

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Shriram Polytech Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Shriram Polytech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total 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) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, 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 on the other information that we obtained prior to the date of this auditor's report, 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.

#### **Responsibilities of Management and Those Charged with Governance 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 Ind AS and other accounting principles generally accepted in India. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibility 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.



## **Deloitte Haskins & Sells**

- Obtain an understanding of internal financial 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 statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 comparative financial information of the Company for the year ended March 31, 2022 prepared in accordance with Ind AS included in these financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated April 28, 2022 expressed an unmodified opinion.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts. The Company did not have any long-term contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- 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 w.e.f. 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.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)



**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)  
UDIN: 23094468BGYINT6522

Place: Gurugram  
Date: April 28, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Shriram Polytech Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

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



**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control 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 control 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**

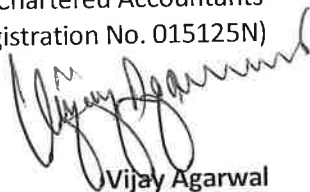
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls 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 criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)



  
**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)  
UDIN: 23094468BGYINT6522

Place: Gurugram  
Date: April 28, 2023

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress.

B. The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals.

No material discrepancies were noticed on such verification.

- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description n of the Property	As at the March 31, 2023		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the Company
	Gross carrying value (Rs. in lakhs)	Net carrying value (Rs. in lakhs)				
Building located at Shriram Nagar, Kota, Rajasthan	529	385	Shriram Vinyl Polytech Private Limited	No	9 years	The Building is held in the name of Shriram Vinyl Polytech Private Limited – earlier name Shriram Polytech Limited

- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.



- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising quarterly sales, statements of current assets and current liabilities filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has granted unsecured loans to other parties during the year, in respect of which:
- (a) The Company has provided loans during the year and details of which are given below:

	Loans (Rs. in lakhs)
A. Aggregate amount of loans granted during the year:	
- Others – Loans to employees	0.51
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others – Loans to employees	0.41

The Company has not provided any guarantee or security to any other entity during the year.

- (b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of abovementioned loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.



- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.



- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Unpaid amount (in lakhs)
Finance Act, 1994	Service Tax	Assistant Commissioner	2016-17 and 2017-18	6.98

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clauses (ix)(e) and (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.



- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is a wholly owned subsidiary and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto September 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have more than one Core Investment Company (CIC) as part of the group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year and the previous auditors didn't raise any issues, objections or concerns.



(xix)

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.



**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 015125N)

**Vijay Agarwal**  
(Partner)

(Membership No. 094468)

UDIN: 23094468BGYINT6522

Place: Gurugram

Date: April 28, 2023

**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)**  
**(CIN No : U74120DL2008PLC185967)**  
**2nd Floor, (West Wing), World Mark 1, Aerocity, New Delhi-110037**  
**Balance sheet as at March 31, 2023**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

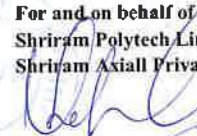
Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,153.78	1,200.18
Capital work in progress	3	1.20	0.25
Intangible assets	4	1.15	1.45
Financial assets			
(i) Loans	5.1	0.42	0.95
(ii) Other financial assets	5.2	8.03	7.99
Deferred tax assets (net)	6	96.78	83.23
Other non-current assets	7	5.99	25.00
<b>Total non-current assets</b>		<b>1,267.35</b>	<b>1,319.05</b>
<b>Current assets</b>			
Inventories	8	1,621.25	2,175.18
Financial assets			
(i) Trade receivables	9.1	5,079.39	5,408.64
(ii) Cash and cash equivalents	9.2	128.59	4.03
(iii) Other financial assets	9.3	7.54	2.00
Current tax assets (net)	10	-	10.98
Other current assets	11	370.78	288.32
<b>Total current assets</b>		<b>7,207.55</b>	<b>7,889.15</b>
<b>Total assets</b>		<b>8,474.90</b>	<b>9,208.20</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12.1	346.50	346.50
Other equity	12.2	5,740.74	5,390.71
<b>Total equity</b>		<b>6,087.24</b>	<b>5,737.21</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	13	359.37	329.76
<b>Total non-current liabilities</b>		<b>359.37</b>	<b>329.76</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14.1	-	566.63
(ii) Trade payables	14.2		
(a) total outstanding dues of micro and small enterprises		146.08	130.52
(b) total outstanding dues other than (a) above		1,586.97	2,283.83
(iii) Other financial liabilities	14.3	58.57	21.98
Other current liabilities	15	100.61	35.84
Provisions	16	113.12	102.43
Current tax liabilities (net)	10	22.94	-
<b>Total current liabilities</b>		<b>2,028.29</b>	<b>3,141.23</b>
<b>Total equity and liabilities</b>		<b>8,474.90</b>	<b>9,208.20</b>


The accompanying notes forms an integral part of these financial statements.

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 099125  
  
Vijay Agarwal  
Partner  
Membership No. 094468



For and on behalf of the Board of Directors of  
Shriram Polytech Limited (Formerly known as  
Shriram Axiall Private Limited)

  
Vinoo Mehta  
Director  
DIN : 07016926

  
K.K. Sharma  
Director  
DIN : 07951296

Place: Gurugram  
Date: Apr 28, 2023

Place: New Delhi  
Date: Apr 28, 2023

Place: New Delhi  
Date: Apr 28, 2023

**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Statement of profit and loss for year ended March 31, 2023***(All amounts in Rs. lakhs, unless otherwise stated)*

Particulars	Note	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from operations	17	19,482.49	18,995.83
Other income	18	31.54	26.34
<b>Total income</b>		<b>19,514.03</b>	<b>19,022.17</b>
<b>Expenses:</b>			
Cost of materials consumed		16,640.47	16,129.93
Purchases of stock-in-trade		-	21.48
Change in inventories of finished goods, work-in-progress and stock-in-trade	19	(13.61)	113.07
Employee benefits expense	20	624.40	633.49
Finance costs	21	40.68	24.48
Depreciation and amortisation expense	22	158.83	158.14
Other expenses	23	1,562.45	1,278.28
<b>Total expenses</b>		<b>19,013.22</b>	<b>18,358.87</b>
<b>Profit before tax</b>		<b>500.81</b>	<b>663.30</b>
Tax expense	27		
Current tax		156.97	186.03
Deferred tax		(28.31)	(16.32)
Tax adjustments related to earlier years		16.61	-
<b>Total tax expense</b>		<b>145.27</b>	<b>169.71</b>
<b>Profit for the year</b>		<b>355.54</b>	<b>493.59</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will be reclassified to profit or loss</i>			
Change in fair value of hedging instruments		(2.86)	0.51
Income tax related to above		0.72	(0.13)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability		(4.50)	9.97
Income tax related to above		1.13	(2.51)
<b>Other comprehensive income for the year, net of tax</b>		<b>(5.51)</b>	<b>7.84</b>
<b>Total Comprehensive Income for the year</b>		<b>350.03</b>	<b>501.43</b>
Earnings per equity share (face value Rs. 10 per share) :			
Basic (Rs.)	29	10.26	14.20
Diluted (Rs.)		10.26	14.20

The accompanying notes forms an integral part of these financial statements.

