



CONSOLIDATING FOR THE **FUTURE**

REGAAL RESOURCES LIMITED
ANNUAL REPORT 2022-23

Contents

| | |
|---------------------------------|----|
| Our Visiting Card | 01 |
| Consolidating Scale | 02 |
| Consolidating Operations | 04 |
| Consolidating Human resources | 05 |
| Consolidating Community service | 06 |
| MD's review | 08 |
| Drivers of growth | 09 |
| Our Financial Highlights | 10 |
| Why Regaal? | 11 |
| Board of Directors | 12 |
| Notice | 14 |
| Directors' Report | 16 |
| Independent Auditors' Report | 29 |
| Balance Sheet | 36 |
| Statement of Profit and Loss | 37 |
| Notes on Financial Statements | 40 |

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Raj Kumar Kishorepuria

Director

Mr. Anil Kishorepuria

Managing Director

Mr. Karan Kishorepuria

Whole Time Director

STATUTORY AUDITORS

M/s. Singhi & Co.

161, Sarat Bose Road, Kolkata - 700026

SECRETARIAL AUDITORS

M/s. Rinku Agarwal

4E Avani Orchid, 186A, Raja Ram Mohan Roy Road, Kolkata-700041

BANKERS

ICICI Bank Ltd. Technopolis Branch, Kolkata

IndusInd Bank Ltd., Upper Wood Street Branch, Kolkata

Bandhan Bank Ltd., Shakespeare Sarani Branch, Kolkata

REGISTERED OFFICE

6th Floor Convergence Contact Centre,
Sector - V, Salt Lake, Kolkata - 700091, West Bengal

Tel. No: 7605039041 / 6289292160

E-mail: info@regaal.in

Website: www.regaal.in

CIN NO: U15100WB2012PLC171600

FACTORY OFFICE

Bhatgaon, Galgalia Check Post

Thakurganj Block, Dist - Kishanganj,

Bihar - 855106

REGISTRAR AND TRANSFER

Maheshwari Datamatics Pvt. Ltd.

Registrar & Share Transfer Agent

23 R.N. Mukherjee Road 5th Floor Kolkata - 700001

Contact: 033-22482248, 2243-5029

CIN: U20221WB1982PTC034886



Corporate
Overview



Statutory
Reports



Financial
Statements

"The future is not something we enter. It's something we create..."

Regaal Resources is in one of the most potential players in the sunrise industry in which it operates.



Products and services

- Native Starch (primary product)
- By products of Maize such as Gluten, Germ, and Fibre / Enriched Fibre
- Value added products such as Corn Flour, Custard Powder, Baking Powder and Icing Sugar
- Modified starches such as Yellow Dextrin, White Dextrin and IP Grade Starch



History

Regaal Resources (incorporated in 2012 with commercial production starting in September 2018) is a corn wet milling agro-processing company engaged in manufacturing of top quality Maize Starch and its By-products. Over time the company has evolved as a preferred supplier to India's food sector.



Plants

RRL has its manufacturing unit in Galgalia, Bihar, which is one of the hubs of maize productions in India, while the Company is headquartered at Kolkata, West Bengal. Regaal's plant is in the midst of major maize-growing belt. The plant is not only very close to the East and North-East India markets but is also very close to Starch importing countries like Nepal, Bangladesh and the whole of South East Asia.

Consolidating Scale



Regaal, through its speedy expansion has proved that scaling up is only a matter of time! What its competitors achieved in decades of conscientious strategic scaling up, the company achieved in merely 4 years!

Regaal decided to enter corn starch production in 2016 and by 2018 commercial production had begun. The company started on 15 acres of land in 2017 and from then on it has acquired 40 acres of land for its plants and annexed facilities. From a company that started with only 56 customers as on March 2019, Regaal as on March 2023 has a customer base of more than 300 customers across India, Bangladesh, Indonesia and Nepal.





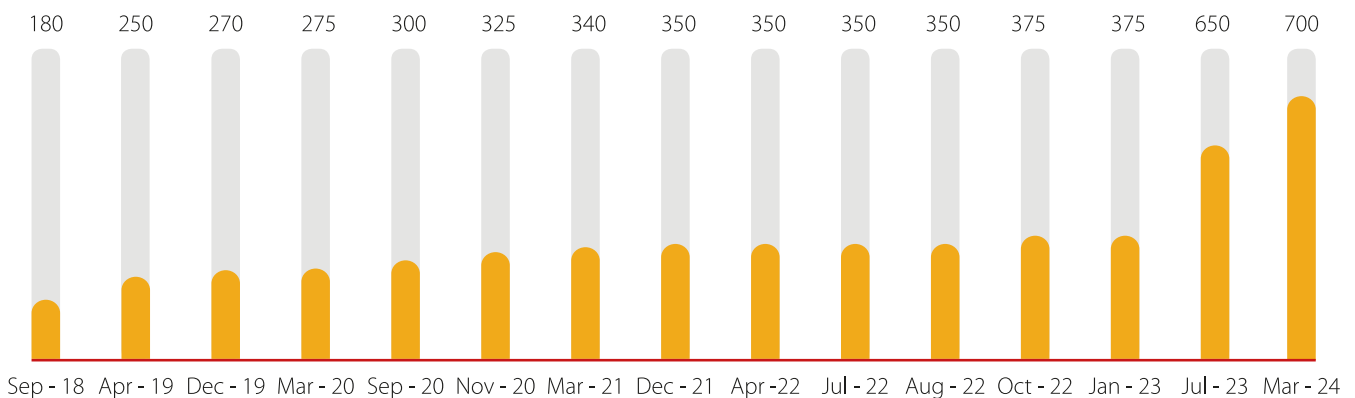
Milestones



PRODUCTION GROWTH MILESTONE

PRODUCTION TIMELINE

Crushing (MT/Day)





Consolidating **Operations**

Regaal reacted to COVID-19 through disciplined cost management, improving operational efficiency, product innovation, brand building, digitalization, and sustainability initiatives. Robust mitigation and adaptation plan to improve supply chain resilience too was widely observed.

With a robust market outlook from 2022 to 2030, the company is focusing on scaling direct access to consumers and investing in personalization in their marketing activities to achieve greater engagement and loyalty. In short, consolidating operations at the organization end.

Regaal commenced in plant modification initiatives through de-bottlenecking and rebalancing its facilities. In doing so, the company optimised its operational efficiency and enabled higher production and cost optimisation with the highest utilisation of resources available

The company has also conscientiously focused on lean manufacturing practices at its shop floor that has directly impacted its bottomline.



Consolidating **Human** resources

At Regaal, it is the strategic alignment of various HR processes under a single umbrella, enabling the organization to eliminate redundancy, improve data accuracy, and enhance the overall employee experience.

Regaal's major achievement has been the introduction and incubation of not only fresh and young talent in the last one year, but also energising the 2nd generation entrepreneur to join the family business!

The absolute migration to a digitised ERM cloud platform has prevented violation of data and information and increased privacy of data.

The company has also focused on employee bonding and fun at work by introducing offsite Annual HR meets that are crucial in evaluating employee requirements while helping them feel empowered and committed. Annual picnics, sports meets etc are done to boost team building, bonding and togetherness.





Consolidating Community service

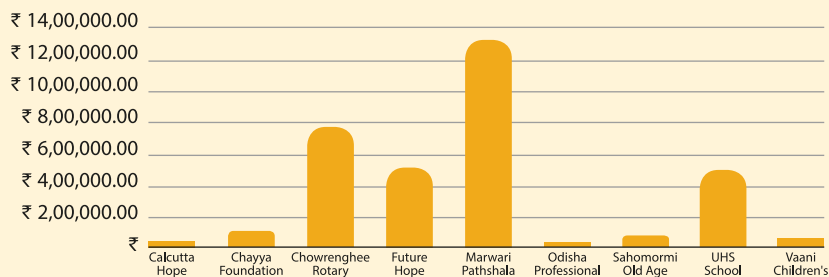
Corporate Social Responsibility is an organization obligation to benefit society in ways that it surpasses its primary business objective of maximizing profit. Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself and its stakeholders.

Acknowledging the multiple deprivations faced by the poor & less privileged people and the complexity of the developmental challenges in the nation, Regaal Resources Limited has designed its CSR activity to strategically align with the overarching goals of the

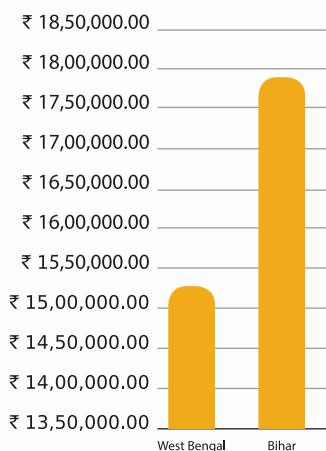
national flagship programs across macro dimensions of education, health, and livelihood.

At Regaal, our focus areas for developmental activities will be in urban as well as rural areas in the states/territory in which it is located or may be located in future. While we will ensure that all communities benefit from our CSR activities, we would focus on those groups that are socially and economically marginalized, especially women and girl children amongst others.

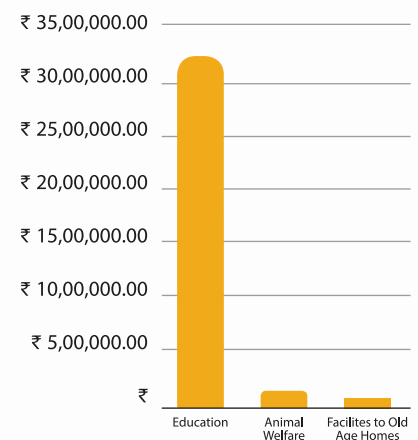
CSR Spent for FY 2022-23



Geographical Area for FY 2022-23



Focused Area for FY 2022-23





Future Hope Foundation

We supported Future Hope, a charitable organization that provides opportunity through its homes, school, sports, and medical program for children from the streets and slums of Kolkata.



Chhaya Foundation

We provided a helping hand to Chhaya Foundation, a trust registered under People for the Respect & Care of Animals (PRCA), which provides shelter and hospital services for animals.



Vaani Children's Foundation

We supported to VAANI, an NGO, established with the aim of bringing communication to the lives of deaf children and their families with a vision to enable access to every deaf child.



USH School

We provided financial support to U.H.S GALGALIA, a school, established in 1957 and it is managed by the Department of Education to support education in the rural area. It is located in THAKURGANJ block of KISHANGANJ district of Bihar.



Sahomormi old age home

We provide monthly ration to Sahomormi Old Age Home - a unique old age care center with human touch. It dedicates itself in a humble way to the Emerging Challenges of especially ageing with physical and /or mental Disorder.



Hope Kolkata Foundation

We supported Hope Kolkata Foundation, an NGO, established to protect and ensure development of children on the streets and in difficult circumstances.

Marwari Pathshala

We provided financial support to Marwari Pathshala, a charitable trust working towards the education of women in Bhagalpur. The aim of this trust is to empower women by providing proper educational facilities.

Chowrenghee Rotary Trust

We provided financial support to Chowrenghee Rotary Trust, an NGO, aiming to provide educational support to less privileged in Uluberia.

Odisha Professional Association

We supported Odisha Professional Association, an organization, focuses on fostering professional development and networking among its members. It actively supports education initiatives for underprivileged students and provides assistance to those pursuing professional studies in Kolkata. The association also organizes charitable activities, including blood donation camps and free health check-ups, to contribute to the welfare of the community.

MD's review



This was a year of stabilisation and consolidation for us!

At Regaal, in the year under review, we focused entirely on consolidating our operations. To begin with, we concentrated on some changemaking initiatives:

- We revved up capacity to 380TPD from 150 TPD - May 2022
- We achieved more than optimum capacity utilisation and produced 385 TPD
- We added a 2.5 MW turbine in April 2022 and reduced our dependence on the State Grid by almost 70%
- We commissioned a new ETP and RO and continued to be a zero liquid discharge plant
- We commenced on automated packaging planning in 2022-23 with zero foreign particles intervention
- We commenced a major warehouse planning for 65000 tonnes of storage capacity

With renewed focus on research and development, we made forays into newer product segments in the year under review:

- We started our retail brand 'Glaize' selling cornflour, baking powder and custard powder mainly
- We introduced modified starch primarily required in the foundry and railway wagon industries

Having done these innovative changes, we still reported a dip in our profitability. Let me explain why:

- We shifted from our previous bank to a newer collective banking system and this cost us some processing and foreclosure charges
- Coal prices were very volatile and increased from approximately Rs 6000/- tonne to Rs 11000/- tonne further undermining our profits and EBIDTA margin
- Our ongoing expansions at the plant site also deployed capital though we did successfully reduce our fixed cost by 3%

This year was a challenging one for the cornstarch industry, as a whole. The conversion from maize to starch was grossly downplayed compared to raw material production. This impaired our gross margins to a large extent.

At the corporate level we moved to a new corporate office, commissioned and kickstarted the ISO compliance processes spearheaded by our newly joined GM (Unit Head) who comes with global industry experience to us.

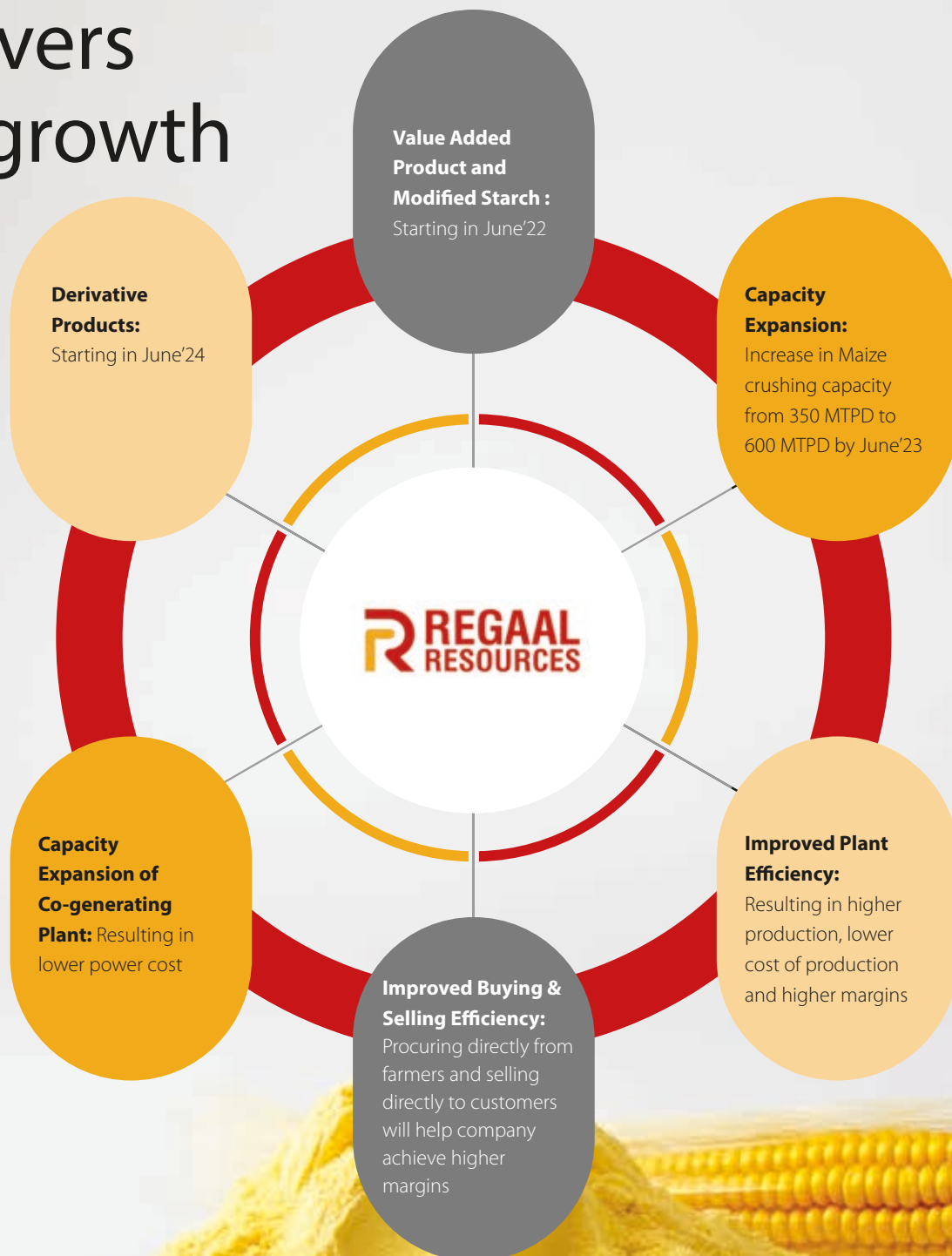
Overall, it was a year of consolidation at our end and paving foundations for a robust future ahead.

