

# 76th Annual Report 2022-2023

Bright Brothers Limited

*Brite*

# Our Valued Customers



## COMPANY INFORMATION

### Board of Directors

Mr. Suresh Bhojwani – *Chairman & Managing Director*

Mrs. Devika Bhojwani – *Whole-time Director*

Mr. Karan Bhojwani – *Whole-time Director*

Dr. T. S. Sethurathnam – *Independent Director*

Mr. Anil Kumar Bhandari – *Independent Director*

Mr. K. Viswanath – *Independent Director*

(w.e.f. 27<sup>th</sup> May, 2022)

Mr. Indru Advani – *Independent Director*

(w.e.f. 1<sup>st</sup> April, 2023)

### Board Committees

#### Audit Committee

Mr. Anil Kumar Bhandari – *Chairman*

Dr. T. S. Sethurathnam

Mr. K. Viswanath

Mr. Suresh Bhojwani

Mr. Indru Advani (w.e.f. 24<sup>th</sup> May, 2023)

#### Stakeholders Relationship Committee

Dr. T. S. Sethurathnam – *Chairman*

Mr. Suresh Bhojwani

Mrs. Devika Bhojwani

Mr. Karan Bhojwani

Mr. Anil Kumar Bhandari (w.e.f. 13<sup>th</sup> February, 2023)

#### Nomination and Remuneration Committee

Dr. T. S. Sethurathnam – *Chairman*

Mr. Anil Kumar Bhandari

Mr. K. Viswanath

#### Chief Financial Officer

Mr. Chirag Shah

#### Company Secretary & Compliance Officer

Mrs. Sonali Pednekar

#### Banker

Kotak Mahindra Bank Ltd.

YES Bank Limited

#### Auditors

M/s. GMJ & Co,

Chartered Accountants

#### Registrar and Transfer Agent

M/s. Link Intime India Private Limited

C 101, 247 Park, L. B. S. Marg,

Vikhroli West, Mumbai - 400083

#### 76<sup>th</sup> Annual General Meeting

**Day and Date** : Friday, 15<sup>th</sup> September, 2023

**Time** : 11.30 a.m.

#### Venue of the meeting:

“Walchand Hirachand Hall”, 4<sup>th</sup> Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020

#### Registered Office

Office no. 91, 9<sup>th</sup> Floor,

Jolly Maker Chambers No. 2,

225, Nariman Point, Mumbai - 400 021

Tel.: 8828204635

E-Mail: [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in)

CIN: L25209MH1946PLC005056

ISIN: INE630D01010

Website: [www.brightbrothers.co.in](http://www.brightbrothers.co.in)

#### Corporate Office

B-54, Road No. 33,

Gyaneshwar Nagar,

Wagle Industrial Estate, Thane-West,

Maharashtra - 400 604.

#### Factories:

- Plant I, II and III,  
Plot No. 1/1 to 1/4, Thirubhuvanai,  
Mannadipet Commune,  
Puducherry - 605 107.
- Plot No. 16-17, Sector 24,  
Faridabad, Haryana - 121 005.
- Hiltron Electronic Complex,  
Plot No. C, D, E, F & G,  
Mallittal, Bhimtal, Nainital  
Uttarakhand - 263 136.
- Khasara No. 3962, 3963, 3946 & 3947,  
Lal Tapper Industrial Area,  
Majri Grant, Dehradun,  
Uttarakhand - 248 140.
- Plot No. 28-29 Sector-2 Ranipur,  
SIDCUL, Haridwar,  
Uttarakhand - 249 403.
- Plot No. E-11-A, SIPCOT Phase-2,  
Expansion-1, Moranapalli, Hosur,  
Tamil Nadu - 635 126.
- Global Industrial Park, Plot No. 4P,  
Gat No. 180P, 188 to 192, 193P, 194,  
Village Fulgaon, Taluka Haveli,  
Pune, Maharashtra - 412 216

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## DIRECTORS' REPORT

Dear Shareholders (Members),

On behalf of the Board of Directors, it is our pleasure to present the 76<sup>th</sup> Annual Report together with the Audited Statement of Accounts of Bright Brothers Limited ("the Company") for the year ended 31<sup>st</sup> March, 2023.

### Financial Performance:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Net Sales and Operating Income</b>	<b>20,673.60</b>	23,025.35	<b>20,673.60</b>	23,025.35
Less: Expenses	<b>20,549.91</b>	21,718.69	<b>20,585.74</b>	21,718.69
<b>Operating Profit</b>	<b>123.69</b>	1,306.66	<b>87.86</b>	1,306.66
Add: Other Income	<b>182.46</b>	132.05	<b>182.46</b>	132.05
<b>Profit before Depreciation, Finance Cost and Tax</b>	<b>306.15</b>	1,438.71	<b>270.32</b>	1,438.71
Less: Finance Costs	<b>378.82</b>	471.37	<b>378.84</b>	471.37
Less: Depreciation and amortization expenses	<b>580.64</b>	621.23	<b>580.64</b>	621.23
<b>Profit/(Loss) before tax</b>	<b>(653.31)</b>	346.11	<b>(689.16)</b>	346.11
Add: Exceptional items	-	3,506.85	-	3,506.85
Less: Tax expense	<b>(311.10)</b>	657.00	<b>(311.10)</b>	657.00
<b>Profit/(Loss) after tax</b>	<b>(342.21)</b>	3,195.96	<b>(378.06)</b>	3,195.96
Other comprehensive income	<b>0.20</b>	(21.35)	<b>(0.98)</b>	(21.35)
<b>Total Comprehensive Income/(Loss)</b>	<b>(342.01)</b>	3,174.61	<b>(379.04)</b>	3,174.61

### Summary of Financial Operations

The Standalone Financial Performance provides details on revenue and expenditure of Bright Brothers Limited during the period under review i.e. the financial year (FY) 2022-23, whereas, the Consolidated Financial Performance includes the details on expenditure incurred for incorporating and setting up the wholly-owned subsidiary (WOS) namely, Bright Brothers LLC in United States of America. During the period under review, there is no corresponding revenue generation in the WOS as the commercial production would begin from the current financial year 2023-24.