**For Deloitte Haskins & Sells****Chartered Accountants****Firm Registration Number : 015125N**


**Vijay Agarwal**  
**Partner****Membership No. 094468****For and on behalf of the Board of Directors of  
Shriram Polytech Limited (Formerly known as Shriram  
Axial Private Limited)**

**Vinoo Mehta**  
**Director**  
**DIN : 07016926**

**K.K. Sharma**  
**Director**  
**DIN : 07951296****Place: Gurugram**  
**Date: Apr 28, 2023****Place: New Delhi**  
**Date: Apr 28, 2023****Place: New Delhi**  
**Date: Apr 28, 2023**

**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Statement of Cash Flows for the year ended March 31, 2023***(All amounts in Rs. lakhs, unless otherwise stated)*

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>A. Cash flow from operating activities :</b>		
Profit before taxation	500.81	663.30
<b>Adjustments for :</b>		
Depreciation and amortisation	158.83	158.14
Provision for doubtful debts	44.95	21.33
Unrealised foreign exchange loss	(0.36)	-
Liability no longer required written back	(20.60)	(7.53)
Interest expenses	40.68	24.48
Loss on discard of property, plant and equipment	0.27	2.26
Advances written off	1.65	0.01
Operating profit/(loss) before working capital changes	<b>225.42</b>	<b>198.69</b>
<b>Changes in working capital:</b>		
Increase/(Decrease) in provisions	35.80	9.16
Increase/(Decrease) in trade payables	(680.98)	175.60
Increase/(Decrease) in other financial liabilities	38.23	(24.51)
Increase/(Decrease) in other current liabilities	64.77	(3.16)
(Increase)/Decrease in trade receivables	304.90	(1,236.44)
(Increase)/Decrease in inventories	553.93	(429.18)
(Increase)/Decrease in other current assets	(84.11)	46.67
(Increase)/Decrease in other financial assets	(5.54)	-
Cash utilised for operations	<b>953.23</b>	<b>(599.87)</b>
Tax paid (net of refunds)	(123.05)	(173.01)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>830.18</b>	<b>(772.88)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of property, plant and equipment	(99.86)	(111.65)
Proceeds from sale of property, plant and equipment	1.02	54.36
Loan given to/(Repayment of loan) by employees (net)	0.53	(0.95)
<b>Net Cash used in investing activities (B)</b>	<b>(98.31)</b>	<b>(58.24)</b>
<b>C. Cash Flow from financing activities :</b>		
Proceeds / repayment of short term borrowings (net)	(566.63)	566.63
Interest paid	(40.68)	(24.48)
<b>Net Cash generated from / (used in) financing activities (C)</b>	<b>(607.31)</b>	<b>542.15</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>124.56</b>	<b>(288.97)</b>
Cash and cash equivalents at the beginning of the year	<b>4.03</b>	<b>293.00</b>
Cash and cash equivalents at the end of the year (refer note 9.2)	<b>128.59</b>	<b>4.03</b>
<b>Cash and cash equivalent comprises of:</b>		
Balance with banks	128.29	3.20
Cash on hand	0.30	0.83
<b>Total</b>	<b>128.59</b>	<b>4.03</b>

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 on Statement of Cash Flows.
2. Figures in brackets indicate cash outflow.

The accompanying notes forms an integral part of these financial statements.

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 053125N

Vijay Agarwal  
Partner  
Membership No. 094468



For and on behalf of the Board of Directors of  
Shriram Polytech Limited (Formerly known as  
Shriram Axial Private Limited)

Vinoo Mehta  
Director  
DIN : 07016926

K.K. Sharma  
Director  
DIN : 07951296

Place: Gurugram  
Date: Apr 28, 2023

Place: New Delhi  
Date: Apr 28, 2023

Place: New Delhi  
Date: Apr 28, 2023

**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)**  
**Statement of changes in equity for the year ended March 31, 2023**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

**A. Equity share capital**

	As at April 1, 2022	Changes in equity share capital	As at March 31, 2023
Equity shares of Rs.10 each	346.50	-	346.50
	<b>346.50</b>	<b>-</b>	<b>346.50</b>

	As at April 1, 2021	Changes in equity share capital	As at March 31, 2022
Equity shares of Rs.10 each	346.50	-	346.50
	<b>346.50</b>	<b>-</b>	<b>346.50</b>

**B. Other equity**

	Reserves and Surplus		Other Comprehensive Income	Total
	Securities premium	Retained earnings	Effective portion of cash flow hedges	
<b>Balance as at April 1, 2021</b>	3,460.00	1,458.28	(29.00)	4,889.28
Profit for the year (net of tax)	-	493.59	-	493.59
Other comprehensive income (net of tax)				
Remeasurement of Defined Benefit Obligation	-	7.46	-	7.46
Changes in fair value of hedging instruments	-	-	0.38	0.38
<b>Total Comprehensive Income</b>	-	<b>501.05</b>	<b>0.38</b>	<b>501.43</b>
<b>Balance as at March 31, 2022</b>	<b>3,460.00</b>	<b>1,959.33</b>	<b>(28.62)</b>	<b>5,390.71</b>
Profit for the year (net of tax)	-	355.54	-	355.54
Other comprehensive income (net of tax)				
Remeasurement of Defined Benefit Obligation	-	(3.37)	-	(3.37)
Changes in fair value of hedging instruments	-	-	(2.14)	(2.14)
<b>Total Comprehensive Income</b>	-	<b>352.17</b>	<b>(2.14)</b>	<b>350.03</b>
<b>Balance as at March 31, 2023</b>	<b>3,460.00</b>	<b>2,311.50</b>	<b>(30.76)</b>	<b>5,740.74</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration Number : 1075125N

Chartered Accountants

Vijay Agarwal

Partner

Membership No. 094468

Place: Gurugram

Date: Apr 28, 2023

For and on behalf of the Board of Directors of

Shriram Polytech Limited (Formerly known as

Shriram Axial Private Limited)

Vinoo Mehta

Director

DIN : 07016926

Place: New Delhi

Date: Apr 28, 2023

K.K. Sharma

Director

DIN : 07951296

Place: New Delhi

Date: Apr 28, 2023

# SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)

## NOTES TO FINANCIAL STATEMENTS

### 1.1 Company Overview

Shriram Polytech Limited [Formerly known as Shriram Axiall Private Limited] ("the Company") is a limited company incorporated as SBM Yarn Limited on 18th December 2008 in India. The principal activity of the company is manufacturing, trading and sale of Polyvinyl Chloride (PVC) and Chlorinated Polyvinyl Chloride (CPVC) compounds. The registered office of the Company is located at 2nd Floor, (West Wing), Worldmark 1, Aerocity, New Delhi - 110037, India. The Company was a joint venture between DCM Shriram Limited and Axiall LLC (a Westlake company, USA) till October 18, 2021. On October 19, 2021, DCM Shriram Limited acquired 1,732,500 equity shares of Shriram Axiall Private Limited, {a 50:50 joint venture between the Company and Axiall LLC, USA}, being entire 50% of the paid up share capital held by JV Partner Axiall LLC (USA). Further, during the previous year the Company's name has been changed from Shriram Axiall Private Limited to Shriram Polytech Limited.

### 1.2 Statement of compliance and basis of preparation of financial statements

The Financial Statements are prepared on accrual basis under historical cost convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, and relevant provisions of the Companies Act, 2013 including Schedule III (Division II), as applicable.

### 2. Significant accounting policies

#### 2.1 Property Plant and Equipment

##### **Owned Assets**

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method in respect of Building and Plant & Machinery and written down value in respect of other property, plant and equipment from the date of addition.