Signed

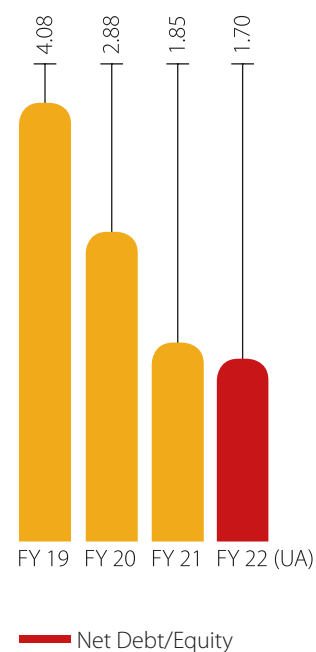
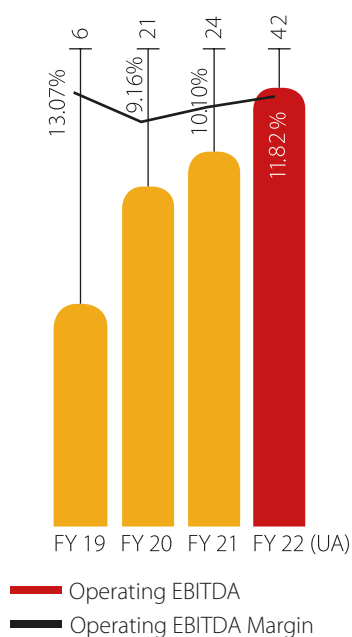
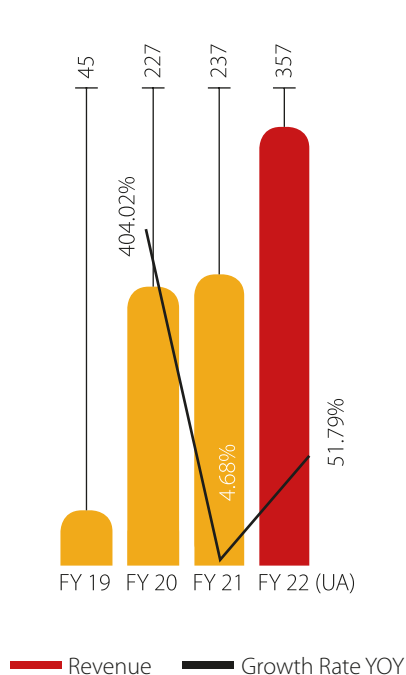
Anil Kishorepuria



Drivers of growth



Our Financial Highlights





Why Regaal?



Board of Directors and Senior Management



Rajkumar Kishorepuria

Director

- Third-generation entrepreneur with 45+ years of experience in the manufacturing, real estate, retail, and trading industry
- Starting in late 60s with trading of silk and steel; gradually moving into import and export
- Visionary behind many projects of the Kishorepuria Group



Anil Kishorepuria

Managing Director

- Commerce Graduate from St. Xavier's College, Kolkata
- Second-generation entrepreneur with 25+ years of experience in manufacturing, real estate, retail and trading industry
- Envisaged the first and largest gated residential community in Bihar by the name of Garden Heights with 318 units
- Has been instrumental in setting up the first corn refinery unit in Bihar
- Partner at SVP India, Rotarian at Rotary Club and part of All India Starch Manufacturers Association



Karan Kishorepuria

Whole Time Director

- Graduated from Northeastern University, specializing in Finance and Nutrition
- Was founding member and President at NUImpact: 1st undergrad led Impact Investing Fund in America (AUM: \$500K).
- Led venture operations at IDEA, the largest student-run venture accelerator in the world
- Prior notable work experiences at Grantham Mayo Van Otterloo, Ratnabali Capital and Goldman Sachs
- Achieved the Forbes under 30 scholarship, Huntington 100 award, BostonInno's 25 U 25 list and 100 'Best and Brightest' business students in America by Poets and Quants
- Former National level squash player, 2 x TEDx Speaker, keynote speaker given 50+ talks at schools, colleges and companies across the world.
- Believes in giving back; youngest Partner at SVP India, Youngest Steering Committee Member at Intentional Endowment Network, Part of FICCI Young National Leaders and Young Global Leaders @ Northeastern University.



Navneet Baheti

Chief Operating Officer

- MBA from IISWBM, Calcutta University, CMA (ICMAI)
- Entrepreneurial professional with 21 years of business and corporate experience in Banking, Real Estate & Manufacturing
- Expertise in the Corporate Finance, Strategy, Human Resource Management, Sales Marketing & Distribution
- Was Zonal Debt Manager at ICICI Bank
- Is a fitness expert with a passion for physical fitness, sports and nutrition.



Rohan Kishorepuria

Vice President, Works

- Mechanical Engineer from the B.M.S College of Engineering, Bengaluru.
- Associated with Indian Society for Advancement for Materials and Process Engineering (ISAMPE) and Fluid Power Society of India (FPSI)
- Strong experience of operations in domestic & global companies

Regaal Resources Limited

CIN: U15100WB2012PLC171600

REGISTERED OFFICE: 6TH FLOOR, CONVERGENCE CONTACT CENTRE, D2/2, EP&GP BLOCK,
SECTOR-V, KOLKATA – 700091, WEST BENGAL

Tel: 033-22293903 | E-mail: info@regaal.in | Website: www.regaal.in

NOTICE OF 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the Regaal Resources Limited will be held on Friday, 29th day of September, 2023 at 11:00 am at its registered office at the Conference Room, Convergence Contact Centre, D2/2, EP & GP Block, Sector – V, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2023, together with the Report of the Board of Directors, Auditors thereon and to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Directors’ Report and the Audited Balance Sheet as on year ended 31st March, 2023 and the Profit and Loss Accounts, Cash Flows for the Year ended on 31st March, 2023 and Notes along with the Auditors’ Report thereon be and are hereby considered, approved and adopted.”

SPECIAL BUSINESS:

2. Regularization of Mr. Rajesh R. Pednekar as Independent Director of the Company

To consider and, if thought fit to pass with or without modification(s), the following Ordinary resolution:

“RESOLVED THAT Shri Rajesh Raghunath Pednekar (DIN:10238178) who has accorded his consent to act as the Independent Director of the Company pursuant to provisions of Section 149 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, with effect from 14-07-2023 in terms of provisions of Section 152, 161(1) and 164 of the Companies Act, 2013.

RESOLVED FURTHER THAT Managing Director and Company Secretary be and are hereby authorized severally to do the needful filing of e-form with MCA in this regard.”

By the Order of the Board
For **REGAAL RESOURCES LIMITED**

Place: - Kolkata
Date: 02-09-2023

(Urmi Chaudhury)
Company Secretary

NOTES:

- a. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
- b. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself and the Proxy need not be a Member of the Company.
- c. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.
- d. 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.
- e. 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.
- f. Members/ Proxies/Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL ITEM:

Item No: 2

Mr. Rajesh Pednekar has been appointed as Additional Director of the Company w.e.f. 14th July, 2023. On recommendation of the Board via resolution by circulation on 17th July, 2023, Mr. Rajesh Pednekar may be appointed as the Independent Director of the Company for a period of 5 years commencing from 14th July, 2023, subject to approval of Shareholders.

Mr. Rajesh Pednekar, aged 57 years is the son of Mr. Raghunath Pednekar, is a commerce graduate with vast experience of handling various business functions.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Rajesh Pednekar should be available to the Company for a period of 5 (Five) years with effect from 14th July, 2023 as Independent Director of the Company.

The main terms and conditions for the appointment of Mr. Rajesh Pednekar as Independent Director, are as follows:

I. Period - 14th July, 2023 to 13th July, 2028

II. Remuneration - A sitting fee of Rs. 60,000 (Rupees Sixty Thousand only) for attending each Board Meeting, Audit Committee meetings and for any other Committee meetings which shall be conducted by the Company from time to time will form the part of remuneration of Mr. Pednekar. Any revision/modification of the same shall be approved by the Board from time to time as per the provisions of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company.

III. Nature of Duties – As a Non-Executive Independent Director of the Company Mr. Pednekar shall act in accordance with the provisions of the Companies Act, 2013 and in accordance with the Articles of Association of the Company.

The fiduciary duties of Executive and Non-Executive Directors are as under:

- Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- Not involve in a situation where there is a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates
- Not to assign your office as Director.

In addition to the above, the role of the Non-Executive Independent Director has the following key elements:

Strategy: Mr. Pednekar will constructively contribute in the development of the Company strategy.

Performance: Mr. Pednekar should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

Risk: Mr. Pednekar should satisfy himself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

People: Mr. Pednekar should determine appropriate levels of remuneration of Executive Directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of Executive Directors, key managerial personnel and senior management.

If as a Director of the Company if Mr. Pednekar contravenes any provisions of the Companies Act, he shall be punishable with fine under the statute and may also be exposed to Civil Action, Criminal Action or Class Action Suit by the Shareholders.

IV. Other terms of Appointment

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolution.

By order of the board of directors

(Urmi Chaudhury)
Company Secretary

Place: - Kolkata
Date: 02-09-2023

Directors' Report



Dear Members,

Your Directors have pleasure in presenting their 11th Annual Report of the Company together with the Audited Financial Statement for the financial year ended March 31, 2023.

(Rs. In Lakhs)

1. FINANCIAL HIGHLIGHTS

| Particulars | FY 2022-23 | FY 2021-22 |
|---|----------------|----------------|
| Profit/(Loss) before Taxation | 2259.40 | 3492.10 |
| Less : Provision For Taxation | 377.40 | 742.30 |
| Income Tax For Earlier years | - | - |
| Profit after Taxation | 1882.00 | 2749.80 |
| Add: Surplus brought forward from previous year | - | - |
| Deferred Tax | 206.20 | 138.10 |
| Surplus Carried to Balance Sheet | 1675.80 | 2611.70 |

2. TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2023.

3. DIVIDEND:

In view of the present business outcomes, no dividend is recommended for the Financial year 2022-23, subject to the approval of Members at the ensuing Annual General Meeting of the Company.

4. REVIEW OF FINANCIAL PERFORMANCE

The Company recorded operational revenue of Rs. 48,795.50 Lakhs in the current financial year as compared to Rs. 37,985.70 Lakhs

during the previous financial year. Export Sales of the company has been decreased to Rs. 3,345.60 Lakhs for the F.Y. 2022-23 as compared to Rs. 3,927.40 Lakhs for the F.Y. 2021-22. Profit Before Tax (PBT) of the company has been decreased to Rs. 2,259.40 lakhs for the F.Y. 2022-23 as compared to Rs. 3,492.10 Lakhs for the F.Y. 2021-22. The drop in Profit Before Tax (PBT) was connected to higher raw material costs, especially for maize, throughout the year. However, due to reduced demand in industries like paper and packaging, these higher costs couldn't be passed on to customers. Significant cost rises were seen in areas like employee expenses, financial costs, and depreciation charges. Coal & Husk prices also went up, along with higher prices for important



materials. On the other hand, overhead costs notably decreased which protected PBT from further fall.

5. NETWORTH

The Net worth of the Company is Rs. 11,251.60 Lakhs in the financial year 2022-23.

6. DEVELOPMENTS:

Your Directors continue their sincere efforts to improve the quality of the Company's services to augment the Company's realization pattern. We have following updates:

- The expansion is almost finished, and production is projected to rise starting from October 2023
- The company has begun storing stock in warehouses for off-season needs, covering up to 30% of the requirements during that period
- The company has made substantial efforts in directly purchasing from farmers up to a significant extent
- Increased focus in the export market to facilitate sales with the upcoming rise in capacity starting from October
- There have been significant improvements in plant infrastructure, including roads and finished goods warehousing

Additionally, there's a consideration for expanding the capacity of silos.

7. CAPITAL EXPENDITURE:

The company had commissioned Phase II completely and capitalised an additional amount of Rs. 12.18 Cr towards Capital Expenditure. Further, Phase III has commenced and the total capital work in progress upto 31st March, 2023 is Rs. 44.12 Cr.

8. MATERIAL CHANGES AND COMMITMENTS:

There are no changes in business and commitments affecting the financial position of the Company which have occurred during the financial year.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has a system of internal control to ensure that the financial and other records are reliable, the assets and properties are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

The Internal Control System is supplemented by extensive program of internal audits, review by management and

documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

All purchases and expenses are guided by formal approval mechanisms. Officials are designated for approval up to specified limits to have automatic and efficient cost control process.

10. DEPOSITS:

Your Company has not invited any deposits from public / shareholders in accordance with Section 73 and 74 of the Companies Act, 2013 for the financial year ended on March 31, 2023.

11. SHARE CAPITAL

During the financial year 2022-23, the Authorized Share Capital of the company has been increased from Rs.9,25,00,000 to Rs.10,25,00,000 and Paid up Capital of the company has been increased from Rs.9,15,01,750 to Rs.9,58,51,750. 4,35,000 shares have been allotted to Ms. Shruti Kishorepuria by way of right issues leading to increased paid up capital.

12. DIRECTORS AND KMPs

During the year under review, Mr. Anil Kishorepuria has been appointed as Managing Director of the company and Mr. Karan Kishorepuria has been appointed as Whole-Time director of the company.

Independent Directors, Mr. D Mohapatra and Ms. Sheetal Jhunjhunwala has been appointed on 10/04/2023 and Mr. Rajesh Pednekar has been appointed as Independent Director on 14/07/2023. Further, resignation of Mr. Rajkumar Kishorepuria, Executive Director was effective from 10/04/2023.

During the Year, Ms. Urmi Chaudhury has been appointed as Company Secretary and Mr. Rajendra Acharya has been appointed as General Manager-Factory of the company as identified by Board as KMPs.

Mr. Navneet Baheti has been appointed as the Chief Financial Officer with effect from 01/04/2023.

13. DETAILS OF BOARD AND GENERAL MEETINGS

During the year under review, 10 Board meetings, 3 EGMS and an AGM were conducted, details of which are given below. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard.

| Date of the meeting | No. of Directors attended the meeting |
|---------------------|---------------------------------------|
| 16.04.2022 | 3 |
| 21.05.2022 | 3 |
| 07.06.2022 | 3 |
| 06.07.2022 | 3 |
| 25.08.2022 | 3 |
| 01.11.2022 | 3 |
| 23.12.2022 | 3 |
| 06.02.2023 | 3 |
| 06.03.2023 | 3 |
| 30.03.2023 | 3 |

| Details of GMs | No. of Members present |
|----------------|------------------------|
| 16.05.2022 | 5 |
| 30.09.2022 | 5 |
| 22.11.2022 | 5 |
| 03.03.2023 | 5 |

14. AUDIT COMMITTEE

During the year 2022-23, your Company has not constituted Audit Committee of the Board as per the provisions of Section 177 of the Companies Act, 2013 read with rules thereunder as on date.

However, the Board appointed requisite number of Independent Directors on 10/04/2023 and constitution of the Committees were successfully conducted w.e.f 23/05/2023.

15. NOMINATION AND REMUNERATION COMMITTEE

During the year 2022-23, your Company has not constituted Nomination and Remuneration Committee of the Board as per the provisions of Section 178 of the Companies Act, 2013 read with rules thereunder as on date.

However, the Board appointed requisite number of Independent Directors on 10/04/2023 and constitution of the Committees were successfully conducted w.e.f 17/07/2023.

16. BOARD EVALUATION

The Board evaluated its own performance on the basis of inputs obtained from all the directors depending on criteria such as the Board composition, effectiveness of board processes, information and functioning, etc.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

1. in the preparation of the Annual Accounts for the year ended 31st March, 2023, applicable accounting standards have been followed and there have been no material departures requiring further explanation;
2. they have selected such accounting policies and applied them consistently and made judgments 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 the period as also certified by the Statutory Auditors of the Company;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts of the Company for the year ended 31st March, 2023 have been prepared on a going concern basis;
5. the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loan, guarantee or made investment in securities exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. The salaries/ remuneration of the directors and KMPs have been fixed after due consideration and approval by the Board.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE

Focused area of CSR spend are on Water supply, Education, Infrastructure, Health program through conduct of health camps for treatment of villagers of peripheral villages, Women empowerment, Vocational training to candidates from weaker sections of society for training and skill enhancement etc. Details about the CSR initiatives and policy of the company are made available at the Company's website.

Report on CSR activities forms part of this Board Report.

21. CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Report as Annexure forms part of this Board Report.

**22. VIGIL MECHANISM/WHISTLE BLOWING POLICY**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is applicable in the current financial year onwards, the Company has a drafted Vigil Mechanism Policy and the same was approved by the Board on 23/05/2023.

23. ANNUAL SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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. EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return is given on the website of the company at www.regaal.in

25. AUDITORS**a) STATUTORY AUDITORS:**

M/s. Singhi & Co (Firm Registration No. 302049E), Chartered Accountants is the Statutory Auditors of the Company. They have furnished a Certificate to the effect that their appointment is in accordance with the limits specified in Section 139 read with Section 141 of the Companies Act, 2013.

b) SECRETARIAL AUDITOR:

Ms. Rinku Agarwal, (CP No: 5809) Company Secretary in Practice, is appointed as Secretarial Auditor of the Company. The PCS has furnished a Certificate to the effect that their appointment is in accordance with the limits specified in Section 204 of the Companies Act, 2013. Report in MR – 3 forming part of this Board Report.

26. WEBSITE OF THE COMPANY

The Company maintains its website where information about the Company is provided at www.regaal.in

27. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting its business with due compliance of all applicable laws, rules and regulations.

28. PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company for the year ended 31st March 2023 have been disclosed as per Schedule III to the Companies Act, 2013.

29. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

30. ACCOUNTING POLICIES AND PROCEDURES

The Significant accounting policies as narrated in the Notes to the Financial Statements is in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to under Section 129 & 133 of the Companies Act, 2013, as applicable to the Company have been followed as usual in the course of preparing and presenting these Accounts.

31. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURE

In terms of the provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of Directors/ KMP are set out in the Annual Return furnished at www.regaal.in

32. IMPLEMENTATION OF POLICY ON THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

During the year under review, no complaint of harassment at workplace was received under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013".

33. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

By the Order of the Board
For **REGAAL RESOURCES LIMITED**

Sd/-

(Anil Kishorepuria)
Managing Director
DIN: 00724328

Place: Kolkata
Date: 02-09-2023

Annexure 'A' to the Director's Report

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility (CSR) is the idea that a company should play a positive role in the community and consider the environmental and social impact of business decisions. It is closely linked to sustainability – creating economic, social, and environmental value – and ESG, which stands for Environmental, Social, and Governance. All three focus on non-financial factors that companies, large and small, should consider when making business decisions.

In recent years, there has been a shift from CSR to social purpose. Many companies have pivoted from having a community investment strategy and a 'nice to have' mindset to adopting a holistic approach in which their mission is built into everything they do.

CSR can involve a broad scope of approaches and initiatives—everything from sustainable practices to community involvement. Customers increasingly expect responsible behaviour from companies they do business with.

