equipment	6.41	-
<b>Loan Receivables</b>	-	-
Stanseals Private Limited	-	24.81
<b>Rental Deposit Receivable</b>	-	-
S2 Engineering Equipment	30.00	30.00
<b>Interest Receivables</b>	-	-
Stanseals Private Limited	-	0.30
<b>Personal guarantee given jointly</b>	-	-
Kandula Ramakrishna	3,572.25	2,183.50

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 38. Transactions in foreign currency

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>C.I.F.Value of Imports in respect of:</b>		
Raw material	765.06	151.62
Stores, spare parts and chemicals	16.55	20.00
<b>Expenditure in Foreign Currency:</b>		
Consultancy Charges paid	54.67	35.73
<b>Earnings in Foreign Exchange</b>		
FOB value of Exports	-	58.79

## 39 Financial instruments and fair value

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, as below, 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.

*Financial instruments by category*

The carrying value and fair value of financial instruments as of 31 March 2023 and 2022, respectively were as follows:

Particulars	As of March 31, 2023		As of March 31, 2022	
	Total carrying value	Total fair value	Total carrying value	Total fair value
<b>Assets:</b>				
Cash and cash equivalents	542.06	542.06	11.67	11.67
Trade and other receivables	9,128.08	9,128.08	8,216.58	8,216.58
Other financial assests	732.49	732.49	477.54	477.54
Loans	-	-	24.81	24.81
<b>Total</b>	<b>10,402.62</b>	<b>10,402.62</b>	<b>8,730.59</b>	<b>8,730.59</b>
<b>Liabilities:</b>				
Trade and other payables	7,496.58	7,496.58	6,247.57	6,247.57
Borrowings	6,006.17	6,006.17	4,915.03	4,915.03
Lease liabilities	2,190.11	2,190.11	2,065.83	2,065.83
Contract liabilities	2,886.60	2,886.60	8,858.96	8,858.96
Other financial liabilities	77.29	77.29	205.23	205.23
<b>Total</b>	<b>18,656.75</b>	<b>18,656.75</b>	<b>22,292.62</b>	<b>22,292.62</b>

The above investments does not include equity investments in subsidiaries which are carried at costs and hence not required to be disclosed as per IND AS 107 "Financial Instruments Disclosures".

There has been no transfers between levels during the year. The fair values of derivatives are based on derived mark-to-market values. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

Borrowings include Indian currency and Foreign currency long-term loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

### 40 Financial risk management objectives and policies

The group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

The group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

##### i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the group's financial instruments will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rate relates primarily to the group's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

	Increase/decrease in basis points	Effect on Interest Expense
	March 31, 2023	INR lacs
INR	100.00	51.62
INR	(100.00)	(51.62)
	March 31, 2022	
INR	100.00	41.61
INR	(100.00)	(41.61)

##### ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's foreign currency borrowings and trade payables. The summary of derivative instruments and unhedged foreign currency exposure is as below:

#### Derivatives (not designated as hedges) outstanding as at the reporting date

Type	Currency	March 31, 2023		March 31, 2022	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
Cross currency swaps*	EURO				
Interest rate swaps*	EURO				
Forward contracts	USD				

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## Un-hedged foreign currency exposure as at the reporting date:

Type	Currency	March 31, 2023		March 31, 2022	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
Trade receivables					
Borrowings					
Advances given	EURO	0.11	11.73	-	-
Trade payables	EURO	14.99	9.54	-	-

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant and without considering impact of derivatives not designated as hedges:

	March 31, 2023		March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax				
USD	-	-	-	-
GBP	-	-	-	-
EURO	1.06	(1.06)	-	-

## (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The group's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the group does not expect any credit risk with respect to these financial assets.

### Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

### Investments

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

### Details of financial assets – not due, past due and impaired

None of the group's cash equivalents, including term deposits with banks, were past due or impaired as of March 31, 2023. The group's credit period for trade and other receivables payable by its customers generally ranges from 30 – 90 days.