Depreciation on all tangible assets is provided on the basis of useful lives of the assets/significant part of assets, based on requirements of schedule II of the Companies Act, 2013, other than plant and machinery which is based on technical evaluation, done by the management. Refer below for useful lives of all assets-

Asset	Useful life (Years)
Building	30
Plant and Machinery	4 – 16
Office Equipment	5
Furniture & Fixtures	10
Vehicles	8



**NOTES TO FINANCIAL STATEMENTS**

**2.2 Intangible assets and amortization**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful life, as given below.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Asset	Useful life
Software	5 Years

**2.3 Inventories**

Inventories are valued at lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The basis of determining cost for inventories is as follows:

Cost in case of Work-in-Progress and finished goods are inclusive of allocable manufacturing overheads.

Provision for obsolescence is made whenever necessary.

**2.4 Revenue Recognition**

Sales are recognized, at transaction price as per agreements with the customers, net of returns and other variable consideration on account of trade discounts and volume discounts, if any, on satisfaction of performance obligation by transfer of effective control of the promised goods to the customers, which coincides with dispatch/delivery to customers, as applicable. Sales include excise duty but excludes sales tax, value added tax and Goods and Service tax.

**2.5 Employee Benefits**

**(i) Defined contribution plans**

Contribution towards provident fund for employees is made to the related regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**(ii) Defined benefit plans**

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses are recognized in the other comprehensive income for the period in which they occur and are not reclassified to profit or loss.

**(iii) Compensated absences**

Provision for earned leave and medical leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.



**NOTES TO FINANCIAL STATEMENTS**

**2.6 Foreign currency translations**

The functional currency of the Company is Indian rupee. Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Monetary items (i.e. receivables, payable, loans etc) denominated in foreign currency are reported using the closing exchange rate on each reporting date.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Resultant exchange differences arising on settlement of transactions and /or restatements are recognized as Income or Expense in the year in which they arise.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise.

**2.7 Current and deferred tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profits. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profits.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**2.8 Financial Instruments**

**Initial recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

However, trade receivables that do not contain a significant financing component are measured at transaction price.



**NOTES TO FINANCIAL STATEMENTS**

**Subsequent measurement**

**A. Non-derivative financial instruments**

- (1) Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held in order to collect 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 on the principal amount outstanding.
- (2) Financial assets at fair value through profit or loss: (FVPL)**  
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.
- (3) Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**B. Derivative financial instruments:**

The Company holds derivative financial instruments in form of foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

- (1) Cash flow hedge:** The effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income (FVOCI) and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the statement of profit or loss when the related hedge items affect profit or loss.

Any ineffective portion of changes in the fair value of the derivative or If the hedging instrument no longer meets the criteria for hedge accounting, is recognized immediately in the statement of profit and loss.

- (2) Fair value hedge:** Changes in fair value of forward exchange contract that qualify as fair value hedges are recognized in the statement of profit and loss.

**Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**2.9 Impairment**

**(1) Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in profit or loss



**NOTES TO FINANCIAL STATEMENTS**

**(2) Non-financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

**2.10 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**2.11 Use of estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

**1. Useful lives of property, plant and equipment and intangible assets:** The useful lives and residual values of company's assets are determined at the time the asset is acquired and reviewed at each financial year end.

**2. Deferred tax assets:** The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**3. Provision for gratuity and compensated absences:** The provision for gratuity and compensated absences are based on actuarial valuation using the projected unit credit method. The Company uses actuarial assumptions to determine the obligation for employee benefits at each reporting period. These assumptions include the discount rate, salary escalation and employee turnover rate.



## SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)

### NOTES TO FINANCIAL STATEMENTS

#### 2.12 Leases:

##### **Company as a lessee:**

Leases are recognized as a right-to-use assets and corresponding liability at the date at which the leased asset is available for use by the Company. The Company currently has only leases of low-value assets, which are accounted for as under.

Short-term leases and leases of low-value assets

Short term leases are leases with a term of twelve months or less. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis

#### 2.13 Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

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

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

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



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)**

**Notes to the financial statements**

(All amounts in Rs. lakhs, unless otherwise stated)

**3. Property, plant and equipment**

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	April 1, 2022	Additions	Disposals	March 31, 2023	For the Year	Disposals/ adjustments	March 31, 2023	
<b>Own Assets (Acquired):</b>								
Buildings	529.10	-	-	529.10	17.03	-	144.06	385.04
Plant and Machinery	1514.70	91.07	2.29	1603.48	743.55	2.11	872.39	731.09
Office Equipment	12.70	1.51	2.63	11.58	8.08	2.36	7.35	4.23
Furniture and fixtures	23.20	-	0.03	23.17	20.16	0.05	20.96	2.21
Vehicles	23.10	20.84	5.43	38.51	3.80	8.07	7.30	31.21
<b>Total</b>	<b>2102.80</b>	<b>113.42</b>	<b>10.38</b>	<b>2205.84</b>	<b>902.62</b>	<b>9.09</b>	<b>1052.06</b>	<b>1153.78</b>
Capital work in progress (CWIP)	0.25	6.94	5.99	1.20	-	-	-	1.20
<b>Total CWIP</b>	<b>0.25</b>	<b>6.94</b>	<b>5.99</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.20</b>

**Previous year :**

Particulars	Gross carrying amount				Accumulated depreciation			Net carrying amount
	April 1, 2021	Additions	Disposals	March 31, 2022	April 1, 2021	For the Year	Disposals/ adjustments	
<b>Own Assets (Acquired):</b>								
Buildings	529.10	-	-	529.10	110.00	17.03	-	402.07
Plant and Machinery	1,526.20	79.00	90.50	1,514.70	645.00	131.55	33.00	771.15
Office Equipment	11.00	2.50	0.80	12.70	8.00	1.68	1.60	4.62
Furniture and fixtures	23.00	-	(0.20)	23.20	19.00	1.16	-	3.04
Vehicles	8.00	20.10	5.00	23.10	2.00	6.68	4.88	19.30
<b>Total</b>	<b>2,097.30</b>	<b>101.60</b>	<b>96.10</b>	<b>2,102.80</b>	<b>784.00</b>	<b>158.10</b>	<b>39.48</b>	<b>1,200.18</b>
Capital work in progress	4.85	-	4.60	0.25	-	-	-	0.25
<b>Total CWIP</b>	<b>4.85</b>	<b>-</b>	<b>4.60</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>

a. The title deed of the immovable property has been registered in the erstwhile name of the company i.e. Shriram Vinyl PolyTech Private Limited.

b. Amount of Rs 5.99 Lakhs (March 31, 2022 4.60 lakhs) shown as disposals under Capital work in progress represents amount capitalised from CWIP.

c. Refer note 31 for information of property, plant and equipment pledged as security.

d. Refer note 35.3 for CWIP ageing.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)**  
**Notes to the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

**4. Intangible assets**

Particulars	Gross carrying amount				Accumulated amortisation			Net carrying amount
	April 1, 2022	Additions	Disposals	March 31, 2023	April 1, 2022	For the Year	Disposals/ adjustments	March 31, 2023
Own Assets (Acquired):								
Computer software*	1.50	-	-	1.50	0.05	0.30	-	1.15
Total	1.50	-	-	1.50	0.05	0.30	-	1.15

**Previous year :**

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount	
	April 1, 2021	Additions	Disposals	March 31, 2022	April 1, 2021	For the Year	Disposals/ adjustments	March 31, 2022
Own Assets (Acquired):								
Computer software*	-	1.50	-	1.50	0.05	-	-	1.45
<b>Total</b>	-	1.50	-	1.50	0.05	-	-	1.45

\* Remaining amortisation period 3 years (last year 4 years).