Through its CSR policy, the company is continuously focusing on contributing to the social and economic development of the communities and making a positive difference to society by promoting education among weaker section, by providing infrastructure support, initiatives for physically and mentally challenged people, promoting healthcare, ensuring environmental sustainability and other areas approved by the CSR committee.

2. Composition of CSR Committee:

Since the amount to be spent by the company under sub section (5) of section 135 does not exceed rupees fifty lakh, the requirement under sub section (1) the for construction of the corporate social responsibility committee shall not be applicable.

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. NA
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). NA

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 available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| 1 | 2020-21 | 16,84,583.76 | - |
| 2 | 2021-22 | 5,76,653.40 | - |
| 3 | 2022-23 | - | 7,23,123.43 |
| | Total | 22,61,237.17 | 7,23,123.43 |

6. Average net profit of the company as per section 135(5): Rs.20,16,45,071.33
7. (a) Two percent of average net profit of the company as per section 135(5): 40,32,901.43
(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: 7,23,123.43
(d) Total CSR obligation for the financial year (7a+7b-7c): 33,09,778.00
8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|-------------------|--|---------|-------------------|
| | 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. |
| | | | | | |



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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|----------------------|--|-----------------------|--------------------------|-----------|-------------------|--|--|---|--|--|--------------------------|
| Sl. 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 Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation - Direct (Yes/ No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State. | District. | | | | | | Name | CSR Registration number. |
| 1. | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | |
| | Total | | | | | | | | | | | |

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---------------------------------|--|-----------------------|--------------------------|-----------|--|---|---|--------------------------|
| Sl. 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 Rs.). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State. | District. | | | Name. | CSR registration number. |
| 1. | Chhaya Foundation | Clause iv | Yes | West Bengal, Kolkata | | 1,01,210 | Yes | - | - |
| 2. | UHS School | Clause ii | No | Bihar, Kishanganj | | 4,86,081 | Yes | - | - |
| 3. | Vaani Deaf & Mute Foundation | Clause ii | Yes | West Bengal, Kolkata | | 46,500 | Yes | - | - |
| 4. | Sahomormy Old age home | Clause iii | Yes | West Bengal, Kolkata | | 62,987 | Yes | - | - |
| 5. | Calcutta Hope Foundation | Clause ii | Yes | West Bengal, Kolkata | | 38,000 | Yes | - | - |
| 6. | Future Hope Foundation | Clause ii | Yes | West Bengal, Kolkata | | 5,00,000 | Yes | - | - |
| 7. | Marwari Pathshala | Clause ii | No | Bihar, Bhagalpur | | 13,00,000 | Yes | - | - |
| 8. | Chawrenghee Rotary Trust | Clause ii, iii | Yes | West Bengal, Kolkata | | 7,50,000 | Yes | - | - |
| 9. | Odisha Professional Association | Clause ii | Yes | West Bengal, Kolkata | | 25,000 | Yes | - | - |
| | Total | | | | | 33,09,778 | | | |

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): 33,09,778.00
- (g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---------|---------------------------|--|--|--|------------------|-------------------|--|
| | | | | Name of the Fund | Amount (in Rs.). | Date of transfer. | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | Total | | | | | | |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|--------------|----------------------|--|-------------------|--|---|--|--|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs.). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed / Ongoing. |
| 1. | | | | | | | | |
| 2. | | | | | | | | |
| 3. | | | | | | | | |
| | Total | | | | | | | |

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: NA

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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).

Sd/-

Anil Kishorepuria
DIN - 00724328
(Managing Director).



Annexure 'B' to the Director's Report

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

Conservation of Energy

(a) Steps taken or impact on conservation of energy/water resources:

The company continues with its on-going process to conserve / save energy by installing / optimizing some key equipment where feasible, after necessary technical appraisal and energy audit and inter-alia comprise:

- Re-cycling and using its treated process water in two of its units resulting in reduction of power load withdrawal of ground water with due conservation of water resources.
- Installation of Energy efficient LED & solar lights in all units for energy conservation.
- Installation of automatic Power factor Control panels at frequent fluctuating load areas for maintaining power quality & minimizing associated losses.
- Rain water harvesting at plant.
- Provision of day light installations at all workplaces.
- Recovering of all steam condensate from all dryers and steam equipments which goes to the boiler.
- Trimming of impellers in all pumps to reduce motor running load

(b) Steps taken by the company for utilizing alternate sources of energy:

Company is considering various steps for utilizing alternate sources of energy like generating power from Bio Mass Fuel. The company is already producing Bio Mass Fuel from its effluent waste, which is being used for drying some of its products and partly for generating steam thereby replacing use of furnace oil and coal and reducing carbon foot print.

(c) The capital investment on energy conservation equipments:

The company had commissioned Phase II completely and capitalised an additional amount of Rs. 12.18 Crores towards Capital Expenditure. Further, Phase III has commenced and the total capital work in progress upto 31st March, 2023 is Rs. 44.12 Crores.

Technology Absorption

The company has not entered into any technical collaboration agreement. It has not acquired any technical know-how from any foreign source so far.

Expenditure on R&D

No such expenditure has been spent so far.

Foreign Exchange Earnings and Outgo

| PARTICULARS | 2022-23 | | 2021-22 | |
|--|-----------------|--------------|-----------------|--------------|
| | INR | USD | INR | USD |
| Export Sales | 19,92,81,600.00 | 14,25,183.48 | 31,16,01,415.00 | 42,42,118.00 |
| Amount Realized against current sales | 18,35,25,501.92 | 12,48,117.23 | 32,27,84,532.00 | 43,39,710.00 |
| Amount Realized against last year sales | 96,69,028.16 | 1,16,650.00 | 2,10,32,145.00 | 2,15,642.00 |
| Payment against Import of Capital Assets | 4,38,45,719.02 | 5,41,232.24 | 2,00,86,899.00 | 2,67,750.00 |

Annexure 'C' to the Director's Report

FORM NO. 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]

Form for 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 transaction under third proviso thereto.

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

| SL. No. | Particulars | Details |
|---------|---|---|
| a) | Name (s) of the related party & nature of relationship | Detail annexed in 'Note No. 46' of Notes to Financial Statement for the year ended 31st March, 2023 |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions' | |
| f) | Date of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

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

| SL. No. | Particulars | Details |
|---------|---|---|
| a) | Name (s) of the related party & nature of relationship | Detail annexed in 'Note No. 46' of Notes to Financial Statement for the year ended 31st March, 2023 |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Date of approval by the Board | |
| f) | Amount paid as advances, if any | |

For and on behalf of the Board of Directors
REGAAL RESOURCES LIMITED
Sd/-

(Anil Kishorepuria)
Managing Director
DIN: 00724328

Place: Kolkata
Date: 02-09-2023



Corporate
Overview



Statutory
Reports



Financial
Statements

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2023

[Pursuant to section 204(1) of the Companies Act, 2013

and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2023

To,

The Members,

REGAAL RESOURCES LIMITED

(Previously Known as REGAAL RESOURCES PRIVATE LIMITED)

6th Floor, D2/2, Block-EP & GP, Sector-V

Kolkata-700091, West Bengal.

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Regaal Resources Limited** (Previously Known as Regaal Resources Private Limited) (hereinafter called "the company") having **CIN: U15100WB2012PLC171600**. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Regaal Resources Limited (Previously Known as Regaal Resources Private Limited) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by Regaal Resources Limited (Previously Known as Regaal Resources Private Limited) ("the Company") for the financial year ended on 31st March, 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The Company is not listed on any Stock Exchange in India hence the following Acts, Regulations, Guidelines etc. was not applicable to the Company:

- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,

During the financial year ended on 31st March, 2023, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

The company is an unlisted public company and is not guided by any listing agreement.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The company appointed an independent cum women director during the year under review, however the office was vacated due to resignation during the same period. Finally the company appointed two independent directors on 10-04-2023 one of whom is a women. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

For Rinku Agarwal
Company Secretary

Rinku Agarwal - Proprietor
CP No.005809

Mem No. 17209
UDIN: A017209E000922146

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or a shorter notice consent is obtained from all the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/we further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I/We further report that no specific event/action having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, etc. referred to above.

Place: - Kolkata
Date: 02/09/2023

Note : This report is to be read with my letter of even date which is annexed as Annexure-1 hereto and forms an integral part of this report



Annexure 1

To,

The Members,

REGAAL RESOURCES LIMITED

(Previously Known as Regaal Resources Private Limited)

6th Floor, D2/2, Block-EP & GP, Sector-V

Kolkata-700091, West Bengal.

My secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I Followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. The compliance of the provisions of corporate and others applicable laws, rules, regulations, standards etc, is the responsibility of the management of the company. My examination was limited to the verification of procedures on random test basis.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
6. The list of laws applicable to the company as per the secretarial Audit report is as confirmed by the management of the company. The secretarial audit report is neither an assurance nor a confirmation that the list is exhaustive.
7. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For CS Rinku Agarwal
Company Secretary

Rinku Agarwal - Proprietor
CP No.005809
Mem No. 17209

Place: - Kolkata
Date: 02/09/2023

Financial Statements



Independent Auditor's Report

To the Members of

Regaal Resources Limited

(Formerly Regaal Resources Private Limited)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Regaal Resources Limited (Formerly Known as Regaal Resources Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 59 of the accompanying financial statements which states that the Company has not complied with the provisions of section 149, 177 and 178 of the Act with respect to appointment of independent directors, constitution of Audit Committee and remuneration committee during the year ended March 31, 2023. However, as stated in the above note, the same has been complied with by the Company subsequently on appointment of requisite number of Independent Directors on 10th April, 2023 and constitution of the Committees with effect from 23rd May, 2023 and 17th July, 2023.

Our opinion on the financial statements is not modified in respect of the above matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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.

Other Matter

The corresponding financial information of the Company as at and for the year ended 31st March, 2022 and the transition date opening balance sheet as at 1st April, 2021 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2022 and 31st March, 2021, prepared in accordance with the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditors, on which a unmodified opinion was expressed vide their audit report dated August 25, 2022 and July 31, 2021 respectively. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors and as explained in Note No. 58 to the attached financial statements have been audited by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 the Statement of Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 42 to the financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The management has represented to us 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 entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(h) (iv)(a) &(b) above, contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The Board of Directors of the Company has not proposed any dividend for the financial year 2022-2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Singhi & Co.

Chartered Accountants
Firm Registration Number: 302049E

(Giridhari Lal Choudhary)

Partner

Membership Number: 052112

UDIN: 23052112BGXCKJ9884

Place: Kolkata

Dated: 02-09-2023

“Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of the Company of even date)

- i. In the respect of matters specified in clause (i) of paragraphs 3 the Order:
- a(A) 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 intangibles assets.
- b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies were identified on such verification.
- c) 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) disclosed in note 5 to the financial statements included in property, plant and equipment are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. In the respect of matters specified in clause (ii) of paragraphs 3 the Order:
- (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedures of such verification by management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory, were noted on physical verification of inventories, and have been properly dealt with in the books of account.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

(Rs in Millions)

| Quarter ended | Name of the Bank | Particulars | Amount as per books of account | Amount as reported in the quarterly return/ statement | Amount of difference* |
|---------------|---------------------------|------------------|--------------------------------|---|-----------------------|
| Mar-23 | Working Capital Lenders** | Trade Receivable | 719.37 | 723.36 | (3.99) |
| | | Trade Payable | 407.22 | 202.63 | 204.59 |
| | | Inventories | 305.12 | 242.71 | 62.41 |
| Total | | | 1,431.71 | 1,168.70 | |
| Dec-22 | Working Capital Lenders** | Inventory | 422.12 | 398.07 | 24.05 |
| | | Trade Receivable | 437.60 | 300.85 | 136.75 |
| | | Trade Payable | 620.41 | 556.34 | 64.07 |
| Total | | | 1,480.13 | 1,255.26 | |
| Sept-22 | Working Capital Lenders** | Inventory | 473.62 | 425.79 | 47.83 |
| | | Trade Receivable | 351.23 | 240.14 | 111.09 |
| | | Trade Payable | 728.78 | 466.30 | 262.48 |
| Total | | | 1,553.63 | 1,132.22 | |
| June-22 | State Bank of India | Inventory | 384.64 | 374.77 | 9.87 |
| | | Trade Receivable | 251.71 | 105.88 | 145.84 |
| | | Trade Payable | 677.70 | 337.09 | 340.61 |
| Total | | | 1,314.05 | 817.73 | |



*As stated in Note 56.3 to the Financial Statements, the Quarterly statements submitted to banks were prepared and filed before the completion of all financial statement closure activities including accounting standard related adjustments / reclassifications & regrouping as applicable, which led to these differences between the final books of accounts and the quarterly statements submitted to banks based on provisional books of accounts.

** Working Capital Lenders are represented by Bandhan Bank, ICICI Bank and IndusInd Bank.

iii. During the year, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order are not applicable to the Company.

iv. Loans and investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

| Name of the statute | Nature of dues | Amount (Rs. In Millions) | Year | Forum where dispute is pending |
|---------------------------------|----------------|-----------------------------|------------|--|
| Goods and Service Tax Act, 2017 | Sales Tax | 1.62 | FY 2021-22 | Asst. Comm. Of State Tax (Audit), Kishanganj |
| Income Tax Act, 1961 | Income Tax | 23.29 | FY 2019-20 | Centralised Processing Center, Income Tax Dept., Bangalore |

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961(43 of 1961) as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. In the respect of matters specified in clause (ix) of paragraphs 3 the Order:

- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- 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.
- In our opinion and according to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- According to the information and explanation given to us and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

vi. Maintenance of cost records has not been prescribed for the company by the central government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the company.

vii. In the respect of matters specified in clause (vii) of paragraphs 3 the Order:

- The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, the provisions of sales Tax, Service Tax, duty of excise and value added tax are currently not applicable to the Company.

- According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

- The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(e) of the Order is not applicable to the Company.
 - The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- x. In the respect of matters specified in clause (x) of paragraphs 3 the Order:
- The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
 - The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. In the respect of matters specified in clause (xi) of paragraphs 3 the Order:
- During the course of our examination of the books and records of the Company, carried out in accordance with the generally

- accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- 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 as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b) &(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not complied with by the Company in respect of transactions with related party during the year since the audit committee was not constituted during the year (refer emphasis of matter paragraph of our report).
- xiv. In the respect of matters specified in clause (xiv) of paragraphs 3 the Order:
- a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In the respect of matters specified in clause (xvi) of paragraphs 3 the Order:
- a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) As represented by the Management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. The Previous statutory auditors of the company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 57 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The Company has during the year spent the amount of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The Company is not required to prepare consolidated financial statements and accordingly requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For Singhi & Co.

Chartered Accountants
Firm Registration Number: 302049E

(Giridhari Lal Choudhary)

Partner

Membership Number: 052112

UDIN: 23052112BGXCKJ9884

Place: Kolkata
Dated: 02-09-2023



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of even date)

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of **Regaal Resources Limited (Formerly Known as Regaal Resources Private Limited)** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements 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”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.
4. An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

(Giridhari Lal Choudhary)

Partner

Membership Number: 052112

UDIN: 23052112BGXCKJ9884

Place: Kolkata

Dated: 02-09-2023

Balance Sheet as at 31st March, 2023

(Rs in Millions)

| | Particulars | Notes | As at 31st March, 2023 | As at 31st March, 2022 |
|----------|--|-------|------------------------|------------------------|
| | ASSETS | | | |
| 1 | NON-CURRENT ASSETS | | | |
| a | Property, Plant and Equipment | 5 | 1,752.74 | 1,532.80 |
| b | Right of Use Asset | 5 | 81.38 | 7.57 |
| c | Capital Work-In-Progress | 6 | 441.22 | 105.10 |
| d | Intangible Assets | 7 | 0.15 | 0.27 |
| | | | 2,275.49 | 1,645.74 |
| e | Financial Assets | | | |
| i. | Investments | 8 | 4.09 | 4.22 |
| ii. | Other Financial Assets | 9 | 14.19 | 19.85 |
| f | Other Non-Current Assets | 10 | 174.73 | 85.65 |
| | | | 193.01 | 109.72 |
| 2 | CURRENT ASSETS | | | |
| a | Inventories | 11 | 305.12 | 524.88 |
| b | Financial Assets | | | |
| i. | Trade Receivables | 12 | 719.37 | 345.38 |
| ii. | Cash and Cash Equivalents | 13 | 0.92 | 0.85 |
| iii. | Other Financial Assets | 14 | 115.77 | 53.08 |
| c | Current Tax Assets | 15 | 0.52 | 0.52 |
| d | Other Current Assets | 16 | 105.00 | 86.07 |
| | | | 1,246.70 | 1,010.78 |
| | Total Assets | | 3,715.20 | 2,766.24 |
| | EQUITY AND LIABILITIES | | | |
| | EQUITY | | | |
| a | Equity Share Capital | 17 | 95.85 | 91.50 |
| b | Other Equity | 18 | 1,029.24 | 853.85 |
| | | | 1,125.09 | 945.35 |
| | LIABILITIES | | | |
| 1 | NON-CURRENT LIABILITIES | | | |
| | Financial Liabilities | | | |
| i. | Borrowings | 19 | 1,252.03 | 1,093.63 |
| ii. | Lease Liabilities | 20 | 85.22 | - |
| | Provisions | 21 | 13.26 | 8.98 |
| | Deferred Tax Liabilities (Net) | 22 | 85.81 | 65.03 |
| | | | 1,436.32 | 1,167.64 |
| 2 | CURRENT LIABILITIES | | | |
| a | Financial Liabilities | | | |
| i. | Borrowings | 23 | 637.29 | 341.29 |
| ii. | Lease Liabilities | 24 | 1.18 | 9.89 |
| ii. | Trade Payables | 25 | | |
| | Total outstanding dues of micro and small enterprises | | 8.71 | 0.68 |
| | Total outstanding dues of creditors other than micro and small enterprises | | 398.51 | 161.51 |
| iii. | Other Financial Liabilities | 26 | 71.41 | 44.97 |
| b | Other Current Liabilities | 27 | 30.53 | 34.34 |
| c | Provisions | 28 | 0.32 | 0.29 |
| d | Current Tax Liabilities (Net) | 29 | 5.84 | 60.28 |
| | | | 1,153.79 | 653.25 |
| | Total Equity and Liabilities | | 3,715.20 | 2,766.24 |
| | Basis of preparation and presentation of Financial Statements | 2 | | |
| | Significant Accounting Policies | 3 | | |
| | Significant Judgement & Key Estimate | 4 | | |
| | Accompanying notes form an integral part of the financial statements | | | |