### Standalone Financial Summary:

On a standalone basis, the revenue from operations was ₹ 20,673.60 lakhs in the FY 2022-23 as against ₹ 23,025.35 lakhs in the previous year. The Profit before Depreciation, Finance Cost and Tax for the year ended 31<sup>st</sup> March, 2023 was recorded at ₹ 306.15 lakhs as against ₹ 1,438.71 lakhs in the previous year.

### **Consolidated Financial Summary:**

On a consolidated basis, the revenue from operations is same as revenue recorded in the standalone financial statements as the WOS had not begun its commercial production during the year under review. The capital and revenue expenditure incurred for incorporating the WOS, setting up the factory, purchase of fixed assets, employee benefit expense, etc. has been considered while preparing the consolidated financial statements. Therefore, the Profit before Depreciation, Finance Cost and Tax for the year ended 31<sup>st</sup> March, 2023 was recorded at ₹ 270.32 lakhs as against ₹ 1,438.71 lakhs in the previous year.

### **Capital Expenditure**

During the year under review, on a standalone basis, the Company has spent ₹ 1,903.42 lakhs towards capital expenditure. This mainly comprises of capital expenditure incurred by the Company for setting up of new manufacturing units in India.

### **The Year in Retrospect/ Brief description of Company's working during the year**

During the year under review, your Company has set-up 3 additional manufacturing units at Haridwar (Uttarakhand), Hosur (Tamil Nadu) and Pune (Maharashtra). The Haridwar and Hosur units are engaged in the business of manufacturing plastic components used by Original Equipment Manufacturers (OEMs) in Consumer Durable Industry. These components are manufactured using injection moulding process.

The manufacturing units at Haridwar and Hosur began their commercial production in February, 2023 and April, 2023 respectively. The Company took this strategic decision of establishing new units in order to cater its existing customers and also enhance its customer base by engaging new customers. In order to have an advantage over the economies of scale, the Company has shifted its manufacturing unit from Dehradun to Haridwar. Consequently, the Dehradun unit will be closed in the current financial year.

Whereas, the Pune unit is engaged in composite business wherein the products will be manufactured using Hand Lay Up (HLU), LRTM (Light Resin Transfer Moulding) and Vacuum Infusion Process (VIP) technology. The Pune unit will commence its commercial production in the second quarter of the FY 2023-24 and will supply products to domestic and international market. Further, the products manufactured at this unit will be supplied to customers in United States of America (USA) through our WOS.

The details of business undertaken by every division of the Company during the year is provided below:

#### **i. Manufacturing division:**

The Company is primarily engaged in manufacturing plastic components for the OEMs and it also manufactures Crates. During the year under review, the total sales turnover of the manufacturing division was lower than projected. The decrease in market share and demand of OEM products in the Consumer Durable segment had a direct impact on the Company's business. Despite this impact, the Company has widened its customer base and added manufacturing of new products as the Company has a clear vision to expand its business and explore business opportunities in the coming years.

#### **ii. Tooling division:**

The tooling division manufactures plastic injection moulds for its customers. During the year under review, your Company received orders for manufacturing moulds. These moulds are either utilised by the Company for manufacturing its customer's products or they are directly sold to the customer.

#### **iii. Haircare and Beauty Division:**

This division is engaged in the business of sales and marketing of hair and beauty accessories under its brand named Divo, to both general and professional market. The products are used by hair stylists, fashion designers and hairdressers along with college students and young working professionals. During the FY 2022-23, there has been an increase in sales by 20% as the division has increased the

product range by adding a new range of professional products as well as expanding into environmentally friendly products. The brand endeavours to cater to all the age groups and have also added a few products that are exclusively for male grooming. Furthermore, this division continues to expand the business by undertaking new private-label business wherein they supply products to companies who sell them under their own brand names.

### **Subsidiary**

During the year, the Company incorporated a WOS, namely, Bright Brothers LLC in Delaware, USA. The manufacturing unit of this WOS has been set up in the state of Wisconsin, USA. This unit will be engaged in the manufacture of Fiberglass Composites using multiple processes like Light Resin Transfer Moulding (LRTM) and Hand Lay up (HLU). It will be engaged in the manufacture and assembly of large and complex parts as per customer's requirements. The unit will begin its commercial production during Second quarter of the current FY 2023-24.

A report on the performance and financial position of WOS has been provided in Form AOC-1 as per Section 129(2) of the Companies Act, 2013 (the Act) annexed to this Report.

### **Consolidated Financial Statements (CFS)**

In accordance with the provisions of the Act, Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable Indian Accounting Standards ("Ind AS"), the audited CFS of the Company for the FY 2022-23, together with the Auditor's Report forms part of this Annual Report. In accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and the separate financial statements of its Subsidiary Company, is available on the Company's website at [https://brightbrothers.co.in/pdf/pdf\\_545.pdf](https://brightbrothers.co.in/pdf/pdf_545.pdf). Any member desirous of inspecting or obtaining copies of the audited financial statements, including the CFS may write to the Company Secretary at [invcom@brightbrothers.co.in](mailto:invcom@brightbrothers.co.in).

### **Outlook for the Current Financial Year 2023-24**

During the current year, it is expected that the newly established manufacturing units will assist to increase the overall sales turnover of the Company. Further, it is also projected that the overseas manufacturing unit established by the WOS would align with international customers for making customised products.