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***5. Non current financial assets****5.1 Loans**

	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured, considered good:</b>		
Loans to employees	0.42	0.95
	0.42	0.95

**5.2 Other financial assets**

	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured, considered good:</b>		
Security deposits	8.03	7.99
	8.03	7.99

**6. Deferred tax assets**

	As at	
	March 31, 2023	March 31, 2022
<b>Deferred tax assets (A)</b>		
Provision for employee benefits	101.59	101.00
Allowances for doubtful debt - trade receivables	68.91	39.80
Others	2.98	17.33
	<b>173.48</b>	<b>158.13</b>
<b>Deferred tax liabilities (B)</b>		
Difference between WDV of fixed assets as per books and under Income Tax Act, 1961	76.70	74.90
	<b>96.78</b>	<b>83.23</b>

**\*\* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.**



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***Deferred tax movements****Deferred tax assets/ (liabilities) in relation to :**

	Provision for gratuity and compensated absences	Provision for doubtful debts	Depreciation	Others	Total
As at April 1 , 2022	101.00	39.80	(74.90)	17.33	83.23
(Charged) / credited to :					
Profit and loss	24.38	11.91	7.81	(15.79)	28.31
Deferred tax related to earlier years	(24.92)	17.20	(9.61)	0.72	(16.61)
Other comprehensive income	1.13	-	-	0.72	1.85
As at March 31, 2023	101.59	68.91	(76.70)	2.98	96.78

	Provision for gratuity and compensated absences	Provision for doubtful debts	Depreciation	Others	Total
As at April 1, 2021	101.81	35.64	(85.94)	18.04	69.55
(Charged) / credited to :					
Profit and loss	1.70	4.16	11.04	(0.58)	16.32
Other comprehensive income	(2.51)	-	-	(0.13)	(2.64)
As at March 31, 2022	101.00	39.80	(74.90)	17.33	83.23



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)**

**Notes to the financial statements**

*(All amounts in Rs. lakhs, unless otherwise stated)*

**7. Other non current assets**

	As at	
	March 31, 2023	March 31, 2022
Unsecured, considered good		
Capital advances	5.99	25.00
	<b>5.99</b>	<b>25.00</b>

**8. Inventories**

	As at	
	March 31, 2023	March 31, 2022
Raw material	955.76	1,541.96
[includes stock in transit- March 31, 2023: 239 ; March 31, 2022: 113 ]		
Finished goods	523.46	507.46
[includes stock in transit- March 31, 2023: 101 ; March 31, 2022: 116 ]		
Stock in trade	3.08	5.47
Stores and spares	117.22	104.23
Packing Material	21.73	16.06
	<b>1,621.25</b>	<b>2,175.18</b>

(i) Refer note 31 : Assets pledged as security

(ii) The mode of valuation of inventory has been stated in note 2.3 of significant accounting policies.

**9. Current financial assets**

**9.1 Trade receivables**

	As at	
	March 31, 2023	March 31, 2022
Unsecured, considered good	5,079.39	5,408.64
Unsecured, considered credit impaired	273.81	228.86
<b>Total</b>	<b>5,353.20</b>	<b>5,637.50</b>
Less: Allowance for credit impaired	(273.81)	(228.86)
	<b>5,079.39</b>	<b>5,408.64</b>

(i) Refer note 35.1 for Trade receivable ageing.

(ii) There were no customers who represents more than 10% of the total balance of trade receivables as at Balance Sheet date.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***9.2 Cash and cash equivalents**

	As at	
	March 31, 2023	March 31, 2022
Balances with banks		
- In Current accounts	128.29	3.20
Cash on hand	0.30	0.83
	<b>128.59</b>	<b>4.03</b>

**9.3 Other financial assets**

	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured, considered good</b>		
Earnest money	7.54	2.00
	<b>7.54</b>	<b>2.00</b>

**10. Current tax assets /(liabilities)**

	As at	
	March 31, 2023	March 31, 2022
Advance tax	134.03	197.01
Less: Provision for current tax	156.97	186.03
	<b>(22.94)</b>	<b>10.98</b>

**11. Other Current Assets**

	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured considered good</b>		
Balances with Government authorities	-	134.85
Prepaid expenses	27.48	8.20
Advance to vendors	343.30	145.27
	<b>370.78</b>	<b>288.32</b>



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axtall Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***12. Equity share capital and other equity****12.1 Equity share capital**

	As at	
	March 31, 2023	March 31, 2022
<b>Authorised:</b>		
Equity shares (in Nos.)	3,500,000	3,500,000
Equity shares of Rs. 10/- each (in amount)	350.00	350.00

<b>Issued, subscribed and paid up</b>		
Equity shares (in Nos.)	3,465,000	3,465,000
Equity shares of Rs. 10/- each, fully paid up (in amount)	346.50	346.50
<b>Total</b>	<b>346.50</b>	<b>346.50</b>

**(i) Reconciliation of number of shares****Equity Shares:**

	As at			
	March 31, 2023		March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the period	3,465,000	346.50	3,465,000	346.50
Add: Issued during the period	-	-	-	-
Balance as at the end of the period	<b>3,465,000</b>	<b>346.50</b>	<b>3,465,000</b>	<b>346.50</b>

**(ii) Rights, preference and restrictions attached to shares**

Equity Shares: The company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Shares held by holding company and subsidiary of ultimate holding company:**

	As at		As at	
	March 31, 2023		March 31, 2022	
Equity shares of Rs.10/- each, fully paid up held by	No of Shares	% Holding	No of Shares	% Holding
-DCM Shriram Limited* (Holding company) and its nominees	3,465,000	100%	3,465,000	100%

**(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

	As at		As at	
	March 31, 2023		March 31, 2022	
	No of Shares	% Holding	No of Shares	% Holding
-DCM Shriram Limited* (Holding company) and its nominees	3,465,000	100%	3,465,000	100%

\*On October 19, 2021, DCM Shriram Limited acquired 1,732,500 equity shares of the Company, a 50:50 joint venture between the Company and

- As per records of the Company, including its register of shareholders / members, the above shareholding represents legal ownership of shares.

- 60 nos. equity shares are held by nominee shareholders on behalf of DCM Shriram Limited.

**(v) Disclosures related to shareholding of the promoters:**

Shares held by promoters at the end of the year

Promoter name	No. of Shares		% of total shares		% Change during	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	FY 2022-23	FY 2021-22
1. DCM Shriram Limited	3,464,940	3,464,940	100.00%	100.00%	-	-
2. Mr. Ajay S Shriram (Nominee holding on behalf of DCM Shriram Limited)	10	10	0.00%	0.00%	-	-
3. Mr. Vikram S Shriram (Nominee holding on behalf of DCM Shriram Limited)	10	10	0.00%	0.00%	-	-
4. Mr. Ajit S Shriram (Nominee holding on behalf of DCM Shriram Limited)	10	10	0.00%	0.00%	-	-
5. Mr. K.K.Kaul (Nominee holding on behalf of DCM Shriram Limited)	10	10	0.00%	0.00%	-	-
6. Mr. Vinoo Mehta (Nominee holding on behalf of DCM Shriram Limited)	10	10	0.00%	0.00%	-	-
7. Mr. Amit Agarwal (Nominee holding on behalf of DCM Shriram Limited)	10	10	0.00%	0.00%	-	-
<b>Total</b>	<b>3,465,000</b>	<b>3,465,000</b>	<b>100.00%</b>	<b>100.00%</b>		