### The aging of trade and other receivables is given below:

Reconciliation of impairment of trade receivables and other assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Impairment of Trade receivable</b>		
Balance at the beginning of the year	171.24	44.72
Add: Provision made during the year	60.25	183.68
Less: Reversal of earlier years provisions	(34.86)	(57.16)
Less: Bad debts written off from earlier years provisions	-	-
<b>Balance at the end of the year</b>	<b>196.63</b>	<b>171.24</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## (c) Liquidity risk

The group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the group's financial liabilities on undiscounted basis:

Maturities	Up to 1 year	1-3 years	3-5 years	Above 5 years	Total
<b>March 31, 2023</b>					
Non-current borrowings	302.98	-	-	-	302.98
Lease liabilities	342.86	593.31	628.89	625.05	2,190.11
Current borrowings	5,703.19	-	-	-	5,703.19
Trade payables	7,496.58	-	-	-	7,496.58
Other financial liabilities	77.29	-	-	-	77.29
<b>Total</b>	<b>13,922.90</b>	<b>593.31</b>	<b>628.89</b>	<b>625.05</b>	<b>15,770.15</b>
<b>March 31, 2022</b>					
Non-current borrowings	678.90	-	-	-	678.90
Lease liabilities	241.27	401.62	365.03	1,057.92	2,065.83
Current borrowings	4,236.12	-	-	-	4,236.12
Trade payables	6,247.57	-	-	-	6,247.57
Other financial liabilities	205.23	-	-	-	205.23
<b>Total</b>	<b>11,609.09</b>	<b>401.62</b>	<b>365.03</b>	<b>1,057.92</b>	<b>13,433.65</b>

## 41 Details of CSR expenditure

Details of Corporate Social Responsibility expenditure in accordance with section 135 of the Companies Act, 2013:

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
i) Amount required to be spent by the group during the year	54.49	14.34
ii) Amount required to be set off for the financial year, if any	(0.58)	(0.42)
<b>(iii) Total CSR obligation for the financial year</b>	<b>53.92</b>	<b>13.92</b>
iv) Amount of expenditure incurred	-	-
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	29.99	14.50
v) Shortfall/(excess) at the end of the year ((iii)-(iv))*	<b>23.93</b>	<b>(0.58)</b>
vi) Total of previous years shortfall	-	-
vii) Reason for shortfall	-	-
viii) Nature of CSR activities	-	-

\* The company has identified certain projects namely rural development, construction of water tanks and the cost of the projects are ₹ 40 Lakhs. Out of ₹ 40 lakhs the company has paid ₹ 8.00 Lakhs as an advance to the vendor before Mar 31, 2023 and the balance has been transferred to CSR unspent account which will be used to complete the above mentioned projects as per the time lines mentioned in the section 135 of Companies act, 2013.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 42 Ratio Analysis:

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance (%)
Current ratio	Current Assets	Current Liabilities	1.57	1.17	33%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.23	3.32	-63%
Debt Service Coverage ratio	Earnings for debt service	Debt service	7.82	4.29	82%
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.48	0.73	-35%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.12	1.83	16%
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	5.74	5.85	-2%
Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	4.43	5.86	-24%
Net Capital Turnover Ratio	Revenue	Working capital	5.22	6.81	-23%
Net Profit ratio	Net Profit	Revenue	0.11	0.10	2%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.49	0.44	13%

Note : All the ratios are calculated in terms of times

### Explanations for Change in ratio by 25%

Current ratio - the change is due to increase in current assets

Debt-Equity Ratio - the change is due to earnings in current year

Debt Service Coverage - the change is due to increase in earning available to service the debt.

Return on Equity Ratio - the change is due increase in net profit and issue of equity shares during the year.

Inventory Turnover Ratio - the change is due increase in inventory at the end of the year because of increase in the operations.

Trade Receivable Turnover Ratio - the change is due increase in inventory at the end of the year because of increase in the operations.

Trade Payable Turnover Ratio - the change is due increase in inventory at the end of the year because of increase in the operations.

Net Capital Turnover Ratio - the change is due to increase in revenue & working capital (both are due to increase in operations).

Return on Capital Employed - the change is due to earnings in current year

## 43 Other statutory information

- (i) The group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- (ii) The group does not have any transactions with struck off companies.
- (iii) The group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

- (vi) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The group has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The group has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ix) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- (xi) The group does not have any borrowings from banks or financial institutions against security of its current assets.