### **Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year till the date of report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the FY 2022-23 and the date of this report. There has been no change in the nature of business of the Company during the financial year.

### **Revision in financial statements and Board's Report, if any, for the preceding financial years**

There was no revision of financial statements and Board's Report of the Company for the preceding financial years, during the year under review.

### **Directors and Key Managerial Personnel**

#### **Board of Directors**

#### **i. Appointment/ Re-appointment of Directors:**

Pursuant to the recommendation given by the Nomination and Remuneration Committee, Board of Directors and approval by members of the Company, the following Directors were appointed/ re-appointed during the year:

- a. Mr. Karan Bhojwani (DIN 06423542) was appointed as a Whole-time Director w.e.f. 1<sup>st</sup> April, 2022 for a period of five years;

- b. Mr. Kuchimanchi Viswanath (DIN 00547132) was appointed as an Independent Director w.e.f. 27<sup>th</sup> May, 2022 for a period of five years;
- c. Mr. Suresh Bhojwani (DIN 00032966) was re-appointed as Chairman and Managing Director w.e.f. 1<sup>st</sup> February, 2023 for period of five years;
- d. Ms. Devika Bhojwani (DIN 08355381) was re-appointed as Whole-time Director w.e.f. 1<sup>st</sup> October, 2022 for period of five years;
- e. Mr. Indru Advani (DIN 02036028) was appointed as an Independent Director w.e.f. 1<sup>st</sup> April, 2023 for a period of five years.

**ii. Retirement by rotation and subsequent re-appointment:**

In accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Devika Bhojwani, Whole-time Director (DIN 08355381) of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. Pursuant to Listing Regulations and Secretarial Standard – 2 issued by Institute of Company Secretaries of India (ICSI), the details pertaining to re-appointment are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

**Key Managerial Personnel**

Mr. Suresh Bhojwani, Chairman and Managing Director, Mr. Karan Bhojwani, Whole-time Director, Ms. Devika Bhojwani, Whole-time Director, Mr. Chirag Shah, Chief Financial Officer and Ms. Sonali Pednekar, Company Secretary are Key Managerial Personnels of the Company.

**Transfer to Reserves**

The Company does not propose to transfer any profits to its reserves and the entire amount of profit for the FY 2022-23 forms part of Retained Earnings.

**Dividend**

Your Directors are pleased to recommend a dividend @10% (i.e. Re. 1 per Equity Share) on 56,80,235 Equity Shares of ₹ 10 each for the FY ended 31<sup>st</sup> March, 2023. The said dividend, if approved by the members, would involve a cash outflow ₹ 56.80 lakhs. The dividend will be paid subject to the approval of members of the Company at the ensuing Annual General Meeting to those members whose names appear as Beneficial Owners in the list of Beneficial Owners on the record date i.e. 8<sup>th</sup> September, 2023 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and whose names appear as a member in the Register of Members of the Company as on the record date.

As per the Income Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend after deduction of tax at source.

**Share Capital**

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2023 was ₹ 568.02 lakhs. During the year under review, the Company has not issued any shares.

**Loans, guarantees or investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes accompanying the financial statements.

### **Fixed Deposits**

Your Company has not accepted any deposits from public and its members during the FY 2022-23. There has been no deposit which was unpaid or unclaimed as at the end of the year. There has not been any default in repayment of deposits or payment of interest thereon during the year. The Company is holding deposits of ₹ 158 lakhs from its Directors as on 31<sup>st</sup> March, 2023.

### **Related party transactions**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in AOC-2 is not required. The details of transaction are provided in Note No. 48 of the Standalone Notes to accounts and Note no. 47 of the Consolidated Notes to accounts. Further, there are no material related party transactions during the year under review with the Promoters, Directors and Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. Omnibus approval is obtained for transactions which are repetitive in nature. A statement giving details of all the transactions entered into pursuant to omnibus approval are placed before the Audit Committee and Board for a review.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors have any pecuniary relationships or transactions vis-a-vis the Company.

### **Insurance**

All the assets of the Company are fully insured against major risks.

### **Unsecured Loan**

During the year under review, there is no outstanding unsecured loan as on 31<sup>st</sup> March, 2023.

### **Internal financial controls**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The Audit Committee periodically approves the audit reports, implementation of audit recommendations, if any and adequacy of internal controls. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, the Board is of the opinion that there is an existence of proper systems to ensure compliance with the provisions of applicable laws and Company's internal financial controls were adequate, efficient and effective during financial year 2022-23.

### **Significant and material orders passed by the Regulators**

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

### **Directors' Responsibility Statement**

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Management Discussion and Analysis**

Management Discussion and Analysis of the financial conditions and result of operations of the Company for the period under review as required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

### **Corporate Governance**

A separate report on Corporate Governance is annexed to this Report.

As required by Schedule V of the Listing Regulations, the Auditor's Certificate on Corporate Governance received from our statutory auditor forms part of this Annual Report.

### **Meetings of the Board and its Committees**

During the year 2022-23, the Board met four times on 27<sup>th</sup> May 2022, 9<sup>th</sup> August 2022, 10<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023. The gap between two meetings did not exceed 120 days. The details of the Board meetings and various Committee meetings have been mentioned in the Report of Corporate Governance annexed to this Report.

### **Committees**

As on 31<sup>st</sup> March, 2023, the Board has 3 Committees namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. During the year, all recommendations of the Committees of the Board have been accepted by the Board.

A detailed note on the composition of the Board and its Committees, meetings held during the year and its terms of reference is provided in the Corporate Governance Report forming part of this Annual Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company is in line with the provisions of the Act and the Listing Regulations.