**12.2 Other equity****(a) Reserves and surplus**

	As at	
	March 31, 2023	March 31, 2022
Securities premium	3,460.00	3,460.00
Retained earnings	2,311.50	1,959.33
	<u>5,771.50</u>	<u>5,419.33</u>

**(b) Other comprehensive income**

	As at	
	March 31, 2023	March 31, 2022
Effective portion of cash flow hedges	(30.76)	(28.62)
	<u>(30.76)</u>	<u>(28.62)</u>

**12.2 (a) Reserves and surplus**

	As at	
	March 31, 2023	March 31, 2022
<b>A. Securities premium</b>		
Opening	3,460.00	3,460.00
Add / Less during the year	-	-
Closing	<u>3,460.00</u>	<u>3,460.00</u>
<b>B. Retained earning</b>		
Opening	1,959.33	1,458.28
Add: Profit for the year (net of tax)	355.54	493.59
Items of the other comprehensive income recognised directly in retained earnings		
- Remeasurement of net defined benefit liability net off tax	(3.37)	7.46
Closing	<u>2,311.50</u>	<u>1,959.33</u>
	<u>5,771.50</u>	<u>5,419.33</u>

**12.2 (b) Other comprehensive income**

	As at	
	March 31, 2023	March 31, 2022
<b>Effective portion of cash flow hedges</b>		
Opening	(28.62)	(29.00)
Change in fair value of hedging instruments	(2.86)	0.51
Income tax related to above	0.72	(0.13)
Closing	<u>(30.76)</u>	<u>(28.62)</u>

**Nature and purpose of other reserves:****Securities premium**

Securities premium reserve is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the act.

**Hedging reserve**

The company uses hedging instruments as part of its management of foreign currency risk associated with the payment of its foreign vendors. For hedging



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***13. Non Current Provisions**

	As at	
	March 31, 2023	March 31, 2022
<b>Provision for employee benefits:</b>		
Provision for gratuity [refer note 20(b)]	212.25	183.02
Provision for compensated absences	131.90	127.46
Provision for employee incentive	15.22	19.28
	<b>359.37</b>	<b>329.76</b>

**14. Current financial liabilities****14.1 Current borrowings**

	As at	
	March 31, 2023	March 31, 2022
<b>Secured:</b>		
<b>Loans</b>		
Cash Credit from bank	-	566.63
	-	<b>566.63</b>

(i) Refer note 32: Assets pledged as security

**14.2 Trade payables**

	As at	
	March 31, 2023	March 31, 2022
Trade payables - micro and small enterprises (refer note no. 30)	146.08	130.52
Trade payables - related parties (refer note no. 28)	530.74	1,395.99
Trade payables - others	1,056.23	887.84
	<b>1,733.05</b>	<b>2,414.35</b>

(i) Refer note 35.2 for Trade payables ageing.

**14.3 Other financial liabilities**

	As at	
	March 31, 2023	March 31, 2022
Employee benefits payable	13.32	11.26
Trade deposits	1.21	1.71
Capital creditors	2.50	7.00
<b>Derivatives designated as hedges</b>		
Foreign-exchange forward contracts	41.54	2.01
	<b>58.57</b>	<b>21.98</b>

Note : There are no amounts due for payment to the Investor Education and Protection Fund under section 125C of the Companies Act, 2013 as at year end.

**15. Other current liabilities**

	As at	
	March 31, 2023	March 31, 2022
Statutory dues including provident fund and tax deducted at source	72.63	21.53
Advances from customers	27.98	14.31
	<b>100.61</b>	<b>35.84</b>

**16. Current provisions**

	As at	
	March 31, 2023	March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity [refer note 20(b)]	70.41	63.78
Provision for compensated absences	36.32	33.54
Provision for employee incentive	6.39	5.11
<b>Total</b>	<b>113.12</b>	<b>102.43</b>



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)**
**Notes to the financial statements**
*(All amounts in Rs. lakhs, unless otherwise stated)*
**17. Revenue from operations**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from sale of products		
Finished goods	19,554.37	19,023.32
Traded goods	4.18	14.38
Less: Discounts	(109.06)	(59.71)
Other operating revenue		
Scrap sales	33.00	17.84
<b>Revenue from Operations</b>	<b>19,482.49</b>	<b>18,995.83</b>

**Note:**

The Company does not have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Accordingly, the Company has not adjusted transaction prices for the time value of money.

**18. Other income**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Liabilities no longer required, written back	20.60	7.53
Foreign exchange gain (net)	9.52	17.66
Miscellaneous income	1.42	1.15
	<b>31.54</b>	<b>26.34</b>

**19. Change in Inventories of finished goods, stock in trade and work-in-progress**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(Increase)/ decrease in stocks</b>		
Stock at the end of the year:		
Finished goods	523.46	507.46
Stock in trade	3.08	5.47
<b>Total (A)</b>	<b>526.54</b>	<b>512.93</b>
Less: Stock at the beginning of the year:		
Finished goods	507.46	611.00
Stock in trade	5.47	15.00
<b>Total (B)</b>	<b>512.93</b>	<b>626.00</b>
<b>(Increase)/ decrease in stocks (B-A)</b>	<b>(13.61)</b>	<b>113.07</b>

**20. Employee benefits expense**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages and bonus	527.77	533.44
Contribution to provident fund and other funds	52.20	52.15
Gratuity expense	33.39	29.47
Staff welfare expenses	11.04	18.43
	<b>624.40</b>	<b>633.49</b>

	Year ended March 31, 2023	Year ended March 31, 2022
--	------------------------------	------------------------------

**a) Defined Contribution Plans**

Amount recognised in the Statement of Profit and Loss

Provident Fund paid to authority	28.60	28.66
Pension Fund paid to authority	8.19	8.71
Contribution to Superannuation fund	14.78	13.50
Contribution to National Pension Scheme	0.63	1.28
	<b>52.20</b>	<b>52.15</b>

**b) Defined Benefit Plan: Gratuity**

Gratuity : The Company operates a gratuity plan (unfunded) for the eligible employees. Every employee is entitled to a benefit equivalent

	Year ended March 31, 2023	Year ended March 31, 2022
<b>(i) Present value of Defined benefit obligation</b>		
Beginning of the year (a)	246.80	238.00
Current Service Cost	15.51	13.09
Interest Cost	17.87	16.07
<b>Total amount recognized in statement of profit and loss (b)</b>	<b>33.38</b>	<b>29.16</b>



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)**
**Notes to the financial statements**
*(All amounts in Rs. lakhs, unless otherwise stated)*
**Components of defined benefit costs recognised in other**

Expenses recognised in other comprehensive income

Actuarial (gains) / losses

actuarial (gain)/loss from changes in demographic assumptions

actuarial (gain)/loss from changes in financial assumptions

actuarial (gain)/loss arising from experience adjustments

experience vs assumptions )

**Total amount recognised in other comprehensive income (c)**
**Benefits paid (d)**
**Balance at the end of the year (a+b+c+d)**

(15.27)

19.76

4.49

(2.01)

282.66

11.21

(21.17)

(9.96)

(10.40)

246.80

As at

March 31, 2023

March 31, 2022

**(ii) Assets and liabilities recognized in balance sheet**

Present value of Defined benefit obligation

Less: Fair value of plan assets

Amount recognised as liability

282.66

-

282.66

246.80

-

246.80

As at

March 31, 2023

March 31, 2022

**Recognised under**

Non - current provision

Current provision

212.25

70.41

282.66

183.02

63.78

246.80

As at

March 31, 2023

March 31, 2022

**(iii) Effect of plan on entity's future cash flows**

Maturity profile of defined benefit obligation

Weighted average duration (based on discounted cash flows)

6 Years

7 Years

As at

March 31, 2023

March 31, 2022

**(iv) Actuarial Assumptions**
**(a) Financial assumptions**

Discount Rate

Salary growth rate

7.55%

8.00%

7.25%

8.50%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, promotions and other relevant factors, such as demand and supply in the employment market.