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No.302049E)

Giridhari Lal Choudhary
Partner
(Membership No.052112)

Place: Kolkata
Dated: 02-09-2023

For and on behalf of the Board of Directors of
Regaal Resources Limited

Anil Kishorepuria
Managing Director
DIN: 00724328

Urmi Choudhary
Company Secretary
Membership No. - A29400

Karan Kishorepuria
Whole Time Director
DIN - 09228702

Navneet Baheti
Chief Financial Officer

Corporate
OverviewStatutory
ReportsFinancial
Statements

Statement of Profit and Loss for the year ended 31st March, 2023

(Rs in Millions)

| | Particulars | Note No | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--------|---|-----------|--|--|
| (i) | INCOME | | | |
| | Revenue from Operations | 30 | 4,879.55 | 3,798.57 |
| | Other Income | 31 | 7.19 | 5.18 |
| | Total Income | | 4,886.74 | 3,803.75 |
| (ii) | EXPENSES | | | |
| | Cost of materials consumed | 32 | 2,926.81 | 2,259.07 |
| | Purchases of Stock-in-Trade | 33 | 581.32 | 199.16 |
| | Changes in inventories of finished goods, work in progress and stock in trade | 34 | (27.17) | 12.94 |
| | Employee Benefits Expense | 35 | 175.10 | 125.28 |
| | Finance Costs | 36 | 112.45 | 71.96 |
| | Depreciation and Amortisation Expense | 37 | 75.53 | 45.96 |
| | Other Expenses | 38 | 816.76 | 740.17 |
| | Total Expenses | | 4,660.80 | 3,454.54 |
| (iii) | Profit / (Loss) before Exceptional Items and Tax (i - ii) | | 225.94 | 349.21 |
| (iv) | Exceptional Items | | - | - |
| (v) | Profit /(Loss) before Tax (iii - iv) | | 225.94 | 349.21 |
| (vi) | Tax Expense: | 39 | | |
| | Current Tax | | 37.74 | 74.23 |
| | Deferred Tax | | 20.62 | 13.81 |
| | Total Tax Expenses | | 58.36 | 88.04 |
| (vii) | Profit / (Loss) after Tax (v - vi) | | 167.58 | 261.17 |
| (viii) | Other Comprehensive Income | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | a) Remeasurement of defined benefit plan | | 0.62 | 0.25 |
| | b) Income tax relating to above items | | (0.16) | (0.06) |
| | Other Comprehensive Income for the Year (Net of Tax) | 40 | 0.46 | 0.19 |
| (ix) | Total Comprehensive Income for the Year (vii + viii) | | 168.04 | 261.36 |
| | Earnings per Equity Shares of par value of Rs. 10 each | 41 | | |
| | Basic Earnings Per Share (Rs.) | | 17.63 | 28.54 |
| | Diluted Earnings Per Share (Rs.) | | 17.63 | 28.54 |
| | Basis of preparation and presentation of Financial Statements | 2 | | |
| | Significant Accounting Policies | 3 | | |
| | Significant Judgement & Key Estimate | 4 | | |
| | Accompanying notes form an integral part of the financial statements | | | |

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No.302049E)

Giridhari Lal Choudhary
Partner
(Membership No.052112)

Place: Kolkata
Dated: 02-09-2023

For and on behalf of the Board of Directors of
Regaal Resources Limited

Anil Kishorepuria
Managing Director
DIN: 00724328

Urmi Choudhary
Company Secretary
Membership No. - A29400

Karan Kishorepuria
Whole Time Director
DIN - 09228702

Navneet Baheti
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2023

(Rs in Millions)

| | Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|----------|--|--|--|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit/ (Loss) Before Tax | 225.94 | 349.21 |
| | Adjustments for: | | |
| | Depreciation / Amortisation | 75.53 | 45.96 |
| | Finance Cost | 112.45 | 71.96 |
| | Interest Income | (0.25) | (0.24) |
| | Change in fair value of financial assets through FVTPL | 0.13 | (0.27) |
| | Allowance for expected credit loss | 2.04 | 23.81 |
| | Bad and doubtful debt written off | 0.46 | - |
| | (Profit/Loss) on disposal of Property, Plant & Equipment(net) | - | 0.33 |
| | Unrealised Foreign Exchange Difference | (0.08) | (0.03) |
| | Operating Profit before Working Capital Changes | 416.22 | 490.73 |
| | Movement in Working Capital : | | |
| | (Increase)/Decrease in Trade Receivables | (376.41) | (5.32) |
| | (Increase)/Decrease in Inventories | 219.76 | (290.97) |
| | (Increase)/Decrease in Other Assets | (75.96) | (34.07) |
| | Increase/(Decrease) in Trade Payables | 245.02 | 21.64 |
| | Increase/(Decrease) in Other Liabilities | 9.84 | 20.77 |
| | Cash Generated from Operations | 438.47 | 202.78 |
| | Direct Taxes Paid | (92.18) | (31.76) |
| | Net Cash Flow generated from Operating Activities | 346.29 | 171.02 |
| B | Cash Flow from Investing Activities | | |
| | Purchase of property, plant & equipment | (694.05) | (442.78) |
| | Proceed from the sale of property, plant & equipment | 0.02 | 0.74 |
| | Investment in mutual fund | - | (2.02) |
| | Interest Income | 0.25 | 0.24 |
| | Net Cash Flow from / (used in) Investing Activities | (693.78) | (443.82) |
| C | Cash Flow from Financing Activities | | |
| | Proceeds from non current borrowings from Banks and NBFC | 369.12 | 287.64 |
| | Repayment of non current borrowings from Banks and NBFC | (97.28) | (50.24) |
| | Proceeds/(Repayment) of non current borrowings from Related parties and Others (net) | (7.80) | 25.25 |
| | Proceeds/(Repayment) of current borrowings(net) | 190.34 | 87.45 |
| | Issue of equity shares(including Share Premium) | 40.46 | |
| | Repayment of lease liabilities | (4.78) | (8.99) |
| | Interest paid on leasing arrangement | (4.58) | (1.42) |
| | Dividend Paid | (28.76) | - |
| | Interest paid | (109.16) | (67.30) |
| | Net Cash Flow from/(used in) Financing Activities | 347.56 | 272.39 |



(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Net increase/(decrease) in Cash and Cash equivalent (A+B+C) | 0.07 | (0.41) |
| Cash & Cash equivalent at the beginning of the year | 0.85 | 1.26 |
| Cash & Cash equivalent at the end of the year (Refer Note 13) | 0.92 | 0.85 |

Notes:

- a) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- b) The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy Note No. 3.2.
- c) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- d) Figures for the previous year have been re-grouped wherever considered necessary.

| | |
|---|---|
| Basis of preparation and presentation of Financial Statement | 2 |
| Significant Accounting Policies | 3 |
| Significant Judgement & Key Estimate | 4 |
| Accompanying notes form an integral part of the financial statements. | |

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No.302049E)

Giridhari Lal Choudhary
Partner
(Membership No.052112)

Place: Kolkata
Dated: 02-09-2023

For and on behalf of the Board of Directors of
Regaal Resources Limited

Anil Kishorepuria
Managing Director
DIN: 00724328

Urmi Choudhary
Company Secretary
Membership No. - A29400

Karan Kishorepuria
Whole Time Director
DIN - 09228702

Navneet Baheti
Chief Financial Officer

Notes to Financial Statements

A. Equity Share Capital

(Rs in Millions)

| Particulars | Amount |
|---|--------------|
| Balance as at 1st April 2021 | 91.50 |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March 2022 | 91.50 |
| Add/(Less): Changes in Equity Share Capital during the year | 4.35 |
| Balance as at 31st March 2023 | 95.85 |

B Other Equity

| Particulars | Reserves and Surplus | | | Remeasurements of defined benefit plans | Total |
|--|----------------------|-----------------|--------------------|---|----------|
| | Retained Earnings | General Reserve | Securities Premium | | |
| Balance as at 1st April 2021 (As per previous GAAP) | 197.56 | - | 302.26 | - | 499.82 |
| Changes in Accounting policies or Prior Period Errors (Refer Note 58) | 18.01 | - | - | - | 18.01 |
| Impact of transition to Ind AS (Refer Note 58) | 74.66 | - | - | - | 74.66 |
| Balance as at 1st April 2021 | 290.23 | - | 302.26 | - | 592.49 |
| Profit for the year | 261.17 | - | - | - | 261.17 |
| Other Comprehensive Income | - | - | - | 0.19 | 0.19 |
| Total Comprehensive Income for the year | 261.17 | - | - | 0.19 | 261.36 |
| Transferred from Retained Earnings | (400.00) | 400.00 | - | - | - |
| Transfer of Remeasurements of defined benefit plans to Retained Earnings | 0.19 | - | - | (0.19) | - |
| | (399.81) | 400.00 | - | (0.19) | (0.00) |
| Balance as at 31st March 2022 | 151.59 | 400.00 | 302.26 | - | 853.85 |
| Profit for the year | 167.58 | | | | 167.58 |
| Other Comprehensive Income | | | | 0.46 | 0.46 |
| Total Comprehensive Income for the year | 167.58 | - | | 0.46 | 168.04 |
| Transfer of Remeasurements of defined benefit plans to Retained Earnings | 0.46 | - | - | (0.46) | - |
| On Issue of Shares | - | - | 36.11 | - | 36.11 |
| Dividend Paid | (28.76) | - | - | (0.46) | -29.22 |
| | (28.30) | - | 36.11 | (0.46) | 7.35 |
| Balance as at 31st March 2023 | 290.87 | 400.00 | 338.37 | - | 1,029.24 |

Basis of preparation and presentation of Financial Statement 2
Significant Accounting Policies 3
Significant Judgement & Key Estimate 4
Accompanying notes form an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No.302049E)

Giridhari Lal Choudhary
Partner
(Membership No.052112)

Place: Kolkata
Dated: 02-09-2023

For and on behalf of the Board of Directors of
Regaal Resources Limited

Anil Kishorepuria
Managing Director
DIN: 00724328

Urmi Choudhary
Company Secretary
Membership No. - A29400

Karan Kishorepuria
Whole Time Director
DIN - 09228702

Navneet Baheti
Chief Financial Officer



Notes to Financial Statements

1. CORPORATE AND GENERAL INFORMATION

Regaal Resources Limited ("the Company") was originally incorporated as a Private Limited Company domiciled in India under the provisions of the Companies Act, 1956, on 2nd January, 2012, having its registered office at 113, Park Street, 10th Floor, Poddar Point, Kolkata- 700016. With effect from 30th March, 2022, it was converted into a Public Limited Company, i.e. Regaal Resources Limited and further, with effect from 16th April, 2022, it's registered office was shifted to D2/2, Block-EP & GP, 6th Floor, Sector V, Kolkata- 700091. The Company is engaged in the business of manufacturing of Starch and its derivatives.

2.1 Basis of Preparation and Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2022, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). The Company has voluntarily adopted Ind AS and these financial statements for the year ended 31st March, 2023 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2021 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 58. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2021 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2021 as required by Ind- AS 101.

The Financial Statements for the year ended 31st of March, 2023 were approved by the Board of Directors in their meeting held on 2nd September, 2023.

2.2 Basis of measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for the followings:

- Certain Financial Assets and Liabilities are measured at Fair value/ Amortized cost (refer accounting policy regarding financial instruments);
- Freehold Land – Fair value considered on transition to Ind AS.
- Defined benefit plans as per actuarial valuation.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All amounts disclosed in financial statements and notes have been rounded off to the nearest Millions (with two places of decimal) unless otherwise stated.

2.4 Use of Estimates and Critical Accounting Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5 Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

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

All the other assets are classified as non-current.

Notes to Financial Statements

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the 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 and

- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3 SUMMARY OF ACCOUNTING POLICIES

3.1 INVENTORIES

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Finished Goods are valued at lower of cost and net realisable value. Cost includes cost of direct materials and direct labour and a proportion of manufacturing overhead based on the normal operating capacity. Cost is determined on weighted average basis.

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

3.2 CASH AND CASH EQUIVALENTS

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

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3 INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the statement of profit & loss, except to the extent



Notes to Financial Statements

that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.3.1 Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized 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 the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4 PROPERTY, PLANT AND EQUIPMENT

3.4.1 Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.
- On transition to Ind AS, the Company has elected to fair value of its freehold land and use that fair value as deemed cost of such freehold land.

3.4.2 Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3 Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided on straight line method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

Notes to Financial Statements

- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.4 Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.5 Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.5 LEASES

3.5.1 Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.5.2 Company as lessor

Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5.3 Company as lessee

The Company's lease asset classes primarily consist of leases for Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a

contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

3.6 REVENUE RECOGNITION

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.



Notes to Financial Statements

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

3.7 EMPLOYEE BENEFITS

3.7.1 Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2 Other Long Term Employee Benefits

The liabilities for leave that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3 Post-Employment Benefits

The Company operates the following post-employment schemes:

Defined Contribution Plan

Defined contribution plans such as Provident Fund etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. 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. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.8 BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.9 GOVERNMENT GRANTS

Government grants are recognized at their fair value, 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 recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment, the same is presented by deducting the grant from the carrying amount of the asset.

3.10 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.

Notes to Financial Statements

3.10.1 Financial Assets

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and Subsequent Measurement:

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

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial 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 amortized cost using the effective interest rate (EIR) method. 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- **Measured 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. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at 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 which are, held for trading are classified as at FVTPL.
- **Equity Instruments designated at FVTOCI:** For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



Notes to Financial Statements

3.10.2 Financial Liabilities

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, 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.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition:

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

3.10.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.11 Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the

weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.12 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.13 Provisions, Contingent Liabilities and Contingent Assets

3.13.1 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13.2 Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

Notes to Financial Statements

3.13.3 Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.14 Intangible Assets

3.14.1 Recognition and Measurement

Intangible assets are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.14.2 Amortization

- Software's are amortized over a period of three years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.15 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment i.e., Manufacturing of Starch and its derivatives based on the information reviewed by the CODM.

3.16 Recent accounting pronouncement

The Ministry of Corporate Affairs ("MCA") notifies new Accounting Standards or amendments to the existing Accounting Standards. Ministry of Corporate Affairs notified amendments to the existing standards vide notification dated 31st March 2023 which amends certain accounting standards, and are effective 1 April 2023. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

New Standards / Amendments applied during the year in respect of Company's Financial Statements:

(a) Ind AS 1 Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

(b) Ind AS 8 Accounting Policies, Changes in Accounting

Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

(c) Ind AS 12 Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

(d) Other Ind AS Amendments: There are also consequential or editorial amendments in Ind AS 101, 102, 103, 107, 109, 115.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

4 SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgments and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Right-of-use assets and lease liability:** The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease



Notes to Financial Statements

if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

- Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The input to these models are taken from observable markets where possible, but where this 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.

Notes to Financial Statements

5 Property, Plant and Equipment

(Rs in Millions)



| Particulars | For the Year ended 31st March, 2023 | | | | | | |
|--|-------------------------------------|---------------|-------------|--------------------------|------------------------|-------------|------------------------|
| | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Block |
| | As at 31st March, 2022 | Additions | Disposals | As at 31st March, 2023 | Charge during the year | Deductions | As at 31st March, 2023 |
| Freehold Land | 163.16 | 79.72 | - | 242.88 | - | - | 242.88 |
| Buildings | 487.17 | 38.76 | - | 525.93 | 16.42 | - | 476.74 |
| Plant and Machinery | 910.06 | 88.68 | - | 998.74 | 35.80 | - | 891.35 |
| Electrical Installations | 74.26 | 17.57 | - | 91.83 | 7.85 | - | 68.42 |
| Computer & Accessories | 8.06 | 4.54 | - | 12.60 | 2.28 | - | 5.65 |
| Furniture and Fixtures | 2.65 | 48.91 | - | 51.56 | 2.54 | - | 48.12 |
| Motor Vehicles | 15.22 | 7.32 | 0.04 | 22.50 | 2.42 | 0.02 | 16.52 |
| Office Equipments | 2.42 | 2.37 | - | 4.79 | 0.60 | - | 3.06 |
| Total | 1,663.00 | 287.87 | 0.04 | 1,950.83 | 67.91 | 0.02 | 1,752.74 |
| Right of Use (ROU) Assets (Refer Note 58.3) Buildings | 22.71 | 81.29 | - | 104.00 | 7.48 | - | 81.38 |
| Total | 22.71 | 81.29 | - | 104.00 | 7.48 | - | 81.38 |

| Particulars | For the Year ended 31st March, 2022 | | | | | | |
|--|-------------------------------------|---------------|-------------|--------------------------|------------------------|-------------|------------------------|
| | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Block |
| | As at 1st April, 2021 | Additions | Disposals | As at 31st March, 2022 | Charge during the year | Deductions | As at 31st March, 2022 |
| Freehold Land | 125.70 | 37.46 | - | 163.16 | - | - | 125.70 |
| Buildings | 295.03 | 192.14 | - | 487.17 | 9.35 | - | 271.61 |
| Plant and Machinery | 539.95 | 370.11 | - | 910.06 | 20.66 | - | 489.02 |
| Electrical Installations | 45.29 | 29.01 | 0.04 | 74.26 | 4.58 | 0.04 | 34.27 |
| Computer & Accessories | 5.22 | 2.84 | - | 8.06 | 1.60 | - | 2.15 |
| Furniture and Fixtures | 2.39 | 0.26 | - | 2.65 | 0.24 | - | 1.73 |
| Motor Vehicles | 10.83 | 6.67 | 2.28 | 15.22 | 1.50 | 1.21 | 7.54 |
| Office Equipments | 1.37 | 1.05 | - | 2.42 | 0.35 | - | 0.59 |
| Total | 1,025.78 | 639.54 | 2.32 | 1,663.00 | 38.28 | 1.25 | 1,532.80 |
| Right of Use (ROU) Assets (Refer Note 58.3) Buildings | 22.71 | | | 22.71 | 7.57 | | 15.14 |
| Total | 22.71 | - | - | 22.71 | 7.57 | - | 15.14 |

Notes:

- On transition to Ind AS, the Company has elected to fair value its freehold land and use that fair value as deemed cost of freehold land (Refer note no.58.1)
- Refer note no. 19 and 23 for information on property, plant and equipment pledged as securities by the Company.
- Title deeds of immovable property are held in name of the company.
- As permitted by Para D5-D8B of Ind AS-101, on transition to Ind AS, the company has elected to fair value its freehold land and use that fair value as deemed cost of freehold land.