### **Corporate Social Responsibility**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Rules, 2014 is annexed to this Report. The Policy is available on Company's website at URL: [http://www.brightbrothers.co.in/pdf/pdf\\_455.pdf](http://www.brightbrothers.co.in/pdf/pdf_455.pdf)

### **Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 as on 31<sup>st</sup> March, 2023, is available on Company's website at [www.brightbrothers.co.in](http://www.brightbrothers.co.in).

### **Statutory Auditors**

M/s. GMJ & Co, Chartered Accountants (Firm Registration No. 103429W) were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 24<sup>th</sup> August, 2022, to hold office from the conclusion of the 75<sup>th</sup> AGM till the conclusion of the 80<sup>th</sup> AGM to be held in the year 2027.

### **Report of the Statutory Auditors and Notes to Financial Statements**

The Report of the Statutory Auditors alongwith notes to Schedules is enclosed to this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments. There are no instances of fraud reported by the Auditors.

### **Cost Audit**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company needs to conduct a Cost Audit for the financial year ending on 31<sup>st</sup> March, 2024.

The Board of Directors, on recommendation of the Audit Committee, has appointed M/s. S. R. Singh & Co., Cost Accountants, Registration no. 003403 as Cost Auditor to audit the cost accounts of the Company for the financial year 2023-24 at a remuneration of ₹ 1,50,000/- plus tax as applicable and reimbursement of out of pocket expenses. As required under Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

The Cost Audit Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark.

### **Secretarial Audit**

In terms of Section 204 of the Act and Rules made there under, Ms. Purnima Shetty, Practicing Company Secretary (Registration no. FCS-9089, COP-14933) has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor for the financial year 2022-23 is enclosed herewith.

The Report is self-explanatory and does not call for any further comments. It does not contain any qualification, reservation or adverse remark.

### **Annual Secretarial Compliance Report**

The Company has undertaken an audit for the Financial year 2022-23 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Ms. Purnima Shetty, Practicing Company Secretary has been submitted to the Stock Exchange and is annexed to this Report.

### **Whistle Blower Policy**

Pursuant to the requirement of the Act, the Company has approved its Whistle Blower Policy which is also called as vigil mechanism. It is uploaded on website of the Company.

This mechanism enables Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

### **Risk Management Policy**

The Company has developed and implemented the Risk Management Policy.

The Company considers ongoing risk management to be a core component of the Management of the Company and understands that the Company's ability to identify and address risk is central to achieving its corporate objectives.

The policy is in compliance with Listing Regulations and provisions of the Companies Act, 2013 which requires the Company to lay down procedures about risk assessment and risk minimization.

#### **Declaration by Independent Directors**

Mr. Kuchimanchi Viswanath, Dr. T. S. Sethurathnam, Mr. Indru Advani and Mr. Anil Kumar Bhandari are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, the Independent Directors fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder and Regulations 16(1)(b) of Listing Regulations about their status as Independent Directors of the Company. Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and also the Code of Conduct for Directors and senior management personnel formulated by the Company.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, Manesar ('IICA') as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

There has been no change in the circumstances affecting their status as Independent Directors of the Company. During the year under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.

#### **Company's Policy on Appointment and Remuneration**

The objective of Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing interest of stakeholders. The Board's approved policy is available on the website of the Company at [http://www.brightbrothers.co.in/pdf/pdf\\_388.pdf](http://www.brightbrothers.co.in/pdf/pdf_388.pdf)

#### **Formal Annual Evaluation by the Board of its own performance and that of its Committees and individual Directors**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees. The evaluation process inter alia considers attendance of Directors at Board and Committee meetings, participation at meetings, domain knowledge, cohesion at the Board's meetings, awareness, observance of governance, etc.

The Board carried out performance evaluation of the Board, Board committees, Individual Directors and Chairperson.

#### **Familiarisation programme**

The Company has put in place an induction and familiarization programme for all its Directors including the Independent Directors. The familiarization programme for Independent Directors in terms of provisions of Regulation 46(2) of Listing Regulations is uploaded on the website of the Company (Link: [https://brightbrothers.co.in/pdf/pdf\\_474.pdf](https://brightbrothers.co.in/pdf/pdf_474.pdf)). Further, the business and operations of the Company are informed to the Independent Directors in detail during every Board Meeting of the Company.

### Transfer of Unclaimed dividend and underlying shares to Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the members for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. During the financial year 2022-23, the Company had transferred ₹ 2,78,154/- to IEPF as unclaimed dividend relating to financial year 2014-15. Further, the Company has transferred 7,150 equity shares of the Company to IEPF as the members had not claimed dividend on those shares for the consecutive period of seven years.

The details of total amount lying in Unpaid Dividend Account of the Company and the date on which it is due for transfer is provided below:

Sr. No.	Dividend for financial year	Amount (₹ in lakhs) As on 31 <sup>st</sup> March, 2023	Due for transfer to the Fund after the following date
1	2015-16	2.98	09/09/2023
2	2016-17	3.13	16/09/2024
3	2017-18	2.16	29/10/2025
4	2018-19	1.74	19/09/2026
5	2019-20	2.27	15/04/2027
6	2020-21	2.48	03/11/2028
7	2021-22	4.29	30/09/2029

Pursuant to the provisions of IEPF Rules, the Company has filed the necessary forms and uploaded the aforesaid details on IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)) and these details are also available under “Download → Investors” Section on the Website of the Company viz. [www.brightbrothers.co.in](http://www.brightbrothers.co.in).

### Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations

The details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations are as follows:

Description	No. of records	No. of Equity Shares of ₹ 10/- each
No. of shareholders and outstanding shares at the beginning of the year	3	200
No. of shareholder’s request received for transfer of shares during the year	NIL	—
No. of shareholders to whom shares transferred during the year	NIL	—
No. of members and shares transferred to IEPF Account	NIL	—
No. of members and outstanding shares at the end of the year	3	200

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

### Compliance with Secretarial Standards issued by the Institute of Company Secretaries of India

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors, General Meetings and Dividend.