## 44 Capital Management

For the purpose of the group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations

Particulars	31-Mar-23	31-Mar-22
	INR	INR
Borrowings	302.98	678.90
Lease liabilities	2,190.11	2,065.83
Current borrowing	<b>5,703.19</b>	<b>4,236.12</b>
Less: cash and cash equivalents	542.06	11.67
<b>Net debt</b>	<b>5,161.13</b>	<b>4,224.45</b>
Equity share capital	1,578.46	1,530.00
Other equity	13,993.52	5,366.00
<b>Total capital</b>	<b>15,571.98</b>	<b>6,896.00</b>
<b>Capital and net debt</b>	<b>10,410.85</b>	<b>2,671.55</b>
Gearing ratio	0.33	0.61

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

## 45 Commitments and Contingent Liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Capital and other commitments</b>		
(a) Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	580.59	254.34
<b>Contingent liabilities</b>		
Claims against the group not acknowledge as debts		
a) Bank Guarantee	845.98	-
b) LC issued but not accepted	86.95	-

## 46 Leases:

The group has lease contracts for buildings. The leases generally have lease terms between 1 to 3 years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and sub-leasing the leased assets. There lease contracts that include extension and termination options, which are further discussed below.

The group also has certain leases with lease terms of 12 months or less and leases with low value. The group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer Note 3C for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

	For the year ended March 31, 2023	For the year ended March 31, 2022
At the beginning of the year	2,067.39	-
Additions	400.34	2,191.73
Leases terminated	-	-
Accretion of interest	199.10	143.41
Payments	(490.76)	(267.75)
<b>At the end of the year</b>	<b>2,176.06</b>	<b>2,067.39</b>
Current	342.86	241.27
Non-current	1,847.25	1,824.57

The maturity analysis of lease liabilities is disclosed in Note 45. The following are the amounts recognised in the statement of profit or loss:

Depreciation expense of right-of-use assets	420.21	228.74
Interest expense on lease liabilities	199.10	143.41
Expense relating to short-term leases	121.79	80.07
<b>Total amount recognized in the P&amp;L account</b>	<b>741.11</b>	<b>452.22</b>

The group had total cash outflows for leases of INR 490.76 Lakhs (Previous year: INR 267.75 Lakhs).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

The group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The effective interest rate for lease liabilities is 8.47%, with maturity between 2023-24.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense relating to short-term leases	121.79	80.07
Total Lease Payments not considered as Lease payments under Ind AS 116	121.79	80.07

## 47 Business combination

During the year ended March 31, 2022, the Company has acquired the business of S2 Engineering services and Stanpumps Engineering Industries on a slump sale basis vide Business Transfer agreement dated October 25, 2021 for consideration amounting to ₹ 2,000 and ₹ 650 respectively on a going concern basis.

### Details of Assets and liabilities acquired on a slump sale basis

Particulars	Amount
<b>Assets</b>	
Non Current assets	782.56
Current assets	9,157.58
<b>Total</b>	<b>9,940.14</b>
<b>Liabilities</b>	
Non Current liabilities	1,089.51
Current liabilities	6,295.31
<b>Total</b>	<b>7,384.82</b>
Net assets acquired	2,555.32

48 Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

Summary of significant accounting policies 1-2

As per our report of even date  
**For M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Standard Glass Lining Technology Limited**  
 CIN: U29220TG2012PLC082904

**Amit Kumar Agarwal**  
 Partner  
 Membership No: 214198

**Kandula Nageswara Rao**  
 Managing Director  
 DIN: 00762497

**Katragadda Venkata Mohana Rao**  
 Director  
 DIN: 08362181

Place: Hyderabad  
 Date : 30 April 2023

**P. Anjaneyulu**  
 Chief financial officer

**K.Hima Priya**  
 Company Secretary

# NOTICE

## STANDARD GLASS LINING TECHNOLOGY LIMITED

Regd. Office: D.12, Phase-1, IDA Jeedimetla, Hyderabad – 500055  
 Corp. Office: 2nd Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad – 500072  
 CIN: U29220TG2012PLC082904

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting of the Shareholders of M/s. Standard Glass Lining Technology Limited (Formerly Known as Standard Glass Lining Technology Private Limited) will be held on Saturday, the 02nd day of September, 2023, at 3.00 PM at the corporate office of the Company situated at 2nd Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana – 500072, India to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, the reports of Board of Directors and Auditors thereon.
2. To consider and adopt the audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and report of Auditors thereon.
3. To appoint a Director in place of Mr. Venkata Mohana Rao Katragadda (DIN: 08362181) who retires by rotation and, being eligible, offers himself, for re-appointment.