Notes to Financial Statements

6 CAPITAL WORK IN PROGRESS

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-----------------------------------|---------------------------|---------------------------|
| Opening Balance | 105.10 | 236.99 |
| Add: Additions during the year | 518.27 | 457.04 |
| Less: Capitalized during the year | (182.15) | (588.93) |
| Closing Balance | 441.22 | 105.10 |

6.1 Capital Work in Progress (CWIP) ageing schedule

| Particulars | As at 31st March, 2023 | | | | |
|--------------------------------|------------------------|--------------|-----------|-------------------|---------------|
| | Less than 1year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 430.29 | 10.93 | - | - | 441.22 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 430.29 | 10.93 | - | - | 441.22 |

| Particulars | As at 31st March, 2022 | | | | |
|--------------------------------|------------------------|-----------|-----------|-------------------|---------------|
| | Less than 1year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 105.10 | - | - | - | 105.10 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 105.10 | - | - | - | 105.10 |

6.2 There are no projects as on each reporting period where activity had been suspended.

6.3 There were no projects which has exceeded their original plan cost on each reporting date.

6.4 Capital work in progress includes pre- operative expenses (pending allocation) as under:

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Opening Balance | 7.59 | 30.61 |
| Add: | | |
| Finance Cost | 21.21 | 23.73 |
| Salary and Wages | 10.89 | - |
| Power and Fuel | 6.37 | - |
| Others | 5.75 | 0.54 |
| Less: Allocated during the period/year | (7.52) | (47.30) |
| Closing Balance | 44.29 | 7.59 |

7 INTANGIBLE ASSET

| Particulars | For the Year ended 31st March, 2023 | | | | | | | | |
|-------------------|-------------------------------------|-------------|-----------|------------------------------|------------------------------|------------------------------|------------|------------------------------|---------------------------------|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Block |
| | As at 31st March, 2022 | Additions | Disposals | As at 31st March, 2023 | As at 31st March, 2022 | Charge during the year | Deductions | As at 31st March, 2023 | As at 31st March, 2023 |
| Computer Software | 0.52 | 0.02 | - | 0.54 | 0.25 | 0.14 | - | 0.39 | 0.15 |
| Total | 0.52 | 0.02 | - | 0.54 | 0.25 | 0.14 | - | 0.39 | 0.15 |

Notes to Financial Statements

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2022 | | | | | | | | | |
|-------------------|-------------------------------------|-------------|-----------|------------------------|--------------------------|------------------------|------------|------------------------|------------------------|-----------------------|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Block | |
| | As at 1st April, 2021 | Additions | Disposals | As at 31st March, 2022 | As at 1st April, 2021 | Charge during the year | Deductions | As at 31st March, 2022 | As at 31st March, 2022 | As at 1st April, 2021 |
| Computer Software | 0.36 | 0.16 | - | 0.52 | 0.14 | 0.11 | - | 0.25 | 0.27 | 0.22 |
| Total | 0.36 | 0.16 | - | 0.52 | 0.14 | 0.11 | - | 0.25 | 0.27 | 0.22 |

8 Non Current Investments

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| Unquoted | | |
| At Fair Value through Profit & Loss | | |
| Investment in Mutual Fund linked with Keymen Insurance Policy 95229 units (Previous year-97195 units) | 4.09 | 4.22 |
| Non Current Investments Total | 4.09 | 4.22 |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | 4.09 | 4.22 |
| Aggregate amount of impairment in value of investments | - | - |

9 Other Non Current Financial Asset

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| (Unsecured, considered good, unless stated otherwise) | | |
| Security Deposits | 14.19 | 19.85 |
| Other Non Current Financial Asset Total | 14.19 | 19.85 |

10 Other Non Current Asset

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| (Unsecured, considered good, unless stated otherwise) | | |
| Capital Advances# | 174.73 | 85.65 |
| Other Non Current Asset Total | 174.73 | 85.65 |
| # includes advances to a director/private company in which director is a director | - | 4.21 |



Notes to Financial Statements

11 Inventories

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| (At lower of cost or net realisable value) | | |
| Raw Materials | 161.52 | 450.63 |
| Finished Goods | 55.60 | 30.17 |
| Stores & spares | 78.37 | 37.82 |
| Packing Materials | 7.89 | 6.26 |
| Scrap and Other Items | 1.74 | - |
| Inventories Total | 305.12 | 524.88 |

11.1 The above includes good-in-transit as under

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-----------------|---------------------------|---------------------------|
| Raw Materials | 3.00 | - |
| Finished Goods | 17.40 | - |
| Stores & spares | 5.05 | - |
| | 25.45 | - |

11.2 Refer note no. 19 and 23 for information on inventories pledged as securities by the Company.

12 Trade Receivables

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Trade Receivables Considered Good - Secured | - | - |
| Trade Receivables Considered Good - Unsecured* | 721.87 | 345.50 |
| Trade Receivables which have significant increase in Credit Risk | - | - |
| Trade Receivables - Credit Impaired | 29.50 | 29.84 |
| Total | 751.37 | 375.34 |
| Less: Allowances for Credit Losses (including against credit impaired) | 32.00 | 29.96 |
| Trade Receivables Total | 719.37 | 345.38 |
| *include receivable from private companies in which director is a director or member | - | 68.78 |

12.1 Expected credit loss allowances (including against Credit Impaired)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Opening Balance | 29.96 | 6.15 |
| Movement in Allowance for expected credit loss | 2.04 | 23.81 |
| Closing Balance | 32.00 | 29.96 |

12.2 Refer note no. 19 and 23 for information on trade receivables pledged as securities by the Company.

12.3 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

Notes to Financial Statements

12.4 Trade receivables ageing schedule:

(Rs in Millions)

| Particulars | Outstanding from date of transactions as on March 31, 2023 | | | | | | |
|--|--|--------------------|-------------------|-------------|-------------|-------------------|---------------|
| | Unbilled Revenue | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed | | | | | | | |
| Considered good | - | 708.81 | 4.31 | 7.65 | 1.03 | 0.07 | 721.87 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | 19.00 | 19.00 |
| Disputed | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | 10.50 | 10.50 |
| Less: Loss allowance | - | - | - | (1.91) | (0.52) | (29.57) | (32.00) |
| Total | - | 708.81 | 4.31 | 5.74 | 0.51 | - | 719.37 |

| Particulars | Outstanding from date of transactions as on March 31, 2022 | | | | | | |
|--|--|--------------------|-------------------|--------------|-----------|-------------------|---------------|
| | Unbilled Revenue | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed | | | | | | | |
| Considered good | - | 274.49 | 1.98 | 69.03 | - | - | 345.50 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | 6.25 | 23.59 | - | 29.84 |
| Disputed | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| Less: Loss allowance | - | - | - | (6.37) | (23.59) | - | (29.96) |
| Total | - | 274.49 | 1.98 | 68.91 | - | - | 345.38 |

13 Cash & Cash Equivalents

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Balances with banks in Current Account/ Cash Credit Account | 0.15 | 0.11 |
| Cash on hand | 0.77 | 0.74 |
| Cash & Cash Equivalents Total | 0.92 | 0.85 |



Notes to Financial Statements

14 Other Current Financial Asset

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| (Unsecured, considered good, unless stated otherwise) | | |
| Security Deposit | 11.95 | 0.17 |
| Subsidy Receivable | 103.45 | 52.86 |
| Insurance Claim and Other Receivables | 0.37 | 0.05 |
| Other Current Financial Asset Total | 115.77 | 53.08 |

15 Current Tax Assets (Net)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------------------------------|---------------------------|---------------------------|
| Advance Tax (net of Provisions) | 0.52 | 0.52 |
| Current Tax Asset Total | 0.52 | 0.52 |

16 Other Current Asset

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| (Unsecured, considered good, unless stated otherwise) | | |
| Advances to Suppliers & Service Providers | 78.94 | 78.06 |
| Advances to others | 0.29 | 0.32 |
| Advances to employees | 4.58 | 3.69 |
| Balances with Government & Statutory Authorities | 3.84 | 1.83 |
| Prepaid Expenses # | 17.35 | 2.17 |
| Other Current Asset Total | 105.00 | 86.07 |

includes Rs. 11.14 million towards expenses against proposed Initial Public Offer

17 Equity Share Capital

17.1 Authorised Share Capital

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| 1,02,50,000 (31st March, 2022: 92,50,000, 1st April, 2021: 92,50,000) Equity Shares of Rs. 10/- each | 102.50 | 92.50 |
| | 102.50 | 92.50 |

17.2 Issued, Subscribed and Paid-up Share Capital

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| 95,85,175 (31st March, 2022: 91,50,175, 1st April, 2021: 91,50,175) Equity Shares of Rs. 10/- each | 95.85 | 91.50 |
| | 95.85 | 91.50 |

17.3 Reconciliation of the number of shares at the beginning and at the end of the year

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|------------------------|--------|------------------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Shares Outstanding at the beginning of the year | 91,50,175 | 91.50 | 91,50,175 | 91.50 |
| Shares Issued during the year | 4,35,000 | 4.35 | - | - |
| Shares Bought back during the year | - | - | - | - |
| Shares Outstanding at the end of the year | 95,85,175 | 95.85 | 91,50,175 | 91.50 |

Notes to Financial Statements

17.4 Terms/ Rights attached to Equity Shares :

(Rs in Millions)

The company has one class of equity shares having a par value of Rs.10/- per share. Each equity shareholder is eligible for one vote per share held. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

17.5 Details of Equity Shareholders holding more than 5% shares in the Company

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|-----------|------------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| Equity Shares of Rs. 10/- each fully paid | | | | |
| Anil Kishorepuria | 35,34,567 | 36.88% | 35,34,567 | 38.63% |
| Shruti Kishorepuria | 38,05,203 | 39.70% | 33,70,203 | 36.83% |
| BFL Pvt Ltd | 12,66,150 | 13.21% | 12,66,150 | 13.84% |
| SRM Pvt Ltd | 7,86,130 | 8.20% | 7,86,130 | 8.59% |

17.6 Details of Shares held by Promoters in the Company

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|--|------------------------|-----------|--------------------------|------------------------|-----------|--------------------------|
| | No. of Shares | % Holding | % Change during the year | No. of Shares | % Holding | % Change during the year |
| Equity Shares of Rs. 10/- each fully paid | | | | | | |
| Anil Kishorepuria | 35,34,567 | 36.88% | 0.00% | 35,34,567 | 38.63% | 38.50% |
| Shruti Kishorepuria | 38,05,203 | 39.70% | 12.91% | 33,70,203 | 36.83% | 33.48% |
| Karan Kishorepuria | 1,20,000 | 1.25% | 0.00% | 1,20,000 | 1.31% | 0.00% |

17.7 No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

17.8 No bonus shares have been issued during the year.

17.9 No securities convertible into equity shares have been issued by the Company during the year.

17.10 No calls are unpaid by any Director or Officer of the Company during the year.

18 Other Equity

18.1 Retained Earnings

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Balance as at beginning of the year | 151.59 | 197.56 |
| Add/(Less): Changes in Accounting policies or Prior Period Errors (Refer Note 58) | - | 18.01 |
| Add/(Less): Impact of transition to Ind AS (Refer Note 58) | - | 74.66 |
| Total Balance | 151.59 | 290.23 |
| Profit/(loss) for the year | 167.58 | 261.17 |
| Less: Transferred to General Reserves | - | (400.00) |
| Less: Dividend Paid* | (28.76) | - |
| Add/ (Less): Remeasurement of the defined benefit plans (net of taxes) | 0.46 | 0.19 |
| Balance as at the end of the year | 290.87 | 151.59 |

* Dividend of Rs.3 per equity share for FY 2021-22 was declared and paid by the company during the year ended March 31, 2023.



Notes to Financial Statements

18.2 Securities Premium Account

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Balance as at beginning of the year | 302.26 | 302.26 |
| Add: On issue of shares | 36.11 | - |
| Balance as at the end of the year | 338.37 | 302.26 |

18.3 General Reserve

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Balance at the beginning of the year | 400.00 | - |
| Add: Transferred from Retained Earnings | - | 400.00 |
| Balance as at the end of the year | 400.00 | 400.00 |

18.4 Remeasurement of the defined benefit plans

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Balance at the beginning of the year | - | - |
| Add/(Less): Change during the year (Net of tax) | 0.46 | 0.19 |
| Add/(Less): Transferred to Retained Earnings | (0.46) | (0.19) |
| Balance as at the end of the year | - | - |
| Other Equity Total | 1,029.24 | 853.85 |

Nature/ Purpose of each reserve

- Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement (loss)/gain on defined benefit plans, net of taxes that will not be reclassified to Statement of Profits and Losses and also includes fair value adjustments on transition to Ind AS.
- Securities Premium Account: The amount received in excess of face value of the equity shares is recognised in Securities Premium as per the provision of Companies Act, 2013 ('the Act'). This reserve is utilised in accordance with the provisions of the Act.
- General Reserves: General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income.
- Other Comprehensive Income (OCI) : Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:
 - Remeasurement of defined benefit plans: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI and thereafter transferred to Retained Earnings.

Notes to Financial Statements

19 Non Current Borrowings

(Rs in Millions)

| | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | Non-Current Portion | Current Maturities | Non-Current Portion | Current Maturities |
| Secured: | | | | |
| Term Loan from Banks | | | | |
| Rupee Term Loan | 673.49 | 158.08 | 639.83 | 90.60 |
| Vehicle Loan | 7.96 | 2.98 | 3.85 | 1.43 |
| Term Loan from Others | | | | |
| Equipment loan | 125.00 | 25.00 | - | - |
| Unsecured: | | | | |
| Rupee Term Loan : | | | | |
| From NBFC | 1.43 | 15.41 | 2.81 | 7.96 |
| From Bank | 9.52 | 13.86 | 4.71 | 9.68 |
| Loans from Related Parties | 270.37 | - | 164.99 | - |
| Loans from Bodies Corporate | 164.26 | - | 277.44 | - |
| Less: Current maturities shown under Other Current Financial Liabilities (Refer Note 23) | - | (215.33) | - | (109.67) |
| Non Current Borrowings Total | 1,252.03 | - | 1,093.63 | - |

19.1 Terms of repayment and nature of security:

a Secured Term Loan from Banks

(i) Term loan from ICICI Bank of Rs. 248.67 Millions is due for repayment from quarter ending 31-01-2023 to quarter ending 31-07-2027 with floating interest rate of repo + 3.75%.

(ii) Term loan of Rs. 225.37 Millions from Indusind Bank is due for repayment from quarter ending 31.10.2022 to quarter ending 31.07.2027 with 7% fixed rate of interest for first three years with a landing rate at 8.5% linked to overnight Mibor (floating basis).

(iii) Term loan from Bandhan Bank of Rs. 362 Millions is due from repayment from quarter ending 01-01-2023 to quarter ending 01-01-2028 with floating rate of repo+3.75%.

The above loans are secured by pari-pasu charge of Galgalia starch land, building, Plant & machinery and other movable and immovable fixed assets of the company (both present and future) and first charge by way of hypothecation on all current assets of the company (both present and future) on pari-passu basis. Further secured by equitable/registered mortgage of commercial properties belonging to Jiwansagar Towers pvt ltd at Bhagalpur on pari-passu basis & mortgage of Office building at Siliguri city center, in the name of company and corporate

guarantee of M/s Jiwansagar Towers Pvt Ltd and personal guarantee of two directors and spouse of one director.

b Secured Term Loan from Others

The equipment loan from Bajaj Finance Limited of Rs. 150 Millions is due for repayment from month ending 05.08.2023 to month ending 05.07.2027, with a floating interest of 9.00% p.a.. The loan is secured by equitable mortgage of plant and machinery purchased there against.

c Vehicle Loan from Banks

Vehicle loans from various banks are secured against hypothecation of vehicles purchased there against. The loans are repayable on monthly instalments as per the terms of loans which are ranging upto 60 months. The interest rates are ranging from 7.35% p.a. to 10.75% p.a.

d Unsecured Term Loan from Banks & NBFC

Unsecured term loans from various banks/NBFC are taken for the purpose of Business. The loans are repayable on monthly instalments as per the terms of loans which are ranging from 12-24 months. The interest rates are varying from 14.70% p.a. to 17% p.a.

e Loans from Related Parties and Other Bodies Corporate

The interest rates are varying from 7% p.a. to 12.8% p.a.