### **Particulars of Employees**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report.

None of the employees of the Company is falling under the criteria as set out in Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration.

### **Human Resources**

Your Company treats its “human resources” as one of its most important assets.

Your Company is focused on the promotion of talent internally through job rotation and job enlargement.

### **Prevention, Prohibition and Redressal of Sexual Harassment at Workplace**

The Company has formulated a policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It has also formulated Internal Complaints Committee under the Act. During the year under review, no complaints were filed under the said Act.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The details as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided below.

#### **A. Conservation of Energy:**

The steps taken by the Company for utilising alternate source of energy:

Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. Various investments in reducing the consumption of energy has helped the Company to reduce the overall power consumption.

Continuous study and analysis for energy conservation, installation of energy efficient equipments has resulted into lower units of power consumption per kg production of finished products. Energy Conservation measures taken:

- Installation of Variable Frequency Drives (VFD) to reduce the power consumption of old machines and replacing the inefficient equipments with latest energy efficient technology and upgradation of equipments.
- Monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilisation on regular basis.
- Installation of servo drives in injection moulding machines to reduce power consumption and energy efficient pump for cooling tower.
- Replacement of higher HP motor with energy efficient HP motor and replacement of CFL with LED lights.
- Replacement of old water pump to advanced technology pump with variable frequency speed drive.
- Increasing the awareness of energy saving within the organisation to avoid wastage of energy.
- Installation of solar panels.

**B. Technology Absorption, Adaptation and Innovation:**

- Improving the output/ input ratio to gain maximum finished products from per kg raw material.
- Modify the mould and dies to improve the cycle time to get higher production from the same machine.
- To modify the process parameters to improve the quality.
- No significant expenditure on Research and Development.
- Installation of robots to increase the output and reduce manpower.

**Benefits derived from the above:**

- Increased output and labour saving.
- Knowledge and skills sharing across Company and taking initiatives for benchmarking the best practices.
- Fast and efficient production.

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

Foreign Exchange Earnings: ₹ Nil

Foreign Exchange Outgo: ₹ 250.87 lakhs

**Proceeding under the Insolvency and Bankruptcy Code 2016 (“IBC”)**

There is no application filed against the Company during the year under Insolvency and Bankruptcy Code, 2016 (IBC).

**Acknowledgement**

Your Directors place on record their appreciation for employees at all levels who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, members and advisors of the Company for their continued support.

Your Directors also thank the Central and State Government and other statutory authorities for their continued support.

For and on behalf of the Board,  
BRIGHT BROTHERS LIMITED

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

Place : Mumbai

Date : 24<sup>th</sup> May, 2023

## Annexure to Directors' Report

### I. Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. Brief outline on CSR Policy of the Company:**

This policy encompasses the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The Company recognises the vital role played by local communities in its growth and believes in contributing to their well-being.

**2. Composition of CSR Committee:**

As per Section 135(9) of the Companies Act, 2013 where the amount required to be spent by a Company on CSR does not exceed ₹ 50 lakhs, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the Company. Hence, Company is not required to constitute the CSR Committee.

**3. Web-link where CSR Policy approved by the board are disclosed on the website of the company:**

[http://www.brightbrothers.co.in/pdf/pdf\\_455.pdf](http://www.brightbrothers.co.in/pdf/pdf_455.pdf)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable.

**5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 531.76 lakhs**

**(b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹ 10.64 lakhs**

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL**

**(d) Amount required to be set off for the financial year, if any: NIL**

**(e) Total CSR obligation for the financial year [(b) +(c) + (d)]: ₹ 10.64 Lakhs**

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 10.72 Lakhs**

**(b) Amount spent in Administrative Overheads: ₹ NIL**

**(c) Amount spent on Impact Assessment, if applicable: NA**

**(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 10.72 Lakhs**

**(e) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ in lakhs)	Amount Unspent (in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
10.72	NIL	—	—	NIL	—

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	10.64
(ii)	Total amount spent for the Financial Year	10.72
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years :

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance amount in unspent CSR Account under section (6) of Section 135	Amount spent in the Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of Transfer		
Not Applicable								



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: NA
9. Details of unspent CSR amount for the preceding three financial years : NA
10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 : NA

For and on behalf of the Board,  
**BRIGHT BROTHERS LIMITED**

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place : Mumbai*  
*Date : 24<sup>th</sup> May, 2023*

**II. FORM AOC-1 (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiary company

Name of the Wholly-owned Subsidiary: Bright Brothers LLC

(₹ in lakhs)

Sr. No.	Particulars	Details
1	Reporting period	31 <sup>st</sup> March 2023
2	Reporting currency	US\$
3	Exchange rate as on last date of financial year	₹ 82.22
4	Share capital	₹ 62.61
5	Reserves and Surplus	₹ (37.03)
6	Total assets	₹ 29.25
7	Total liabilities	₹ 3.67
8	Investment	Nil
9	Turnover	Nil
10	Profit/ (loss) before taxation	₹ (35.85)
11	Provision for taxation	Nil
12	Profit / (loss) after taxation	₹ (35.85)
13	% of shareholding	100%
14	Country of Incorporation	United States of America