**(b) Demographic assumptions**

Mortality rate

Withdrawal rates, based on age

Up to 30 years

31 to 44 years

Above 44 years

100%

3.00%

2.00%

1.00%

100%

3.00%

2.00%

1.00%

As at

March 31, 2023

March 31, 2022

**(v) Sensitivity analysis \*\***

Discount rate (-1/+1%)

% change compared to base due to sensitivity

Salary growth rate (-1/+1%)

% change compared to base due to sensitivity

Attrition rate (-/+50% of attrition rates)

% change compared to base due to sensitivity

Mortality rate (-/+10% of mortality rates)

% change compared to base due to sensitivity

Decrease in liability

Increase in liability

Decrease in liability

Increase in liability

302.18

6.9%

265.37

-6.1%

283.07

0.1%

282.68

0.0%

265.45

-6.1%

301.91

6.8%

282.28

-0.1%

282.64

0.0%

266.24

7.9%

229.89

-6.8%

247.90

0.4%

246.34

0.0%

229.85

-6.9%

265.81

7.7%

245.77

-0.4%

246.74

0.0%

\*\* Holding other variables constant

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that There is no change in method of valuation for the prior period. For change in assumptions refer to section (iv) above.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***21. Finance cost**

	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
Interest on short term borrowings from bank	40.68	24.48
	<b>40.68</b>	<b>24.48</b>

**22. Depreciation and amortisation expenses**

	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
Depreciation on property, plant and equipment	158.53	158.10
Amortisation on intangible assets	0.30	0.05
	<b>158.83</b>	<b>158.15</b>

**23. Other expenses**

	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
Consumption of stores and spare parts	112.31	72.72
Power and fuel	326.06	274.16
Contractual labour	168.26	142.28
Support services	96.00	96.00
Rates and taxes	1.12	36.02
Repairs & maintenance		
- Buildings	17.03	11.62
- Plant and machinery	59.82	43.13
Insurance	32.12	31.08
Communication expenses	15.99	8.15
Bank charges	3.79	4.12
Legal and professional charges	90.33	55.34
Payment to auditors		
Audit fees	20.00	19.50
Certification fees	-	0.60
Travelling and conveyance	31.69	18.89
Selling expenses	38.56	40.81
Freight outwards	475.82	383.79
Loss on discard of property, plant and equipment	0.27	2.26
Provision for doubtful debts	44.95	21.33
Corporate Social Responsibility expenditure (refer note no.35)	12.64	12.38
Advances written off	1.65	0.01
Miscellaneous expenses	14.04	4.09
	<b>1,562.45</b>	<b>1,278.28</b>



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***24. Contingent Liabilities and commitments****(i) Contingent liabilities :****(a) Customs Duty Matter**

Show cause notice related to Customs duty matter #

As at	
March 31, 2023	March 31, 2022
	49.00
6.98	6.98
6.98	55.98

# Related to utilisation of licence issued for lower duty in Export benefit scheme by Directorate of Revenue Intelligence, Department of Export Promotion Board (DEPB) Mumbai Zonal unit

\* Related to demand order for alleged wrong availment of Cenvat Credit for the period from September 2016 to June 2017 amounting to INR 6.98 Lakhs. The matter was decided against the Company by the Asst. Commissioner, CGST, Kota vide Order dated March 10, 2021. We have filed appeal against the order before Commission (Appeals), Jodhpur and thereafter Commissioner (Appeals) has remanded back the matter to Adjudating

(1) The management believes that the ultimate outcome will not have any material adverse effect on the Company's financial position.

(2) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of

(3) The company did not have any long term contracts for which there were any material foreseeable losses.

**(c) Provident fund matter**

The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated 28th February 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous

**(ii) Commitments :**

Capital commitments (net off advances)

As at	
March 31, 2023	March 31, 2022
7.12	24.30



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)**

**Notes to the financial statements**

(All amounts in Rs. lakhs, unless otherwise stated)

**25. Financial instruments by category:**

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
(i) Trade receivables	-	-	5,079.39	-	-	5,408.64
(ii) Cash and cash equivalents	-	-	128.59	-	-	4.03
(iii) Loans	-	-	0.42	-	-	0.95
(iii) Other financial assets	-	-		-	-	
Security deposit	-	-	8.03	-	-	7.99
Earnest money	-	-	7.54	-	-	2.00
<b>Total financial assets</b>	-	-	<b>5,223.97</b>	-	-	<b>5,423.61</b>
<b>Financial liabilities</b>						
(i) Borrowings	-	-	-	-	-	566.63
(ii) Trade payables	-	-	1,733.05	-	-	2,414.35
(iii) Derivative financial liabilities	-	41.54	-	-	2.01	-
(iv) Other financial liabilities	-	-	17.03	-	-	19.97
<b>Total financial liabilities</b>	-	<b>41.54</b>	<b>1,750.08</b>	-	<b>2.01</b>	<b>3,000.95</b>

**(i) Fair value hierarchy:**

Financial assets measured at fair value:

	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial liabilities</b>						
Derivative designated as hedges						
Foreign exchange forward contracts	-	41.54	-	-	2.01	-
	-	41.54	-	-	2.01	-

**Note :**

The fair value of forward foreign exchange contracts is determined using foreign exchange rate at the balance sheet date.

The carrying amounts of trade receivables, cash and cash equivalents, borrowings, trade payables are considered to be the same as their fair values, due to their short-term nature. For other financial assets and liabilities, the carrying amounts and its fair values are not significantly different.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***26. Financial risk management**

The Company's activities expose it to various financial risks : Credit risk, liquidity risk and market risk.

**A. Credit risk management**

Credit risk arises from credit exposure to customers (including receivables and deposit), loans and other financial assets. The Company perform credit evaluation and defines credit limits for each customer/counter party. Also the Company continuously reviews and monitors the same.

**Expected credit loss provision**

The provision for doubtful debts is made on case to case basis, based on the information related to financial position, past history, and other relevant available information about the counterparty.

The Company also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years

The movement in the provision for doubtful debts is as under:

	<b>ECL Provision</b>
Loss allowance on April 01, 2021	207.53
Charges in statement of profit and loss	21.33
Loss allowance on March 31, 2022	228.86
Charges in statement of profit and loss	44.95
Loss allowance on March 31, 2023	273.81

**B. Liquidity risk management**

The company manages liquidity by ensuring tight control on its working capital which involves adjusting production levels & purchases to market demand and daily sales of production & low receivables. It also ensures adequate credit facilities sanctioned from bank to finance the peak estimated funds requirements. The working capital credit facilities are continuing facilities which are reviewed and renewed every year.