### SPECIAL BUSINESS:

#### 4. TO APPROVE THE REMUNERATION PAYABLE TO COST AUDITORS FOR THE FINANCIAL YEAR ENDING 2023- 24

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT,** pursuant to section 148 (3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost records and Audit Rules) 2014 M/s. G K & Associates, Cost Accountants (Registration No. 100857) be and are hereby re-appointed as the Cost Auditors of the company to conduct audit of cost records made and maintained by the company for the financial year commencing on 01st April, 2023 and ending on 31st March, 2024 at a remuneration of ₹75,000/- (Rupees Seventy-Five Thousand Only) plus GST & re-imbursment of out-of- pocket expenses.”

**“RESOLVED FURTHER THAT** any one of the directors of the company be and is hereby authorised to submit the necessary intimation in Form CRA-2 to the Central Government for appointment of Cost Auditors by the Company and to do all such other acts as may be necessary from time to time to make the Resolution effective.”

#### 5. TO APPROVE INCREASE IN THE AUTHORISED SHARE CAPITAL AND ALTERATION OF THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 61, 64 & 13 Companies Act, 2013, read with rules framed thereunder, also read with other applicable provisions of law for the time being in force, as amended from time to time the existing Authorized Share Capital of the Company comprising of ₹ 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Cores only) equity shares of ₹ 10 each be and is hereby increased to ₹ 45,00,00,000 (Rupees Forty-Five Crores Only) divided into 4,50,00,000 (Four Crores Fifty Lakhs only) equity shares of ₹ 10 each.”

**“RESOLVED FURTHER THAT** pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the existing Clause V of the Memorandum of Association of the Company be altered to read as under:

### Memorandum of Association

#### CLAUSE V:

- V. The Authorized Share Capital of the Company is ₹ 45,00,00,000 (Rupees Forty-Five Crores Only) divided into 4,50,00,000 (Four Crores Fifty Lakhs only) equity shares of ₹ 10/- (Rupees Ten Only) each, with power to increase or reduce the Capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and the provisions of the Companies Act, 2013 and to vary, modify or abrogate any such rights privileges or conditions in such manner as may for the time being, be provided by the regulations of the Company and consolidate or subdivide the shares and issue shares of higher or lower denomination.

**“RESOLVED FURTHER THAT** Mr. Nageswara Rao Kandula, Managing Director or Mrs. Hima Priya Kallam, Company Secretary or any other Director of the Company, be and are hereby severally authorised to intimate the Registrar of Companies, Telangana about such increase in the Authorised Share Capital of the Company and to do all such acts, deeds, matters and things to give effect to the aforementioned Resolution, including to enable the Company and the Registrar to make necessary changes in the Capital Clause of the Memorandum of Association of the Company as specified in the above Resolution.”

#### 6. REGULARIZATION OF APPOINTMENT OF MR. YASUYUKI IKEDA (DIN: 02437433) AS A NON-EXECUTIVE DIRECTOR:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, the consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Yasuyuki Ikeda [DIN: 02437433], who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors of the Company with effective from 24th March, 2023 and who holds office till the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013. Members are requested to approve the appointment of Mr. Yasuyuki Ikeda as Director of the Company."

**"RESOLVED FURTHER THAT** Mr. Nageswara Rao Kandula, Managing Director or Mrs. Hima Priya Kallam, Company Secretary or any other Director of the Company be and are hereby severally authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms with the Registrar of Companies, Telangana."

**By Order of the Board of Directors  
For Standard Glass Lining Technology Limited  
(Formerly Known as Standard Glass Lining Technology  
Private Limited)**

**Hima Priya Kallam  
Company Secretary  
Membership No. 62384**

**Place: Hyderabad  
Date: 26-07-2023**

**Regd. Office: D.12, Phase-1, IDA Jeedimetla, Hyderabad,  
Telangana – 500055, India  
Email: [corporate@standardglr.com](mailto:corporate@standardglr.com)**