For and on behalf of the Board of Directors

Mr. Suresh Bhojwani  
DIN: 00032966

*Chairman &  
Managing Director*

Mr. Karan Bhojwani  
DIN: 06423542

*Whole Time Director*

Mr. Chirag Shah  
*Chief Financial Officer*

Mr. K.Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

*Independent Directors*

Mrs. Sonali Pednekar  
*Company Secretary &  
Compliance Officer*

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Mumbai, 24th May 2023

### III. Secretarial Audit Report For the Financial Year ended on 31<sup>st</sup> March, 2023

#### Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
2-91, Floor-9, Plot 225,  
2, Jolly Maker Chambers,  
Vinayak Kumar Shah Marg,  
NCPA, Nariman Point, Mumbai 400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bright Brothers Limited, (hereinafter called as the 'Company'). This Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other returns maintained by the Company for the financial year ended March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018\*;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021\*;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to Issue & Share Transfer Agent during the period under review);
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021\*;
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018\*;  
\* (Not applicable as there is no reportable event during the period under review);
- (vi) The other laws that are applicable specifically to the Company are as follows:
- Factories Act, 1948 and applicable State Rules;
  - Industrial Laws;
  - Labour Laws;
  - Environment Protection Act, 1986 and other Prevention of Pollution laws;
  - Economic and Commercial Laws;
  - Legal Metrology Act, 2009;
  - Acts prescribed under Shops and Establishment Act of various local authorities;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Circulars, Notifications etc.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- As per the information provided, adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and as informed, the Company has responded appropriately to notices received from statutory / regulatory authorities including initiating immediate corrective measures, where necessary.

I further report that during the audit period, the Company has formed a Wholly Owned Subsidiary Company (WOS) in the name of "Bright Brothers LLC" on 8<sup>th</sup> December, 2022 in the State of Delaware (USA). The WOS is yet to commence its commercial production.

This Report is to be read with my letter of even date which forms an integral part of this Report.

**Purnima Shetty**  
Practicing Company Secretary  
FCS No.9089, C.P. No. 14933  
UDIN No. F009089E000361540  
Peer Review Cert. No. 1887/2022

Place: Navi Mumbai

Date: 23<sup>rd</sup> May, 2023

**(Annexure to the Secretarial Audit Report of M/s. Bright Brothers Limited  
for the financial year ended 31<sup>st</sup> March, 2023)**

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
2-91, Floor-9, Plot 225,  
2, Jolly Maker Chambers,  
Vinayak Kumar Shah Marg,  
NCPA, Nariman Point, Mumbai 400021

My Secretarial Audit Report of even date, for the F.Y. 2022-2023 is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and rules and regulations and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial records. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of the corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
5. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Purnima Shetty**  
*Practicing Company Secretary*  
FCS No.9089, C.P. No. 14933  
UDIN No. F009089E000361540  
Peer Review Cert. No. 1887/2022

*Place:* Navi Mumbai

*Date:* 23<sup>rd</sup> May, 2023

#### IV. Annual Secretarial Compliance Report for the Financial Year 2022-23

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
2-91, Floor-9, Plot 225,  
2, Jolly Maker Chambers,  
Vinayak Kumar Shah Marg,  
NCPA, Nariman Point, Mumbai 400 021

Dear Sir/ Madam,

I have been engaged by Bright Brothers Limited (hereinafter referred to as 'the Company') bearing CIN: L25209MH1946PLC005056 whose Equity Shares are listed on BSE Limited to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated 08<sup>th</sup> February, 2019 and further amended by BSE Notice and NSE circular dated 16<sup>th</sup> March, 2023 and 10<sup>th</sup> April, 2023 to issue the Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

My responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and issue a report thereon.

My audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose.

Annual Secretarial Compliance Report is enclosed.

Place: Navi Mumbai

Date: 29<sup>th</sup> May, 2023

**Purnima Shetty**  
*Practicing Company Secretary*  
FCS-9089, COP-14933  
UDIN: F009089E000408488  
Peer Review Certificate No. 1887/ 2022

**Secretarial Compliance Report of Bright Brothers Limited  
For the Financial Year Ended 31<sup>st</sup> March, 2023**

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
2-91, Floor-9, Plot 225,  
2, Jolly Maker Chambers,  
Vinayak Kumar Shah Marg,  
NCPA, Nariman Point, Mumbai 400 021

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by M/s Bright Brothers Limited (CIN:L25209MH1946PLC005056) (hereinafter referred as 'the listed entity'), having its Registered Office at 2-91, Floor-9, Plot 225,2, Jolly Maker Chambers, Vinayak Kumar Shah Marg, NCPA, Nariman Point, Mumbai 400021. The Secretarial Review of the aforesaid Company was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

I have examined:

- a) all the documents and records made available to us and explanation provided by M/s Bright Brothers Limited ("the listed entity"),
- b) the filings/submissions made by the listed entity to the stock exchange,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not Applicable for the period under Review*);
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not Applicable for the period under Review*);

- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not Applicable for the period under Review*);
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not Applicable for the period under Review*);
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review period:

I. (a) (\*\*) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks by Practicing Company Secretary	Management Response	Remarks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks by Practicing Company Secretary	Management Response	Remarks
Refer Annexure 1										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observation/ Remarks by PCS*
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter as well as the next quarter; or</p> <p>iii If the auditor has signed the limited review/audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA (Not Applicable)	Not Applicable as the auditor has not resigned during the period under review



Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observation/ Remarks by PCS*
2	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee	NA	None
	a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings	NA	None
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/explanation from the company, the auditor has informed the Audit Committee the details of information explanation sought and not provided by the management, as applicable	NA	None
	c. The Audit Committee/Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor	NA	None
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI /NFRA, in case where the listed entity/its material subsidiary has not provided information as required by the auditor	NA	None
3	The listed entity/its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/ CMD1/114/2019 dated 18 <sup>th</sup> October, 2019	NA	Not Applicable

III. I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observation/ Remarks by PCS*
1	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	Yes	None
3	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website</li> </ul>	Yes	None
4	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None
5	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.</b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Not Applicable	There was no subsidiary in the immediately preceding accounting year. The Company has during the year under review formed a WOS in the State of Delaware, USA which is yet to commence its commercial operations
6	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	None