Notes to Financial Statements

20 Non Current Lease Liabilities

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Lease Liabilities | 85.22 | - |
| Non Current Lease Liabilities Total | 85.22 | - |

21 Long Term Provisions

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | 10.39 | 6.51 |
| Leave | 2.87 | 2.47 |
| Long Term Provisions Total | 13.26 | 8.98 |

22 Deferred Tax Liabilities (Net)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Deferred Tax Liabilities | | |
| Arising on account of : | | |
| Temporary differences in carrying value of property, plant and equipment and intangible assets between books of account and for tax purposes | 97.74 | 72.79 |
| Others | 2.47 | 2.70 |
| Sub-total | 100.21 | 75.49 |
| Less: Deferred Tax Assets | | |
| Arising on account of : | | |
| Expenses allowable on payment, write off, etc. | 5.08 | 2.33 |
| Allowance for expected credit loss | 8.05 | 7.54 |
| Others | 1.27 | 0.59 |
| Sub-total | 14.40 | 10.46 |
| Deferred Tax Liabilities (Net) Total | 85.81 | 65.03 |

22.1 Movement in Deferred Tax Liabilities/ (Assets) during the year ended 31st March, 2023 and 31st March 2022

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Opening Deferred Tax liabilities / (assets) | 65.03 | 51.17 |
| Add : Deferred tax during the year routed through Profit and Loss | 20.62 | 13.81 |
| Add : Deferred tax during the year routed through Other comprehensive income | 0.16 | 0.06 |
| Closing Deferred Tax liabilities / (assets) | 85.81 | 65.03 |

Notes to Financial Statements

23 Current Borrowings

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Secured: | | |
| Cash Credit in Rupee from Banks | 421.96 | 223.07 |
| Unsecured: | | |
| From Bank | - | 3.01 |
| From NBFC | - | 5.54 |
| Current Maturity of Secured Long Term Borrowings(Refer Note 19) | 186.06 | 92.03 |
| Current Maturity of Unsecured Long Term Borrowings(Refer Note 19) | 29.27 | 17.64 |
| Current Borrowings Total | 637.29 | 341.29 |

23.1 Terms and nature of security

a Cash Credit from Banks

The cash credit is secured by first charge by way of hypothecation on all current assets including stocks,book debts and bills and other chargeable current assets of the company(both present and future) on pari passu basis and first pari passu charge on movable and immovable fixed assets of the company(both present and future) ,equitable mortgage of commercial building at Siliguri of the company, registered mortgage of 1st, 4th & 5th floor of commercial building of M/s Jiwansagar Towers Pvt Ltd situated at Tower-I, registered mortgage of ground & 2nd floor of commercial building of M/s Jiwansagar Towers Pvt Ltd situated at Tower-II, registered mortgage of commercial building and other immovable property of M/s Jiwansagar Towers Pvt Ltd situated at Entire Tower-III along with corporate guarantee of M/s Jiwansagar Towers Pvt Ltd and personal guarantee of a director and two relatives of director of the company.

Cash Credit borrowings including Working Capital Demand Loan (WC DL) carry interest in the range of 9% p.a. to 9.75% p.a.

24 Current Lease Liabilities

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Lease Liabilities | 1.18 | 9.89 |
| Current Lease Liabilities Total | 1.18 | 9.89 |

25 Trade Payables

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Total outstanding dues of micro enterprise and small enterprises (Refer Note 44) | 8.71 | 0.68 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises# | 398.51 | 161.51 |
| Trade Payables Total | 407.22 | 162.19 |

#including acceptance Rs. 193.95 million



Notes to Financial Statements

25.1 Trade Payables ageing schedule

(Rs in Millions)

| Particulars | As at 31st March, 2023 | | | | |
|------------------------|---|-------------|-------------|-------------------|---------------|
| | Outstanding for following periods from date of transactions | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 8.71 | - | - | - | 8.71 |
| Others | 394.72 | 2.76 | 0.96 | 0.07 | 398.51 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 403.43 | 2.76 | 0.96 | 0.07 | 407.22 |

| Particulars | As at 31st March, 2022 | | | | |
|------------------------|---|-------------|-------------|-------------------|---------------|
| | Outstanding for following periods from date of transactions | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 0.68 | - | - | - | 0.68 |
| Others | 159.24 | 0.45 | 0.33 | 1.49 | 161.51 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 159.92 | 0.45 | 0.33 | 1.49 | 162.19 |

26 Other Current Financial Liabilities

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Interest Accrued but not due on Borrowings | 1.73 | 0.40 |
| Interest Accrued and due on Borrowings | 3.97 | 6.59 |
| Trade Deposits and Security Deposits | 0.79 | 1.78 |
| Payable to Employees | 21.89 | 11.58 |
| Liability against Capital Expenditure | 43.03 | 24.02 |
| Liability for Expenses | - | 0.60 |
| Other Current Financial Liabilities Total | 71.41 | 44.97 |

27 Other Current Liabilities

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Advances from Customers | 1.76 | 6.14 |
| Statutory Liabilities | 28.77 | 28.20 |
| Other Current Liabilities Total | 30.53 | 34.34 |

28 Short Term Provisions

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|------------------------------------|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | 0.27 | 0.25 |
| Leave | 0.05 | 0.04 |
| Short Term Provisions Total | 0.32 | 0.29 |

Notes to Financial Statements

29 Current Tax Liabilities (Net)

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Current Tax Liabilities (Net) | 5.84 | 60.28 |
| Current Tax Liabilities (Net) Total | 5.84 | 60.28 |

30 Revenue from Operations

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------------------|---------------------------|---------------------------|
| Sale Of Products | 4,749.34 | 3,681.49 |
| Other Operating Revenue | | |
| Sales of Other Items | 54.66 | 65.91 |
| Export Incentive | 0.67 | 3.20 |
| Reimbursement of GST as Subsidy | 74.88 | 47.97 |
| Revenue from Operations Total | 4,879.55 | 3,798.57 |

30.1 Disaggregation of revenue

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| a. Type of Goods & Services | | |
| Starch | 2,876.52 | 2,306.86 |
| Others | 1,872.82 | 1,374.63 |
| | 4,749.34 | 3,681.49 |
| b. Geographical Region | | |
| India | 4,414.78 | 3,288.75 |
| Overseas | 334.56 | 392.74 |
| | 4,749.34 | 3,681.49 |
| c. Type of Sales | | |
| Manufactured | 4,155.25 | 3,481.95 |
| Traded | 594.09 | 199.54 |
| | 4,749.34 | 3,681.49 |

30.2 Reconciliation of Revenue from Sales of Products with Contract Price

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|------------------------------------|---------------------------|---------------------------|
| Contract Price(Net of Return) | 4,813.96 | 3,718.22 |
| Less: Discounts and Incentives | 64.62 | 36.73 |
| Revenue from Sales of Goods | 4,749.34 | 3,681.49 |



Notes to Financial Statements

30.3 Contract balances

(Rs in Millions)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers
Receivables, which are included in 'Trade receivables'

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Trade Receivable | 719.37 | 345.38 |
| Contract Liabilities-Advance from customer | 1.76 | 6.14 |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 6.14 | 7.45 |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods | - | - |

31 Other Income

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Interest income | 0.25 | 0.24 |
| Others | | |
| Rent Income | 0.31 | 0.34 |
| Insurance Claim Received | 2.20 | 0.57 |
| Gain/(Loss) on restatement on Investments measured at FVTPL | (0.13) | 0.27 |
| Gain on Foreign Exchange Transactions/Translations | 2.12 | 3.75 |
| Liabilities no longer required written back | 2.44 | - |
| Miscellaneous Income | - | 0.01 |
| Other Income Total | 7.19 | 5.18 |

32 Cost of Materials consumed

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Cost of Raw Materials consumed | 2,926.81 | 2,259.07 |
| Cost of Raw Materials consumed Total | 2,926.81 | 2,259.07 |

33 Purchases of Stock-in-Trade

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Purchases of Stock-in-Trade | 581.32 | 199.16 |
| Purchases of Stock-in-Trade Total | 581.32 | 199.16 |

34 Changes in inventories of Finished Goods, work in progress and stock in trade

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Opening Stock | | |
| Finished Goods | 30.17 | 43.11 |
| Scrap and Other Items | - | - |
| Less: Closing Stock | | |
| Finished Goods | 55.60 | 30.17 |
| Scrap and Other Items | 1.74 | - |
| Changes in inventories of Finished Goods, work in progress and stock in trade Total | (27.17) | 12.94 |

Notes to Financial Statements

35 Employee Benefits Expenses

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Salaries & Wages | 157.75 | 109.85 |
| Contribution to Provident and Other Funds | 4.14 | 5.59 |
| Gratuity expense (Refer Note 45) | 4.65 | 2.98 |
| Staff Welfare Expenses | 8.56 | 6.86 |
| Employee Benefits Expenses Total | 175.10 | 125.28 |

36 Finance Cost

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Interest Expenses on Borrowing | 169.95 | 131.95 |
| Interest Expenses on Lease Liabilities | 4.58 | 1.42 |
| Other Borrowing Costs | 26.41 | 5.86 |
| Less: Interest Subsidy from Government | (67.28) | (43.54) |
| Less: Interest Capitalised | (21.21) | (23.73) |
| Finance Cost Total | 112.45 | 71.96 |

37 Depreciation and Amortization Expenses

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Depreciation on Tangible Assets (Note No 5) | 67.91 | 38.28 |
| Depreciation on ROU Assets | 7.48 | 7.57 |
| Amortisation on Intangible Assets (Note No 7) | 0.14 | 0.11 |
| Depreciation and Amortization Expenses Total | 75.53 | 45.96 |



Notes to Financial Statements

38 Other Expenses

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Stores and Spares Consumed | 19.93 | 32.51 |
| Packing Material Consumed | 47.93 | 51.70 |
| Labour Charges | 42.11 | 32.45 |
| Power and Fuel (Net of Subsidy received from Government Rs.2.14 million, P.Y- Rs. 3.38 Millions) | 447.47 | 294.20 |
| Freight and Forwarding Charges | 140.95 | 215.93 |
| Rent and Hire Charges | 16.48 | 7.47 |
| Repairs and Maintenance: | | |
| Plant & Machinery | 24.08 | 25.08 |
| Other | 8.65 | 0.86 |
| Insurance | 5.42 | 3.17 |
| Rates and Taxes | 2.19 | 2.74 |
| Travelling and Conveyance Expenses | 11.95 | 12.40 |
| Payment to Auditors(Refer Note 38.1) | 1.20 | 0.60 |
| Legal and Professional Charges | 8.44 | 9.43 |
| Commission | 7.44 | 13.06 |
| Advertisement and Publicity | 0.83 | 0.30 |
| Business Promotion Expenses | 3.24 | 1.08 |
| Loss on Sale of Property, Plant and Equipment | - | 0.33 |
| Donation | 0.88 | 0.78 |
| Corporate Social Responsibility Expenses (Refer Note 54) | 3.31 | 2.38 |
| Bad and Doubtful Debt Written Off | 0.46 | - |
| Provision for Doubtful Debt (net of reversal Rs.0.35 million) | 2.04 | 23.81 |
| Miscellaneous Expenses | 21.76 | 9.89 |
| Other Expenses Total | 816.76 | 740.17 |

38.1 Payment to Auditors

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| For Statutory Audit | 1.20 | 0.60 |
| For Tax Audit | - | - |
| For Other Services (Certification etc.) | - | - |
| | 1.20 | 0.60 |

39 Tax Expense

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--------------------------|--|--|
| Current Tax | 37.74 | 74.23 |
| Deferred Tax | 20.62 | 13.81 |
| Tax Expense Total | 58.36 | 88.04 |

Notes to Financial Statements

(Rs in Millions)

39.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Profit from before income tax expense | 225.94 | 349.21 |
| Income Tax rate* | 25.17% | 25.17% |
| Estimated Income Tax Expense | 56.86 | 87.89 |
| Non deductible expenses for tax purposes | 1.02 | 0.15 |
| Other items | 0.48 | |
| Income tax expense in Statement of Profit & Loss | 58.36 | 88.04 |

*Applicable Income Tax rate for Financial Year ending 2023 and 2022 was 25.168%.

40 Other Comprehensive Income

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of the defined benefit plans | 0.62 | 0.25 |
| Less: Tax expense on the above | (0.16) | (0.06) |
| Other Comprehensive Income Total | 0.46 | 0.19 |

41 Earning per Share

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Nominal Value of Equity Shares (Rs.) | 10.00 | 10.00 |
| Profit attributed to the Equity shareholders of the Company | 167.58 | 261.17 |
| Weighted average number of equity shares | 95,05,326 | 91,50,175 |
| Basic earning per share (Rs.) | 17.63 | 28.54 |
| Diluted earning per share (Rs.) | 17.63 | 28.54 |

41.1 The Company does not have any outstanding equity instruments which are dilutive.

42 Contingent Liabilities

| Sl. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------|--|---------------------------|---------------------------|
| | Claims against the Company not acknowledged as debt | | |
| i. | - Goods and Service Tax | 1.62 | 1.62 |
| ii. | - Income tax | 23.29 | 23.29 |
| | Total | 24.91 | 24.91 |

These cases are pending at various forums with the respective authorities. Outflow, if any, arising out of the claims would depend upon the outcome of the decision of the appellate authorities and the company's right for future appears before judiciary.

The company does not expect any reimbursement in respect of above contingent liabilities.



Notes to Financial Statements

43 Commitments

(Rs in Millions)

| Sl. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------|---|---------------------------|---------------------------|
| i. | Estimated amount of contracts remaining to be executed on Capital Account (net of advances) | 208.28 | 222.30 |

44 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

| Sl. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------|--|---------------------------|---------------------------|
| i | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year. | 8.71 | 0.68 |
| ii | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| iii | The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| iv | The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.01 | - |
| v | 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 | - | - |

The above details has been determined to the extent such suppliers have been identified on the basis of information provided by the suppliers.

45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

45.1 Defined Contribution Plan:

a Provident Fund Contribution

Provident Fund as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

b The amount recognized as an expense for the Defined Contribution Plans are as under:

| Sl. No. | Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---------|----------------|--|--|
| a | Provident Fund | 4.14 | 5.59 |

45.2 Defined Benefit Plan:

The company has one type of defined benefit plan:

a Gratuity Plan

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

Notes to Financial Statements

b Risk Exposure

(Rs in Millions)

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

| | |
|--------------------|--|
| INTEREST RATE RISK | The Defined Benefit Obligation calculation uses a discount rate based on government bonds. If bonds yield fall, the defined benefit obligation will increase. |
| SALARY GROWTH RISK | The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of plan participants will increase the plan liabilities. |
| DEMOGRAPHIC RISK | This is the risk of variability of results due to unsystematic nature of variables that include mortality, withdrawal, disability and retirement. The effect of these variables on the defined benefit obligation is not straight forward and depend upon the combination of factors drawing weightage from salary increase, discount rate and vesting criteria. |

c Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Balance at the beginning of the year | 6.76 | 4.03 |
| Current Service Cost | 4.16 | 2.69 |
| Interest Cost on Defined Benefit Obligation | 0.49 | 0.29 |
| Actuarial Gain and Losses arising from | | |
| Changes in demographic assumptions | - | - |
| Changes in financial assumptions | 0.19 | (0.53) |
| Experience Adjustment | (0.82) | 0.28 |
| Benefits Paid | (0.12) | - |
| Balance at the end of the year | 10.66 | 6.76 |

d Amount recognized in Balance sheet

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Present value of Benefit Obligation at the end of the year | 10.66 | 6.76 |
| Fair value of Plan Assets at the end of the year | - | - |
| Net Liability recognized in the Balance sheet | 10.66 | 6.76 |

e Expenses recognized in statement of Profit or Loss

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Current Service Cost | 4.16 | 2.69 |
| Interest Cost on defined benefit obligation | 0.49 | 0.29 |
| Expenses recognized in statement of Profit or Loss | 4.65 | 2.98 |

f Remeasurements recognized in Other Comprehensive Income

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Actuarial (gain)/ Loss on defined benefit obligation experience adjustments | (0.82) | 0.28 |
| Actuarial (gain)/ Loss on defined benefit obligation due to financial assumption changes | 0.19 | (0.53) |
| Actuarial (Gains)/Losses recognized in OCI | (0.63) | (0.25) |



Notes to Financial Statements

g Actuarial Assumptions

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---------------------------------|--|--|
| Discount Rate | 7.26% | 7.36% |
| Salary Escalation Rate | 10.00% | 10.00% |
| Average expected future service | 21 Years | 21 Years |
| Retirement/Superannuation Age | 60 Years | 60 Years |
| Mortality Rate | IALM (2012-14) Table Ultimate | IALM (2012-14) Table Ultimate |
| Attrition Rate | 5% | 5% |

h The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

i At 31st March 2023, 31st March 2022 the weighted average duration of the defined benefit obligation was 21 years and 21 years respectively. The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

| Expected benefits payment for the year ending on | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Not later than 1 year | 0.28 | 0.28 |
| Later than 1 year and nor later than 5 years | 0.55 | 0.32 |
| More than 5 years | 53.26 | 33.88 |

j Sensitivity Analysis

Method for Sensitivity Analysis : The sensitivity results below determine their individual impact on the Plan's end of the year Define Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or Opposite directions, while the sensitivity to such changes can vary over time :

| | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Effect on DBO due to 0.5% increase in Discount Rate | (0.94) | (0.59) |
| Effect on DBO due to 0.5% decrease in Discount Rate | 1.06 | 0.66 |
| Effect on DBO due to 0.5% increase in Salary Escalation Rate | 0.90 | 0.64 |
| Effect on DBO due to 0.5% decrease in Salary Escalation Rate | (0.81) | (0.57) |
| Effect on DBO due to 0.5% increase in Attrition Rate | (0.06) | (0.04) |
| Effect on DBO due to 0.5% decrease in Attrition Rate | 0.06 | 0.04 |
| Effect on DBO due to 0.5% increase in Mortality Rate | (0.01) | (0.01) |
| Effect on DBO due to 0.5% decrease in Mortality Rate | 0.01 | 0.01 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to Financial Statements