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of the Notice. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be a member of the Company.
2. The instrument appointing the proxy, duly completed, must be deposited at the registered office of the Company not less than 48 (Forty-Eight) hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
3. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A Corporate Member intending to send its authorized representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
5. The route map showing directions to reach the venue of this Annual General Meeting is enclosed herewith.
6. All documents required to be kept open for inspection, if any, are open for inspection at the Company's Registered Office and Corporate Office between 2.00 PM and 5.00 PM on all working days (except Saturdays, Sundays and Holidays) up to the date of this Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of this Annual General Meeting.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 4: TO APPROVE THE REMUNERATION PAYABLE TO THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING 2023-24

The Board has approved the reappointment of M/s. G K & Associates, Cost Accountants, as Cost Auditors at a remuneration of ₹ 75,000/- (Rupees Seventy-Five Thousand Only) per annum plus out of pocket expenses at actuals and GST to conduct the audit of the cost records of the Company for the financial year ending 31 March 2024.

In accordance with the provisions of Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.2 of the Notice for approval of the appointment of the Cost Auditors for the financial year ending March 31, 2022.

The Board recommends the resolution set forth in Item No. 4 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution.

### ITEM NO. 5: TO APPROVE INCREASE IN THE AUTHORISED SHARE CAPITAL AND ALTERATION OF THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The existing authorised capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) equity shares of ₹ 10 each and whereas the company has plans and programs to expand the existing business for the purpose of which, it is required to increase the authorised capital to augment further funds into the company to meet the immediate future fund requirements of the business.

Thus, the Board of Directors of the company at their meeting proposed the same for the shareholders' approval as required under section 61 of the Companies Act, 2013 for increase in authorized share capital of the company to ₹ 45,00,00,000 (Rupees Forty-Five Crores Only) divided into 4,50,00,000 (Four Crores Fifty Lakhs only) equity shares of ₹ 10 each.

As a consequence of the above, it would be necessary to alter the Capital Clause of the Memorandum of Association of the Company. As per the provisions of Sections 61(1)(a) and 13 of the Companies Act, 2013, the increase in the Authorised

Share Capital and alteration of the Capital Clause of the Memorandum of Association of the Company respectively requires the consent of the shareholders at a general meeting.

The Board of Directors recommend passing of the Ordinary Resolution to approve an increase in the Authorised Share Capital and alteration of the Capital Clause of the Memorandum of Association of the Company. In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Item No.5 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution, except as the members of the Company.

### ITEM NO.6: REGULARIZATION OF APPOINTMENT OF MR. YASUYUKI IKEDA (DIN: 02437433) AS A NON-EXECUTIVE DIRECTOR

The Board of Directors, at its meeting held on 24th , appointed Mr. Yasuyuki Ikeda [DIN: 02437433], as an Additional Executive Director of the Company with effect from 24th March, 2023, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Yasuyuki Ikeda will hold office up to the date of the ensuing AGM.

The resolution seeks the approval of members for the appointment of Mr. Yasuyuki Ikeda [DIN: 02437433] as a Non-Executive Director of the Company.

None of the Directors or their relatives or any of the key managerial personnel and their relatives is concerned or interested in the above resolution, except as the members of the Company.

**By Order of the Board of Directors  
For Standard Glass Lining Technology Limited  
(Formerly Known as Standard Glass Lining Technology  
Private Limited)**

**Hima Priya Kallam  
Company Secretary  
Membership No. 62384**

**Place: Hyderabad  
Date: 26-07-2023**

**Regd. Office: D.12, Phase-1, IDA Jeedimetla, Hyderabad,  
Telangana – 500055, India  
Email: [corporate@standardglr.com](mailto:corporate@standardglr.com)**



## STANDARD GLASS LINING TECHNOLOGY LIMITED

CIN: U29220TG2012PLC082904

Registered Office: D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana - 500055

### ATTENDANCE SLIP

<b>Folio No./Client ID/DP ID.</b>		<b>Name of the shareholder</b>	
<b>No. of Shares</b>		<b>Registered Address</b>	

\*I, certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 11th Annual General Meeting of the Company at the corporate office of the Company situated at 2nd Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana – 500072, India on Saturday the 02nd day of September, 2023 at 03.00 PM.

\_\_\_\_\_  
SIGNATURE of the shareholder

\* Strikeout whichever is not applicable

**Note:** Shareholder/Proxy intending to attend the meeting must bring the duly signed Attendance Slip to the Meeting and handover at the entrance.