Sr. No.	Particulars	Compliance Status (Yes/ No/ NA)	Observation/ Remarks by PCS*
8	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes  Not Applicable	None
9	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder except as provided under separate paragraph herein (**).	NA	No such actions in the Review period.
12	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	None observed during the period under review

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**Purnima Shetty**  
Practicing Company Secretary  
FCS-9089, COP-14933  
UDIN: F009089E000408488  
Peer Review Certificate No. 1887/ 2022

Place: Navi Mumbai  
Date: 29<sup>th</sup> May, 2023

**ANNEXURE 1 to the Secretarial Compliance Report of Bright Brothers Limited  
For the Financial Year Ended 31<sup>st</sup> March, 2023**

1. This is pertaining to the imposition of fine by BSE for non-compliance of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), 2015 in the FY 2020-2021 in the matter of appointment of Non-executive Independent Director, Mr. Anil Kumar Bhandari (whose age exceeded 75 years of age) on 9<sup>th</sup> September 2020 without prior approval of the Shareholders in the General Meeting. BSE had imposed an fine of ₹ 1,84,000 (excluding GST) vide its email dated 17<sup>th</sup> November 2020.

**Management Response and Actions:**

- a) Due to sad demise of the existing Independent Director on June 2020, the Company had to appoint a suitable person to fill up the casual vacancy within a period of 3 months from the date of demise of the existing director as per the Companies Act, 2013 and the Rules prescribed therein.
- b) Considering the pandemic situation prevailing at that time, Management faced considerable difficulty in identifying a suitable candidate for the position of the independent director and further practically difficult to hold the General meeting or postal ballot prior to the appointment of the director. The appointment was subject to the approval of the shareholders and the said approval was subsequently obtained on the AGM held on 12<sup>th</sup> November 2020.
- c) The company sought waiver of fine setting out the exceptional circumstances; and BSE vide its email dated 23<sup>rd</sup> July 2021 informed the company that the case will be presented before the committee. The Company officials are following up personally and on email seeking an opportunity of personal hearing.
- d) The Company is in compliance of Section 161(4) of Companies Act, 2013 ('Act') read with Rule 4(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') dealing with intermittent vacancy of the Independent Director and such appointment is further approved by the members in the next annual general meeting. On a personal hearing being granted the Company is confident of getting this fine waived off by BSE.

**Observations/ Remarks by PCS:**

The facts of this case is similar to the recent case decided by the Hon'ble Securities Appellate Tribunal (SAT) vide its order dated 27<sup>th</sup> April 2023 in the matter of Nectar Life Sciences Ltd. Vs. SEBI and National Stock Exchange Ltd., wherein the SAT has clearly bought out the differences in Section 152 (2) and Section 161(4) of the Act and stated that casual vacancy in the office of the Director can only be filled in by the Board of Directors and subsequently approved by members in the immediate next general meeting as per Section 161(4) of the Act. (Refer para 13 of the order of even date)

Further in para 24 of the order it has stated that there is no provision in LODR Regulations for filling up the casual vacancy of a Director in a Company. Also, Regulation 17(1A) is not applicable for purpose of filling up casual vacancy under Section 161(4) of the Act and the same is covered under Regulation 17(1C) of the LODR Regulations read with proviso to the Rule 4 of the Rules.

The Hon'ble SAT has further stated in para 24(ix) that there should be harmonious reading of Section 17(1A) with the provisions of Sections 152, 161(4) of Act read with Rule 4 and Regulation 17(1C) of the LODR Regulations which makes it clear that even if a person above the age of 75 years is appointed by the Board of Directors to fill up a casual vacancy, such appointment is required to be approved subsequently within the prescribed period by a special resolution in the next general meeting by the members of the Company and the word "unless" depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a special resolution is a qualification condition for appointment of a person as a Director.

In view of the above, and considering the facts and circumstances of the instant case, the management decision to seek waiver of fine seems appropriate and likely to be considered favourably by BSE on proper presentation of facts.

**Purnima Shetty**

*Practicing Company Secretary*

FCS-9089, COP-14933

UDIN: F009089E000408488

Peer Review Certificate No. 1887 / 2022

*Place:* Navi Mumbai

*Date:* 29<sup>th</sup> May, 2023

**V. Particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Requirement under Rule 5(1)	Details		
1	Ratio of the remuneration of Managing Director, Executive Directors & other Non-Executive Directors to the median remuneration of the Company for the Financial Year	Mr. Suresh Bhojwani	Chairman & Managing Director	23.29
		Mrs. Devika Bhojwani	Whole-time Director	3.27
		Mr. Karan Bhojwani	Whole-time Director	14.58
		Mr. Anil Kumar Bhandari	Independent Director	0.36
		Mr. Kuchimanchi Viswanath	Independent Director	0.33
		Dr. T. S. Sethurathnam	Independent Director	0.29
2	Percentage increase/(decrease) in remuneration of Managing Director, each Executive Director, Chief Financial Officer & Company Secretary (Salary of 2022-2023 vis-à-vis 2021-2022)	Mr. Suresh Bhojwani	Chairman & Managing Director	0%
		Mrs. Devika Bhojwani	Whole-time Director	26.07%
		Mr. Karan Bhojwani	Whole-time Director	15.33%
		Mr. Chirag Shah	Chief Financial Officer	0%
		Mrs. Sonali Pednekar	Company Secretary	0%
3	Percentage increase in the median remuneration of employees in the financial year (2022-2023 vis-à-vis 2021-2022)	Median Increase - 1.46%		
4	Number of Employees as on March 31, 2023 on rolls of Company	320		