46 Related Party Disclosures pursuant to Indian Accounting Standard - 24

46.1 Names of related parties and description of relationship

a) Key Management Personnels (KMP)

Raj Kumar Kishorepuria - Executive Director

Anil Kishorepuria - Managing Director (w.e.f. 1st October, 2022)/Director (Upto 30 September, 2022)

Bijay Kumar Kishorepuria - Executive Director (Upto 13th July, 2021)

Karan Kishorepuria - Executive Director (w.e.f. 27th September, 2021)

Navneet Baheti - Chief Operating Officer

Tinku Kumar Gupta- Company Secretary (Upto 25th April, 2021)

Chaitee Baral - Company Secretary (w.e.f. 10th January, 2022 Upto 19th June, 2022)

Urmi Chaudhury - Company Secretary (w.e.f. 20th June 2022)

b) Relatives of KMP

Sajjan Kishorepuria - Brother of Raj Kumar Kishorepuria

Shiv Kumar Kishoreporia - Brother of Raj Kumar Kishorepuria

Shruti Kishorepuria - Wife of Anil Kishorepuria

Krishnav Kishorepuria - Son of Anil Kishorepuria

c) Enterprises in which Directors and KMPs / relatives have Significant influence / Control

BFL Private Limited

Contessa Commercial Co. Pvt Ltd

Inservia Innovation Pvt Ltd

Jiwansagar Promotors Pvt Ltd

Jiwansagar Times Pvt Ltd

Jiwansagar Towers Pvt Ltd

Purple Propshop LLP

Sriyash Infrastructure LLP

SRM Private Ltd



Notes to Financial Statements

46.2 Summary of transactions with the related parties

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Unsecured Loan Taken by Company | | |
| Anil Kishorepuria | 92.10 | - |
| BFL Private Limited | 586.90 | 103.95 |
| Contessa Commercial Co P Ltd | - | 17.30 |
| Jiwansagar Promotors Pvt Ltd | 1.70 | 6.15 |
| Jiwansagar Times Pvt Ltd | 0.01 | 77.72 |
| Jiwansagar Towers Pvt Ltd | 17.26 | 9.30 |
| Raj Kumar Kishorepuria | - | - |
| Shruti Kishorepuria | 6.84 | 2.70 |
| SRM Pvt. Ltd. | 128.03 | 21.90 |
| Unsecured Loan Repaid by Company (inclusive of interest paid) | | |
| Anil Kishorepuria | 77.63 | - |
| BFL Private Limited | 459.44 | 31.46 |
| Bijay Kumar Kishorepuria | 1.33 | 0.83 |
| Contessa Commercial Co P Ltd | 1.11 | 35.70 |
| Jiwan Sagar Promotors Pvt. Ltd. | 3.14 | 4.72 |
| Jiwansagar Times Pvt Ltd | 43.02 | 45.12 |
| Jiwansagar Towers Pvt Ltd | 25.47 | 9.27 |
| Raj Kumar Kishorepuria | 4.72 | 1.55 |
| Sajjan Kumar Kishorepuria | 1.45 | 0.83 |
| Shiv Kumar Kishorepuria | 1.36 | 0.83 |
| Shruti Kishorepuria | 9.03 | 0.65 |
| Sriyash Infrastructure LLP | - | - |
| SRM Pvt. Ltd. | 110.09 | 19.38 |
| Interest paid on Unsecured Loan | | |
| Anil Kishorepuria | 2.28 | 0.02 |
| BFL Private Limited | 4.13 | 0.27 |
| Bijay Kumar Kishorepuria | 0.36 | 0.58 |
| Contessa Commercial Co P Ltd | - | 1.23 |
| Jiwan Sagar Promotors Pvt. Ltd. | 0.06 | 0.01 |
| Jiwansagar Times Pvt Ltd | 0.82 | 1.98 |
| Jiwansagar Towers Pvt Ltd | 0.23 | 0.45 |
| Raj Kumar Kishorepuria | 0.29 | 0.58 |
| Sajjan Kumar Kishorepuria | 0.36 | 0.58 |
| Shiv Kumar Kishorepuria | 0.36 | 0.58 |
| Shruti Kishorepuria | 0.06 | 0.09 |
| SRM Pvt. Ltd. | 1.38 | 0.45 |

Notes to Financial Statements

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Rent Paid | | |
| Jiwan Sagar Promotors Pvt. Ltd. | 1.16 | 0.62 |
| Sriyash Infrastructures LLP | 10.09 | 11.24 |
| Purchase of Capital Items | | |
| Inservia Innovations Pvt Ltd | 0.15 | - |
| Jiwansagar Times Pvt Ltd | 4.88 | - |
| Purchase of Land | | |
| Anil Kishorepuria | 63.21 | 24.73 |
| Purchase of Goods | | |
| Jiwan Sagar Promotors Pvt. Ltd. | 0.52 | - |
| Jiwansagar Times Pvt Ltd | 23.54 | - |
| SRM Pvt Ltd | - | - |
| Purchase of Trading Items | | |
| BFL Private Limited | - | 1.94 |
| Contessa Commercial Co P Ltd | - | 2.12 |
| Sales of Goods | | |
| BFL Private Limited | 0.08 | 20.32 |
| Contessa Commercial Co P Ltd | - | 20.72 |
| SRM Pvt Ltd | - | 2.72 |
| Remuneration | | |
| Anil Kishorepuria | 24.00 | 14.30 |
| Karan Kishorepuria | 4.80 | 2.19 |
| Navneet Baheti | 4.20 | 2.27 |
| Raj Kumar Kishorepuria | 1.78 | 3.60 |
| Shruti Kishorepuria | 7.20 | 7.20 |
| Chaitee Baral | 0.09 | 0.16 |
| Urmi Chaudhary | 0.95 | - |
| Advance given by Company | | |
| Jiwan Sagar Promotors Pvt. Ltd. | - | 0.62 |
| Jiwansagar Times Pvt Ltd | 0.02 | - |
| Sriyash Infrastructure LLP | - | 0.63 |
| Advance received back by Company | | |
| BFL Pvt Ltd | - | - |
| Jiwan Sagar Promotors Pvt. Ltd. | - | 0.62 |
| Sriyash Infrastructure LLP | - | 0.63 |
| Sponsorship Fees | | |
| Krishnav Kishorepuria | 5.98 | - |



Notes to Financial Statements

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|--|--|--|
| Payment for Services | | |
| Jiwansaagaar Realty Pvt Ltd | 0.35 | - |
| Sriyash Infrastructure LLP | 0.02 | - |
| SRM Pvt Ltd | 0.08 | - |
| Advance for Land Purchase | | |
| Anil Kishorepuria | - | 25.25 |
| Advance for Land Purchase received back | | |
| Anil Kishorepuria | - | 18.79 |
| Equity Shares Issued (including Securities Premium) | | |
| Shruti Kishorepuria | 40.46 | - |

46.3 Summary of Outstanding balances with the related parties

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Unsecured Loan Outstanding | | |
| Anil Kishorepuria | 17.08 | 0.33 |
| BFL Private Limited | 207.26 | 75.67 |
| Bijay Kumar Kishorepuria | 4.84 | 5.81 |
| Contessa Commercial Co P Ltd | - | 1.11 |
| Jiwan Sagar Promotors Pvt. Ltd. | 0.06 | 1.44 |
| Jiwansagar Times Pvt Ltd | - | 42.19 |
| Jiwansagar Towers Pvt Ltd | 0.21 | 8.19 |
| Raj Kumar Kishorepuria | 1.37 | 5.80 |
| Sajjan Kumar Kishorepuria | 4.69 | 5.79 |
| Shiv Kumar Kishorepuria | 4.82 | 5.81 |
| Shruti Kishorepuria | - | 2.13 |
| SRM Pvt. Ltd. | 30.04 | 10.72 |
| Creditors- Outstanding Balance | | |
| Sriyash Infrastructures LLP | 0.54 | 0.54 |
| Advance Outstanding against Land Purchase | | |
| Anil Kishorepuria | - | 4.21 |
| Debtors- Outstanding Balance | | |
| BFL Private Limited | - | 0.03 |
| SRM Pvt. Ltd. | - | 0.05 |

Notes to Financial Statements

46.4 Key Management Personnel compensation

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|------------------------------|--|--|
| Short-term employee benefits | 43.01 | 29.72 |
| Post-employment benefits * | - | - |
| Total compensation | 43.01 | 29.72 |

*Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

46.5 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business at arm's length prices.

47 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Manufacturing of Starch and its derivatives

The Company derives approx. (31 March 2023 : 14.36%) and (31 March 2022 : 17.79%) of its revenue from a Single Customer, of the revenue from external customers at the end of the year.

48 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2023, 31st March 2022 and 1st April 2021:

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|------------------------------|------------------------|----------|-----------------|------------------------|----------|-----------------|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| Financial Assets | | | | | | |
| Investment | 4.09 | - | - | 4.22 | - | - |
| Trade Receivables | - | - | 719.37 | - | - | 345.38 |
| Cash and Cash Equivalents | - | - | 0.92 | - | - | 0.85 |
| Other Financial Assets | - | - | 129.96 | - | - | 72.93 |
| Total | 4.09 | - | 850.25 | 4.22 | - | 419.16 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 1,889.32 | - | - | 1,434.92 |
| Lease Liability | - | - | 86.40 | - | - | 9.89 |
| Trade Payables | - | - | 407.22 | - | - | 162.19 |
| Other Financial Liabilities | - | - | 71.41 | - | - | 44.97 |
| Total | - | - | 2,454.35 | - | - | 1,651.97 |



Notes to Financial Statements

49 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

(Rs in Millions)

49.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Trade Receivables | 719.37 | 719.37 | 345.38 | 345.38 |
| Cash and Cash Equivalents | 0.92 | 0.92 | 0.85 | 0.85 |
| Other Financial Assets | 129.96 | 129.96 | 72.93 | 72.93 |
| Total Financial Assets | 850.25 | 850.25 | 419.16 | 419.16 |
| Financial Liabilities | | | | |
| Borrowings | 1,889.32 | 1,889.32 | 1,434.92 | 1,434.92 |
| Lease Liability | 86.40 | 86.40 | 9.89 | 9.89 |
| Trade Payables | 407.22 | 407.22 | 162.19 | 162.19 |
| Other Financial Liabilities | 71.41 | 71.41 | 44.97 | 44.97 |
| Total Financial Liabilities | 2,454.35 | 2,454.35 | 1,651.97 | 1,651.97 |

49.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current borrowings, current loans and other financial assets & liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

49.3 The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/amortised cost in the Financial statements approximate their fair values.

49.4 Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

50 Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement.

50.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|-------------------------|------------------------|----------|----------|------------------------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Investment | 4.09 | - | - | 4.22 | - | - |
| Total | 4.09 | - | - | 4.22 | - | - |

Notes to Financial Statements

50.2 During the year ended March 31, 2023 and March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

50.3 Explanation to the Fair Value hierarchy

The Company measures Financial instruments, such as, unquoted investments at fair value at each reporting 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. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of unquoted shares and preference shares have been made based on level 3 inputs as per the hierarchy mentioned in the Accounting Policies.

51 Financial Risk Management

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

51.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its

operating activities (primarily trade receivables). On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss.

a Trade Receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the company operates, an impairment analysis is performed at each reporting date for trade receivables. Based on above, the company has made provision for doubtful debts of Rs. 2.04 Millions, Rs 23.81 Millions for the year ended 31st March 2023 and 31st March, 2022 respectively.

b Other Financial Assets

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

51.2 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.

51.2.1 Maturity Analysis for financial liabilities

- a The following are the remaining contractual maturities of financial liabilities as at 31st March 2023 and 31st March 2022

(Rs in Millions)

| Particulars | As at 31st March, 2023 | | | | |
|-----------------------------|------------------------|------------------|---------------------|-------------------|-----------------|
| | On Demand | Less than 1 year | Between 1 to 5 year | More than 5 Years | Total |
| Borrowings | 421.96 | 215.33 | 1,252.03 | - | 1,889.32 |
| Lease Liability | - | 1.18 | 18.09 | 67.13 | 86.40 |
| Trade payables | - | 407.22 | - | - | 407.22 |
| Other financial liabilities | - | 71.41 | - | - | 71.41 |
| Total | 421.96 | 695.14 | 1,270.12 | 67.13 | 2,454.35 |



Notes to Financial Statements

(Rs in Millions)

| Particulars | As at 31st March, 2022 | | | | |
|-----------------------------|------------------------|------------------|---------------------|-------------------|-----------------|
| | On Demand | Less than 1 year | Between 1 to 5 year | More than 5 Years | Total |
| Borrowings | 223.07 | 118.22 | 890.36 | 203.27 | 1,434.92 |
| Lease Liability | - | 9.89 | - | - | 9.89 |
| Trade payables | - | 162.19 | - | - | 162.19 |
| Other financial liabilities | - | 44.97 | - | - | 44.97 |
| Total | 223.07 | 335.27 | 890.36 | 203.27 | 1,651.97 |

- d It is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

51.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Foreign Exchange Risk and Interest Rate Risk.

51.3.1 Foreign Exchange 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 operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

a Unhedged Foreign Currency Exposure

The Company's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows :

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|------------------------------|---------------------------|---------------------------|
| Financial Assets | | |
| Trade Receivables | 14.76 | 4.23 |
| Financial Liabilities | | |
| Trade Payables | - | - |
| Net Exposure | 14.76 | 4.23 |

b Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of assets and liabilities.

| Particulars | Sensitivity Analysis | For the Year ended 31st March, 2023 | | For the Year ended 31st March, 2022 | |
|----------------------------|-------------------------|-------------------------------------|--------------|-------------------------------------|--------------|
| | | Impact On | | Impact On | |
| | | Profit Before Tax | Other Equity | Profit Before Tax | Other Equity |
| USD Sensitivity (Increase) | 5% | 0.74 | 0.55 | 0.21 | 0.16 |
| USD Sensitivity (Decrease) | 5% | (0.74) | (0.55) | (0.21) | (0.16) |

51.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure.

Notes to Financial Statements

a Exposure to Interest Rate Risk

(Rs in Millions)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|----------------------------|---------------------------|---------------------------|
| Financial Liability | | |
| Fixed Rate Instruments | 474.85 | 476.14 |
| Variable Rate Instruments | 1,414.47 | 958.78 |
| | 1,889.32 | 1,434.92 |

b Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Sensitivity Analysis | For the Year ended 31st March, 2023 | | For the Year ended 31st March, 2022 | |
|--------------------------|-------------------------|-------------------------------------|--------------|-------------------------------------|--------------|
| | | Impact On | | Impact On | |
| | | Profit Before Tax | Other Equity | Profit Before Tax | Other Equity |
| Interest Rate (Increase) | 1% | (7.07) | (5.29) | (4.79) | (3.59) |
| Interest Rate (Decrease) | 1% | 7.07 | 5.29 | 4.79 | 3.59 |

52 Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt to equity ratio is used to monitor capital.

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Share capital | 95.85 | 91.50 |
| Other equity | 1,029.24 | 853.85 |
| Equity (A) | 1,125.09 | 945.35 |
| Cash and cash equivalents | 0.92 | 0.85 |
| Total fund (B) | 0.92 | 0.85 |
| Long Term Borrowing | 1,252.03 | 1,093.63 |
| Short Term Borrowing | 637.29 | 341.29 |
| Total debt (C) | 1,889.32 | 1,434.92 |
| Net debt (D=(C-B)) | 1,888.40 | 1,434.07 |
| Total capital (equity + net debt) | 3,013.49 | 2,379.42 |
| Net debt to equity ratio (E=D/A) | 1.68 | 1.52 |

53 Leases

53.1 As Lessee

- a The Company has lease contracts for certain buildings and other equipments used in its operations. The Company's obligations under its lease are secured by lessor's title to the leased assets.

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

- b The carrying amount of right-of-use assets (Buildings) recognised and its movements during the year are disclosed in Note 5.



Notes to Financial Statements

(Rs in Millions)

- c Lease liabilities is being measured by discounting the lease payments using the incremental borrowing rate i.e. 10% p.a. Movement of the carrying amount of lease liabilities during the year are as under:

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Balance at the beginning of the year | 9.89 | 18.88 |
| Lease Liability created during the year | 81.29 | - |
| Finance cost accrued during the year [Note 36] | 4.58 | 1.42 |
| Payment of lease liabilities for the year | 9.36 | 10.41 |
| Balance at the end of the year | 86.40 | 9.89 |
| Non-current | 85.22 | - |
| Current | 1.18 | 9.89 |
| | 86.40 | 9.89 |

- d The maturity analysis of lease liability have been shown under maturity analysis of Lease Liabilities under Liquidity risk Note 51.2.1 .The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- e Rental expense recorded for short-term leases or cancellable in nature amounts to Rs. 16.48 Millions and Rs 7.47 Millions for the year ended 31st March, 2023 and 31st March, 2022 respectively. (Refer Note - 38).

54 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The details of CSR are as under.

| | Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|---|---|
| a | Gross amount required to be spent by the Company during the year | 4.04 | 1.80 |
| b | Amount spent during the year: | | |
| | (i) Construction / acquisition of any assets | | |
| | - In Cash | 3.31 | 2.38 |
| | - Yet to be paid in cash | - | - |
| | Total | | |
| | (ii) Purposes other than above | | |
| | - In Cash | - | - |
| | - Yet to be paid in cash | - | - |
| | Total | | |
| c | Shortfall /(Excess) at the end of the year | (1.53) | (2.26) |
| d | Total of previous year shortfall | - | - |
| e | Reason of shortfall | NA | NA |
| f | Nature of CSR activities | Promoting Education, Eradicating hunger, poverty and malnutrition. | Promoting Education, Eradicating hunger, poverty and malnutrition. |
| g | Details of related party transactions | Nil | Nil |
| h | Provision Made | - | - |

Notes to Financial Statements

54.2 Details of Excess CSR Expenditure

(Rs in Millions)

| Particulars | For the Year ended 31st March, 2023 | For the Year ended 31st March, 2022 |
|---|--|--|
| Excess balance at the beginning of the year | 2.26 | 1.68 |
| Less: Amount required to be spent during the year | 4.04 | 1.80 |
| Add: Amount spent during the year | 3.31 | 2.38 |
| Excess balance at the end of the year | 1.53 | 2.26 |

55 The Board of Directors have not proposed any dividend for the financial year 2022-23.

56 Other Statutory Disclosure

56.1 Based on the registered sale deed/ conveyance deed (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), the title deeds, comprising the immovable properties of land and buildings which are freehold, are held in the name of the Company.