**Form No. MGT-11**  
**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN	U29220TG2012PLC082904
Name of the Company	Standard Glass Lining Technology Limited
Registered Office	D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana - 500055

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client ID :

I/We, being the member (s) of ..... Shares of **Standard Glass Lining Technology Limited**, hereby appoint

1. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ..... , or failing him
2. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ..... , or failing him
3. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday the 02<sup>nd</sup> day of September, 2023 at 3.00 PM at the corporate office of the Company situated at 2<sup>nd</sup> Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana – 500072, India and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
1	To consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, the reports of Board of Directors and Auditors thereon.		
2	To consider and adopt the audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and report of Auditors thereon.		
3	To appoint a Director in place of Mr. Venkata Mohana Rao Katragadda (DIN: 08362181) who retires by rotation and, being eligible, offers himself, for re-appointment.		
4	To approve the remuneration payable to the cost auditors for the financial year ending 2023-24		
5	To approve increase in the authorised share capital and alteration of the capital clause of the memorandum of association of the company		
6	Regularization of appointment of Mr. Yasuyuki Ikeda (DIN: 02437433) as a non-executive director		

Signed this..... day of..... 2023

Signature of shareholder

Signature of Proxy holder(s)

Affix  
₹ 1/-  
Revenue  
Stamp

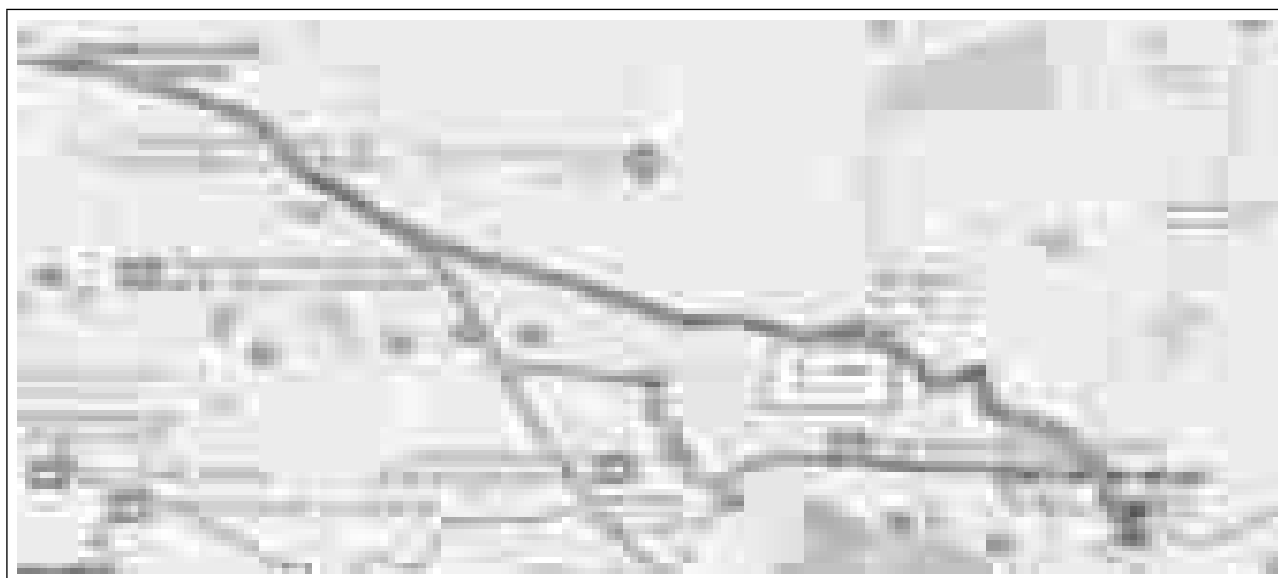
**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

## ROUTE MAP OF VENUE OF 11TH ANNUAL GENERAL MEETING OF STANDARD GLASS LINING TECHNOLOGY LIMITED

### Airport to corporate office of the Company



### Secunderabad Railway Station to corporate office of the Company



**Venue: 2<sup>nd</sup> Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana – 500072, India**





**Corporate Office**

2nd Floor, PNR High Nest,  
Hydernagar, KPHB Colony,  
Hyderabad, Telangana - 500072, India

**Registered Office**

D.12, Phase-1, IDA Jeedimetla,  
Hyderabad, Telangana-500055, India