**(i) Financial arrangements:**

The company had access to the following undrawn borrowing facilities at the end of the reporting period :

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Total Committed working capital limits from Bank	2,500.00	3,000.00
Less : Utilized working capital limit*	-	566.63
Unutilized working capital limit	2,500.00	2,433.37

\*Cash Credit from bank



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***(ii) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amount disclosed in the table are the contractual undiscounted cash flow. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>March 31, 2023</b>				
<b>Non-derivatives</b>				
Trade payables	1,733.05	-	-	1,733.05
Other financial liabilities	17.03	-	-	17.03
<b>Total non-derivative liabilities</b>	<b>1,750.08</b>	<b>-</b>	<b>-</b>	<b>1,750.08</b>
<b>Derivatives</b>				
Foreign exchange forward contract	41.54	-	-	41.54
<b>Total derivative liabilities</b>	<b>41.54</b>	<b>-</b>	<b>-</b>	<b>41.54</b>

Contractual maturities of financial liabilities	Upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>March 31, 2022</b>				
<b>Non-derivatives</b>				
Borrowings	566.63	-	-	566.63
Trade payables	2,404.35	10.00	-	2,414.35
Other financial liabilities	19.97	-	-	19.97
<b>Total non-derivative liabilities</b>	<b>2,990.95</b>	<b>10.00</b>	<b>-</b>	<b>3,000.95</b>
<b>Derivatives</b>				
Foreign exchange forward contract	2.01	-	-	2.01
<b>Total derivative liabilities</b>	<b>2.01</b>	<b>-</b>	<b>-</b>	<b>2.01</b>

**C. Market risk management**

a) The Company's operations are in India and therefore rupee denominated, except the following:

- Imports of raw material, stores & spares and capital equipments.

The Company follows a policy of keeping these liabilities fully hedged against foreign currencies fluctuation.

(b) The company had no unhedged Foreign currency exposure at the end of current and previous financial year.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)**

**Notes to the financial statements**

(All amounts in Rs. lakhs, unless otherwise stated)

**Impact of hedging activities:**

(a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow hedge									
March 31, 2023									
Foreign exchange forward contracts	305.32	-	303.19	-	May 2023 - Jun 2023	1:1	USD 82.7603	(2.13)	2.13
March 31, 2022									
Foreign exchange forward contracts	641.83	-	650.73	-	Apr 2022 - July 2022	1:1	USD 74.7578	8.90	(8.90)

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Fair value hedge									
March 31, 2023									
Foreign exchange forward contracts	57.72	-	57.80	-	Apr-2023	1:1	USD 82,0660	0.08	(0.08)
March 31, 2022									
Foreign exchange forward contracts	-	-	-	-	-	-	-	-	-

\* The foreign exchange forward contracts are denominated in the same currency as the highly probable future purchases, therefore the hedge ratio is 1:1

**Note :**

Nominal value is calculated by applying the spot rate at the time of inception of the contract.

Carrying amount is calculated by applying the spot rate of year end date.

Assets and liabilities are disclosed for contract entered to buy and sell foreign currency respectively.

**Impact of hedging activities :**

(b) Disclosure of effect of hedge accounting on financial performance

Cash Flow Hedging Reserve :	Rs/lakhs
As at April 1, 2021	(29.00)
Add: Change in fair value of hedging instruments	3.29
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(2.78)
Less: Income Tax related to above (net)	(0.13)
As at March 31, 2022	(28.62)
Add: Change in fair value of hedging instruments	(19.10)
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	16.24
Less: Income Tax related to above (net)	0.72
As at March 31, 2023	(30.76)

There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2023 and March 31, 2022.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***27. Income tax expense**

	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
<b>Current tax</b>		
Current tax on profits for the year	156.97	186.03
<b>Total current tax expense</b>	<b>156.97</b>	<b>186.03</b>
<b>Deferred tax</b>		
Deferred tax for current year	(28.31)	(16.32)
Adjustments for deferred tax of earlier years	16.61	-
<b>Total deferred tax expense/(benefit)</b>	<b>(11.70)</b>	<b>(16.32)</b>
<b>Income tax expense</b>	<b>145.27</b>	<b>169.71</b>

Reconciliation of tax expenses and the accounting profit multiplied by tax rate

	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
Profit before tax	500.81	663.30
<b>Tax as per normal provision of Income tax act</b>		
<b>Income tax expense calculated at 25.17% (2021-22 - 25.17%)</b>	<b>126.05</b>	<b>166.95</b>

Impact of deferred tax related to earlier years

Adjustments taken into account while arriving the taxable income :

- Adjustment for deferred tax for prior year	16.61	-
- Items of permanent differences	2.61	2.76
<b>Total tax expense</b>	<b>145.27</b>	<b>169.71</b>



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***28. Related party disclosures:****a) Name of related parties and nature of related party relationship:**

<b>i) Where Control exists:</b>	
a) Holding company	DCM Shriram Limited *(w.e.f. October 19, 2021)
b) Ultimate holding company	Sumant Investments Private Limited
<b>ii) Where Control exists: Joint Venture</b>	
	DCM Shriram Limited *(till October 18, 2021)
	Axiall LLC (a Westlake Company, USA ) * (till October 18, 2021)

\* Joint Venture with Axiall LLC (a Westlake company, USA) till October 18, 2021, after that DCM Shriram Limited acquired the remaining 50% shares of Shriram Polytech Limited ("the Company"). Post that w. e. f. October 19, 2021, the Company is a wholly owned subsidiary of DCM Shriram Limited.

**b) Related party transactions:****For the year ended**

S. No	Particulars	March 31, 2023	March 31, 2022
1	Purchase of raw material -DCM Shriram Limited	5294.20	6205.00
2	Purchase of steam /water -DCM Shriram Limited	21.89	19.20
3	Support services -DCM Shriram Limited	96.00	96.00
4	Purchase of raw material goods - Axiall LLC	-	12.20
5	Purchase of traded goods - Axiall LLC	-	18.90

**c) Outstanding balances arising from sales/ purchases of goods & services :****As at**

S. No	Particulars	March 31, 2023	March 31, 2022
8	Trade payables -DCM Shriram Limited	530.74	1396.00

Note: The above transactions are made on normal commercial terms and conditions in ordinary course of business.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiall Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***29. Earnings per share**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Earnings per share (Basic) (Rs.)	10.26	14.20
Profit attributable to the equity holders used in calculating earnings per share (Basic)	355.54	493.59
Equity shares (Nos.)	3465000	3465000
Nominal value per share (Rs.)	10	10

Note: There are no dilutive potential shares.

30. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) as at the year end. The disclosures relating to micro and small enterprises pursuant to the MSMED Act is as follows:

Particulars	March 31, 2023	March 31, 2022
Principal remaining unpaid to supplier as at year end.	146.08	130.52
Interest due to thereon remaining unpaid to supplier as at year end.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006 along with the amounts of the payment made to supplier	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act, To suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable to suppliers for payments already made	Nil	Nil
Interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
Further interest remaining due and payable even in the succeeding year, until actually paid to small enterprises	Nil	Nil

**31. Assets pledged as security for borrowings from bank:**

The carrying amount of assets pledged as security for short term borrowings from bank are:

Particulars	Notes	March 31, 2023	March 31, 2022
<b>A. Current assets</b>			
<b>First charge</b>			
<i>Financial assets</i>			
Trade receivables net of provisions	9.1	5079.39	5408.64



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)*

<i>Non financial assets</i>			
Inventories	8	1621.25	2175.18
<b>Total current assets pledged as security</b>		<b>6700.64</b>	<b>7583.82</b>
<b>B. Non-Current assets</b>			
<b>First charge</b>			
Moveable Property, plant & equipment (excluding building)	3	768.74	798.12
<b>Total non-current assets pledged as security</b>		<b>768.74</b>	<b>798.12</b>
<b>Total assets pledged as security</b>		<b>7469.38</b>	<b>8381.94</b>

**32. Capital management:**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity balance. The capital of the Company consists of equity capital, internal generations and short term borrowings for funding working capital needs.