56.2 The Company does not have any benami property, where any proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made there under.

56.3 The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company with such bank are in agreement with the books of accounts of the Company, except for the differences as stated below.

The Quarterly statements submitted to banks were prepared and filed before the completion of all financial statement closure activities including accounting standard related adjustments / reclassifications & regrouping as applicable, which led to these differences between the final books of accounts and the quarterly statements submitted to banks based on provisional books of accounts.

Reconciliation of quarterly statements submitted to banks with books of accounts of the Company

| Reporting Periods | Banks | Particulars | Amount as per Financial Statement | Amount as per quarterly returns submitted FFR | Amount of Difference |
|-------------------|--------------------------|-------------------|-----------------------------------|---|----------------------|
| March'23 | Working Capital Lenders* | Trade Receivables | 719.37 | 723.36 | (3.99) |
| | | Trade Payables | 407.22 | 202.63 | 204.59 |
| | | Inventories | 305.12 | 242.71 | 62.41 |
| Dec'22 | Working Capital Lenders* | Trade Receivables | 422.12 | 398.07 | 24.05 |
| | | Trade Payables | 437.60 | 300.85 | 136.75 |
| | | Inventories | 620.41 | 556.34 | 64.07 |
| Sept'22 | Working Capital Lenders* | Trade Receivables | 473.62 | 425.79 | 47.83 |
| | | Trade Payables | 351.23 | 240.14 | 111.09 |
| | | Inventories | 728.78 | 466.30 | 262.48 |
| June'22 | State Bank of India | Trade Receivables | 384.64 | 374.77 | 9.87 |
| | | Trade Payables | 251.71 | 105.88 | 145.84 |
| | | Inventories | 677.70 | 337.09 | 340.61 |
| Dec'21 | State Bank of India | Trade Receivables | 336.04 | 322.02 | 14.02 |
| | | Trade Payables | 196.25 | 49.35 | 146.91 |
| | | Inventories | 302.87 | 181.45 | 121.42 |
| Sept'21 | State Bank of India | Trade Receivables | 276.73 | 294.86 | (18.13) |
| | | Trade Payables | 43.44 | 43.16 | 0.28 |
| | | Inventories | 242.77 | 242.86 | (0.09) |
| June'21 | State Bank of India | Trade Receivables | 306.66 | 309.45 | (2.79) |
| | | Trade Payables | 2.22 | 2.22 | 0.00 |
| | | Inventories | 221.09 | 221.18 | (0.09) |
| March'22 | State Bank of India | Trade Receivables | 345.38 | 266.41 | 78.97 |
| | | Trade Payables | 162.22 | 51.31 | 110.91 |
| | | Inventories | 524.88 | 193.51 | 331.37 |

*Working Capital Lenders are represented by Bandhan Bank, ICICI Bank and Indusind Bank.



Notes to Financial Statements

56.4 The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

56.5 There has no any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

56.6 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

56.7 The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the previous 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)

56.8 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.

56.9 The company has not received any fund from any person(s) or entity(ies), including foreign entities(Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- (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 Beneficiary.

56.10 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

56.11 The Company has not made any 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.

57 Analytical Ratios

(Rs in Millions)

| Sl. No. | Ratio | Ratio as on 31-03-2023 | Ratio as on 31-03-2022 | % change | Reason (If variation is more than 25%) |
|---------|--|---------------------------|---------------------------|----------|---|
| a | Current Ratio (in times) | 1.08 | 1.55 | -30.17% | Increase in Current liability |
| b | Debt-Equity Ratio (in times) | 1.76 | 1.52 | 15.81% | |
| c | Debt Service Coverage Ratio (in times) | 1.85 | 3.65 | -49.30% | Due to Increase in repayments of loan |
| d | Return on Equity Ratio (in %) | 0.16 | 32.04% | -15.86% | |
| e | Inventory Turnover Ratio (in times) | 11.76 | 10.01 | 17.44% | |
| f | Trade Receivables Turnover Ratio (in times) | 9.17 | 10.71 | -14.44% | |
| g | Trade Payables Turnover Ratio (in times) | 14.55 | 21.66 | -32.81% | Increase in Trade Payable |
| h | Net Capital Turnover Ratio (in times) | 21.67 | 11.36 | 90.65% | Increase in Turnover |
| i | Net Profit Ratio (in %) | 0.03 | 6.88% | -3.44% | |
| j | Return on Capital Employed (in %) | 0.11 | 17.11% | -6.49% | |
| k | Return on investment * | | | | |

* Not Relevant as the company does not have material investments

Notes to Financial Statements

58 Explanation of transition to Ind AS:

A. Basis of Preparation

The Company previously had prepared financial statements in accordance with the accounting standards specified under the section 133 of the Act read together with the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP or IGAAP) while the Company has voluntarily adopted Ind AS accounting standards as specified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time along with the rules thereof or any other applicable rules or related requirements under the Act from the beginning of financial year 2022-23 and accordingly Ind AS transition date is 01st April 2021. Accordingly, the Company has prepared its first financial statements in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31st March 2023, the comparative information presented in these financial statements for the year ended 31 March 2022 and in the preparation of an opening Ind AS balance sheet at 01st April 2021 (the Company's date of transition to Ind AS).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with the Indian GAAP. An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

B. Exemption and exception applied

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

Optional exemptions

I. Property, Plant and Equipment (PPE)

Ind AS 101 provides the below options with respect to the items of PPE:

- Carry forward the previous GAAP carrying values as at the transition date as "deemed cost" under Ind AS, provided there is no change in functional currency.
- Fair value the items of PPE as at the transition date and use this as the "deemed cost" under Ind AS.
- Restate the carrying values of PPE retrospectively as at the transition date based on Ind AS 16.

The above options are available for intangible assets and investment property as well except fair value option not permitted for investment property.

The Company has opted to measure Freehold Land at fair value as at the transition date and has applied Ind AS 16 retrospectively for measuring the carrying values of other items of PPE at the transition date.

C. Mandatory exceptions

Below are the key mandatory exceptions used in preparation of these financial statements:

I. Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' or 'the end of the comparative period presented in the entity's first Ind AS financial statements', as the case may be, should be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. The Company's Ind AS estimates as on the transition date are consistent with the estimates made under previous GAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

II. De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

III. Classification and measurement of financial assets

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.



Notes to Financial Statements

D. Reconciliation of Equity as on 31st March, 2022

| Particulars | Foot Note Reference | Amount as per IGAAP* | Error Adjustments (refer note 58.8) | Effect of transition to Ind AS | Amount as per Ind AS |
|--------------------------------------|---------------------|----------------------|-------------------------------------|--------------------------------|----------------------|
| ASSETS | | | | | |
| Non-current assets | | | | | |
| (a) Property, plant and equipment | 58.1 & 58.2 | 1,440.10 | 18.36 | 74.34 | 1,532.80 |
| (b) Right of use assets | 58.3 | - | - | 7.57 | 7.57 |
| (c) Capital work in progress | 58.2 | 105.10 | - | - | 105.10 |
| (d) Intangible assets | | 0.27 | - | - | 0.27 |
| (e) Financial assets | | - | - | - | - |
| (i) Investments | 58.4 | - | - | 4.22 | 4.22 |
| (ii) Other Financial Asset | | 15.98 | 3.87 | - | 19.85 |
| (f) Other Non Current assets | | 85.65 | - | - | 85.65 |
| Total non-current assets | | 1,647.10 | 22.23 | 86.13 | 1,755.46 |
| Current assets | | | | | |
| (a) Inventories | | 514.14 | 10.74 | - | 524.88 |
| (b) Financial assets | | - | | | |
| (i) Trade receivables | 58.5 | 345.49 | - | -0.11 | 345.38 |
| (ii) Cash and cash equivalents | | 0.85 | - | - | 0.85 |
| (iv) Other Financial Asset | | 51.94 | 1.14 | - | 53.08 |
| (c) Current tax assets | | - | - | 0.52 | 0.52 |
| (d) Other Current Assets | | 96.91 | -10.84 | - | 86.07 |
| Total Current assets | | 1,009.33 | 1.04 | 0.41 | 1,010.78 |
| Total Assets | | 2,656.43 | 23.27 | 86.54 | 2,766.24 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| (a) Equity share capital | | 91.50 | - | - | 91.50 |
| (b) Other equity | | 752.99 | 20.52 | 80.34 | 853.85 |
| Total Equity | | 844.49 | 20.52 | 80.34 | 945.35 |
| Liabilities | | | | | |
| Non-current Liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | 58.2 | 1,100.15 | - | -6.52 | 1,093.63 |
| (ii) Lease liabilities | 58.3 | - | - | - | - |
| (b) Provisions | | 6.51 | - | 2.47 | 8.98 |
| (c) Deferred tax liabilities (net) | 58.6 | 65.23 | - | -0.20 | 65.03 |
| Total non-current liabilities | | 1,171.89 | - | -4.25 | 1,167.64 |

Notes to Financial Statements

(Rs in Millions)

| Particulars | Foot Note Reference | Amount as per IGAAP* | Error Adjustments (refer note 58.8) | Effect of transition to Ind AS | Amount as per Ind AS |
|--|---------------------|----------------------|-------------------------------------|--------------------------------|----------------------|
| Current Liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | | 341.29 | | | 341.29 |
| (ii) Lease liabilities | 58.3 | - | | 9.89 | 9.89 |
| (iii) Trade payables | | - | | | - |
| - total outstanding dues of micro enterprises and small enterprises | | 0.68 | | | 0.68 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 161.51 | | | 161.51 |
| (iv) Other Financial Liabilities | | 44.97 | | | 44.97 |
| (b) Other current liabilities | | 34.34 | | | 34.34 |
| (c) Provisions | | 0.25 | - | 0.04 | 0.29 |
| (d) Current Tax Liability (Net) | | 57.01 | 2.75 | 0.52 | 60.28 |
| Total current liabilities | | 640.05 | 2.75 | 10.45 | 653.25 |
| Total liabilities | | 1,811.94 | 2.75 | 6.20 | 1,820.89 |
| Total equity and liabilities | | 2,656.43 | 23.27 | 86.54 | 2,766.24 |

*The previous GAAP figures have been reclassified to confirm Ind AS presentation requirement for the purpose of this note.

E. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2022

| Particulars | Foot Note Reference | Amount as per IGAAP* | Error Adjustments (refer note 58.8) | Effect of transition to Ind AS | Amount as per Ind AS |
|---|---------------------|----------------------|-------------------------------------|--------------------------------|----------------------|
| Income: | | | | | |
| Revenue from operations | | 3,795.04 | 3.53 | - | 3,798.57 |
| Other income | | 4.90 | - | 0.28 | 5.18 |
| Total income | | 3,799.94 | 3.53 | 0.28 | 3,803.75 |
| Expenses: | | | | | |
| Cost of materials consumed | | 2,259.07 | - | - | 2,259.07 |
| Purchase of Stock in Trade | | 199.16 | - | - | 199.16 |
| Changes in inventories of finished goods and Stock in trade | | 12.94 | - | - | 12.94 |
| Employee benefits expense | | 123.23 | - | 2.05 | 125.28 |
| Finance costs | 58.2 | 77.42 | -7.33 | 1.87 | 71.96 |
| Depreciation and amortisation expense | | 38.51 | - | 7.45 | 45.96 |
| Other expenses | | 750.26 | 8.35 | -18.44 | 740.17 |
| Total expenses | | 3,460.59 | 1.02 | -7.07 | 3,454.54 |
| Profit before tax | | 339.35 | 2.51 | 7.35 | 349.21 |



Notes to Financial Statements

(Rs in Millions)

| Particulars | Foot Note Reference | Amount as per IGAAP* | Error Adjustments (refer note 58.8) | Effect of transition to Ind AS | Amount as per Ind AS |
|--|---------------------|----------------------|-------------------------------------|--------------------------------|----------------------|
| Tax expense: | | | | | |
| -Current tax | | 74.23 | - | - | 74.23 |
| -Deferred tax | 58.6 | 11.95 | - | 1.86 | 13.81 |
| Total Tax Expense | | 86.18 | - | 1.86 | 88.04 |
| Profit for the year | | 253.17 | 2.51 | 5.49 | 261.17 |
| Other comprehensive income/(loss) for the year | | | | | |
| Item that will not be subsequently reclassified to profit or loss | | | | | |
| (a) Re-measurement gains/(losses) on defined benefit obligations | 58.7 | - | - | 0.25 | 0.25 |
| (b) Income tax effect on above | 58.6 | - | - | -0.06 | -0.06 |
| Total other comprehensive income/(loss), net of tax | | - | - | 0.19 | 0.19 |
| Total comprehensive income for the year | | 253.17 | 2.51 | 5.68 | 261.36 |

*The previous GAAP figures have been reclassified to confirm Ind AS presentation requirement for the purpose of this note.

F. Statement of reconciliation of Other Equity as on 31st March, 2022.

| Particulars | Foot Note Reference | As on 31st March, 2022 |
|--|---------------------|------------------------|
| Other Equity as per previous GAAP (A) | | 752.99 |
| Prior Period Error Adjustments (refer note 58.8) | | 20.52 |
| Total Other Equity (B) | | 773.51 |
| Ind AS Adjustments | | |
| Impact due to Fair Valuation of Land | 58.1 | 80.98 |
| Impact due application of effective interest on Borrowing Cost | 58.2 | (0.12) |
| Impact due to Right-of-use Asset Accounting | 58.3 | (2.32) |
| Impact due to fair valuation of Investments | 58.4 | 4.22 |
| Impact due to application of ECL Model on Trade Receivables | 58.5 | (0.11) |
| Impact due to Others adjustments | | (2.52) |
| Impact due to Deferred Tax on Ind AS adjustments | 58.6 | 0.21 |
| Impact of Total Adjustments (C) | | 80.34 |
| Other Equity as per Ind AS (D) = (B) + (C) | | 853.85 |

Notes to Financial Statements

58.1 Fair Valuation of Land

The Company has considered fair value of freehold land admeasuring over 21.54 acres, situated in India, as its deemed cost on the transition date with impact of Rs. 80.98 Millions in accordance with Ind AS 101 with the resultant impact being accounted for in the retained earnings.

58.2 Application of effective interest on Borrowing Cost

Under previous GAAP, the transaction costs on borrowing were charged off to statement of profit and loss or capitalized with the qualifying asset as per the application of the corresponding borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

58.3 Right-of-use Asset Accounting

Under previous GAAP, the lease payments were charged off as an operating expense on a straight line basis over the term of the lease to statement of profit and loss. Ind AS 116 requires the Company to recognise a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For the short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

58.4 Fair valuation of Investments

Under previous GAAP, payment made towards keyman insurance policy were charged as insurance expenses to statement of profit and loss. Ind AS 109 requires to recognise Financial Asset if it meets the definition of Financial Asset and initially measured at Fair Value.

58.5 Application of ECL Model on Trade Receivables

Under previous GAAP, the Company had created provision for doubtful debts based on specific amount for incurred losses. Under Ind AS, the allowance for doubtful debts has been determined based on expected credit loss model.

58.6 Deferred Tax

Under previous GAAP, Deferred Taxes were recognised based on Profit & Loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet approach i.e. tax impact on temporary difference between the carrying value of assets and liabilities in the books and their respective tax base.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No.302049E)

Giridhari Lal Choudhary
Partner
(Membership No.052112)

Place: Kolkata
Dated: 02-09-2023

58.7 Remeasurements of post-employment benefit obligations

Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

58.8 Prior period Error Adjustments

Prior period errors, on account of the following errors, pertaining to the period prior to 1st April, 2021 have been adjusted with opening equity as on 1st April, 2021 and opening balances of respective assets/liabilities have been reinstated and for errors pertaining to financial year 2021-22 have been adjusted against the relevant heads, as stated in the above reconciliation, in terms of Ind AS -8, "Accounting Policies, Changes in Accounting Estimates and Errors".

- i Measurment and recording of Stores and Spares inventory.
- ii Revenue recognition for export benefits and GST reimbursment subsidy on accrual basis.
- iii Irrecoverable Cess written off.
- iv Adjustment on account of interest on income tax.
- v Capitalisation of borrowing cost.
- vi Restatement of Security deposit written off.

59 The Company has not complied with the provisions of section 149, 177 and 178 of the Act with respect to appointment of independent directors, constitution of Audit Committee and remuneration committee during the year ended March 31,2023. However, the same has been complied with by the Company subsequently on appointment of requisite number of Independent Directors on 10th April,2023 and constitution of the Committees with effect from 23rd May, 2023 and 17th July, 2023

60 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

61 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act,2013.

For and on behalf of the Board of Directors of
Regaal Resources Limited

Anil Kishorepuria
Managing Director
DIN: 00724328

Urmi Choudhary
Company Secretary
Membership No. - A29400

Karan Kishorepuria
Whole Time Director
DIN - 09228702

Navneet Baheti
Chief Financial Officer



REGAAL RESOURCES LIMITED

Convergence Contact Center
D2/2, Block EP&GP, 6th Floor
Sector 5, Bidhannagar
Saltlake, Kolkata - 700091
Ph: 033 2229 3903
www.regaal.in