The board reviews the financial position on quarterly basis and also the estimated cash flow for next quarter.

**33. Expenditure on Corporate Social Responsibility activities under section 135 of the Companies Act 2013 as under:****For the year ended**

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Amount required to be spent during the year	12.50	11.50
Actual expenditure incurred	12.64	12.38
Unspent amount	-	-
Shortfall at the end of the year	-	-

<b>Nature of CSR projects or activities</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Promoting health care including preventive healthcare and sanitation (building community toilets)	12.64	7.38
Promoting education, livelihood and Empowering Women	-	5.00
<b>Total</b>	<b>12.64</b>	<b>12.38</b>

There are no transactions with related parties w.r.t. CSR expenditure.

**34. Segment reporting**

Company primarily operates into "PVC Compounds" segment. The Board of directors of the company which has been identified as being the chief operating decision maker evaluates the Company's performance based on the single segments. Further, sales are made primarily to customers located in India. Therefore, there are no reportable primary and geographical segments as per the requirement of Ind AS-108 "Operating Segments"



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)****Notes to the financial statements**

(All amounts in Rs. lakhs, unless otherwise stated)

**Statement containing ageing schedules pursuant to Schedule III of the Companies Act 2013****35.1 Trade receivables ageing:**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More than 3 years	
<b>As at March 31, 2023</b>							
(i) <b>Undisputed Trade receivables</b>							
- considered good	3,746.82	1,187.65	93.38	28.21	0.54	22.79	5,079.39
- credit impaired	-	28.88	31.88	18.95	4.00	190.10	273.81
(ii) <b>Disputed Trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Less: Provision for credit impaired receivables	-	28.88	31.88	18.95	4.00	190.10	273.81
<b>Total</b>	<b>3,746.82</b>	<b>1,187.65</b>	<b>93.38</b>	<b>28.21</b>	<b>0.54</b>	<b>22.79</b>	<b>5,079.39</b>
<b>As at March 31, 2022</b>							
(i) <b>Undisputed Trade receivables</b>							
- considered good	3,791.00	1,550.10	37.00	-	23.41	6.67	5,408.18
- credit impaired	-	15.11	13.18	13.57	83.83	103.17	228.86
(ii) <b>Disputed Trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Less: Provision for credit impaired receivables	-	15.11	13.18	13.57	83.83	103.17	228.86
<b>Total</b>	<b>3,791.00</b>	<b>1,550.10</b>	<b>37.00</b>	<b>-</b>	<b>23.41</b>	<b>6.67</b>	<b>5,408.18</b>

**35.2 Trade payables ageing:**

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
<b>As at March 31, 2023</b>						
(i) <b>Micro and Small Enterprises</b>	146.08	-	-	-	-	146.08
(ii) <b>Others</b>	1,045.16	481.40	58.80	1.61	-	1,586.97
<b>Disputed dues</b>						
(i) <b>Micro and Small Enterprises</b>	-	-	-	-	-	-
(ii) <b>Others</b>	-	-	-	-	-	-
<b>As at March 31, 2022</b>						
(i) <b>Micro and Small Enterprises</b>	130.52	-	-	-	-	130.52
(ii) <b>Others</b>	740.97	1,531.76	9.91	-	-	2,282.64
<b>Disputed dues</b>						
(i) <b>Micro and Small Enterprises</b>	-	-	-	-	-	-
(ii) <b>Others</b>	-	-	-	-	-	-



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axiat Private Limited)****Notes to the financial statements**

(All amounts in Rs. lakhs, unless otherwise stated)

**35.3 Capital work in progress (CWIP) ageing:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31 2023					
Projects in progress	1.20	-	-	-	1.20
Projects which are temporarily suspended	-	-	-	-	-
Others*	-	-	-	-	-
Total	1.20	-	-	-	1.20
As at March 31 2022					
Projects in progress	-	-	-	-	-
Projects which are temporarily suspended	-	-	-	-	-
Others	-	0.25	-	-	0.25
Total	-	0.25	-	-	0.25

\* Amount is below the rounding off norm adopted by the company.

**Capital work in progress (CWIP) ageing :**

There are no capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan.



**SHRIRAM POLYTECH LIMITED (Formerly known as Shriram Axial Private Limited)**

**Balance sheet as at March 31, 2023**

(All amounts in Rs. lakhs, unless otherwise stated)

**36. Disclosures of Ratios**

Particulars	Unit	Mar'23	Mar'22	% of change	Reason for variances more than +/- 25%
(a) Current Ratio	Times	3.55	2.52	41%	Mainly due to repayment of Bank borrowings
(b) Debt-Equity Ratio	Times	-	0.10	-100%	Due to repayment of Bank borrowings
(c) Debt Service Coverage Ratio	Times	17.22	35.16	-51%	Due to lower profit and higher finance cost.
(d) Return on Equity Ratio	%	0.06	0.09	-34%	Due to reduction in profit
(e) Inventory turnover ratio	Times	8.76	8.30	6%	
(f) Trade receivables turnover ratio	Times	3.71	3.96	-6%	
(g) Trade payables turnover ratio	Times	8.37	6.75	24%	
(h) Net capital turnover ratio	Times	3.76	3.99	-6%	
(i) Net profit ratio	%	0.02	0.03	-30%	Mainly due to higher other expenses and lower realisation
(j) Return on Capital employed	%	0.11	0.13	-16%	
(k) Return on investment	"	-	-	-	Not applicable as no investment

**Formula for ratios**

Particulars	Formulae
Current ratio	Current assets/Current liabilities
Debt-Equity ratio	Net Debt <sup>1</sup> /Total Equity
Debt service coverage ratio	Earnings <sup>2</sup> /Net finance charges <sup>3</sup> + repayment of long term
Return on equity ratio	Profit after tax/Average net worth <sup>4</sup>
Inventory turnover ratio	Sale of products/Average inventory <sup>5</sup>
Trade receivables turnover ratio	Sale of products/Average trade receivables <sup>6</sup>
Trade payables turnover ratio	Total purchases <sup>7</sup> /Average trade payables <sup>8</sup>
Net capital turnover ratio	Sale of products/Working capital <sup>9</sup>
Net profit ratio	Profit after tax/Sale of products
Return on capital employed	Earnings before interest and tax/Capital employed <sup>10</sup>

1. Net debt = Total borrowings - cash and cash equivalents including liquid investments
2. Earnings = Profit before tax + Depreciation and amortisation + Net finance charges
3. Net finance charges = Finance cost (including interest capitalised on qualifying
4. Average networth = (Opening net worth + Closing net worth)/2
5. Average inventory = (Opening inventory + Closing inventory)/2
6. Average trade receivables = (Opening trade receivables + Closing trade receivables)/2
7. Total purchases = Cost of raw material consumed + Consumption of stores and
8. Average trade payables = (Opening trade payables + Closing trade payables)/2
9. Working capital = Current assets - Current liabilities
10. Capital employed = Tangible networth + total borrowings + Deferred tax liabilities
11. Average gross block = (Opening gross block + Closing gross block)/2
12. Net working capital = Current assets - current liabilities