Sr. No.	Requirement under Rule 5(1)	Details
5	Average percentile increase made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the salary of employees was 1.20% whereas the average increase in salary of managerial personnel was 4.43%.
	Justification for variation in the average percentile increase between Non-Manual employees and Managerial employees	The increase in remuneration of managerial employees was as per industrial benchmarks.
6	Key parameters for any variable component of remuneration availed by the Directors	There is no variable component in the remuneration paid to the Directors.
7	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration is as per the Nomination and Remuneration Policy of the Company.
8	Percentage increase or decrease in the market quotations of the shares of the Company	Closing Market Price of the Company's Equity Share on BSE as on 31 <sup>st</sup> March, 2022 was ₹ 150.15/- and as on 31 <sup>st</sup> March, 2023 was ₹ 142.35/-. The price decreased by 5.20%.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC AND BUSINESS OVERVIEW ACROSS THE GLOBE

In general, global economic shocks in the past were severe but spaced out in time. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russia-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation. The rate hike by the US Fed caused the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies. The rate hike and persistent inflation also led to a lowering of the global growth forecasts. Many developing countries, particularly in the South Asian region, faced severe economic stress due to weakening currencies, higher import prices, the rising cost of living and a stronger dollar, made debt servicing more expensive.

### ECONOMIC AND BUSINESS OVERVIEW IN INDIA

For India, 2022 was special as it marked the 75<sup>th</sup> year of India's Independence. India became the world's fifth largest economy, measured in current dollars. The rise in consumer prices has slowed considerably. The annual rate of inflation is below 6 percent. Although the high oil price this year inflated India's import bill and caused the merchandise trade deficit to balloon, concerns over the current account deficit and its financing have ebbed as the year rolled on. Foreign exchange reserve levels are comfortable and external debt is low. India had a good monsoon, and reservoir levels are higher than last year and the 10-year average. The fundamentals of the Indian economy are sound as it enters its Amrit Kaal, the 25-year journey towards its centenary as a modern, independent nation.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed.

The International Monetary Fund expects India to grow by 5.9% in FY 2023-24 and by an average rate of 6.1% over the next five years. The overall outlook of the Indian economy remains positive. It is expected that investments will see a turnaround and India will likely grow at a moderate pace. Growth in the next year is likely pick up as investments will kickstart the virtuous circle of job creation, income, productivity, demand and exports supported by favourable demographics.

During the current financial year 2023-24, growth in India is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. In order to attain sustainable growth, India will need a strong rebound in investments. Despite global uncertainties, India is poised to grow by 6.5% in the medium term.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The plastic industry in India is closely intertwined with the petrochemical industry. It starts with the raw materials, such as natural gas, oil or plants and is refined into ethane and propane. These compounds are converted into monomers which, on combining with catalysts, become polymers. These polymers are then converted into plastics.

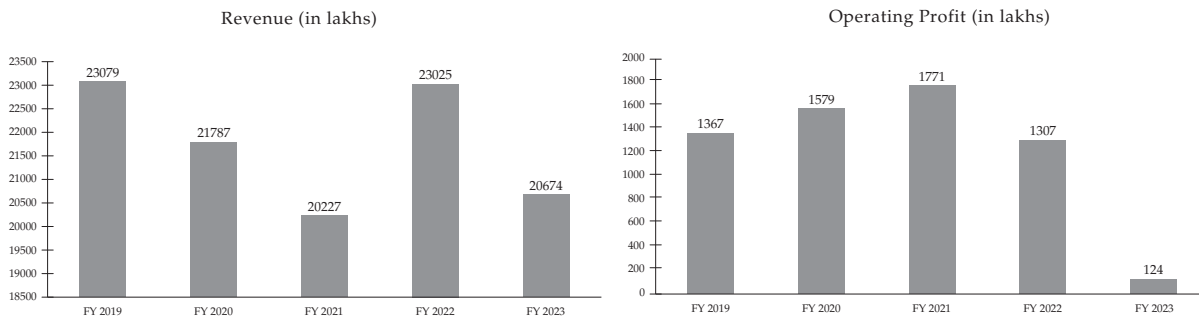


The industry comprises both upstream and downstream activities (*conversion of polymers*). The downstream manufacturers cater to multiple industries across the country with industries like, automotive, construction, electronics, healthcare, textiles, and FMCG.

India's overall production infrastructure for petrochemicals is mainly driven by a limited number of oil refineries and standalone petrochemical companies.

According to the polymer landscape study, West India accounts for the maximum share (61%) of upstream plastic manufacturing, followed by Northern India with an 18% share, East India accounting for 15% and Southern India having the least capacity with only 6% share. The downstream plastic processing sector in India is primarily dominated by Indian companies.

#### PERFORMANCE HIGHLIGHTS OF THE COMPANY:



The below mentioned table gives the present composition of business of your Company.

Category	Percentage Share in Total Turnover
Consumer durable (white goods) injection moulded plastic components	95%
Brite branded products (material handling crates and beauty products)	5%

#### OVERALL FINANCIAL PERFORMANCE:

The financial performance of the Company (Standalone) has been summarized in the table below followed by explanatory remarks for significant changes in 2022-23 compared to the previous year.

(₹ in lakhs)

Particulars	FY 2022-23	FY 2021-22	Change	% Change	Remarks
Total operational income (net)	20673.60	23,025.35	(2,351.75)	(10.21)	1
Total expenses	3,647.95	3,437.08	210.87	6.14	
Earnings before depreciation and finance cost	123.69	1,306.66	(1,182.97)	(90.53)	2
Other income	182.46	3,638.90	(3,456.44)	(94.99)	
Depreciation and amortization expenses	580.64	621.23	(40.59)	(6.53)	
Finance costs	378.82	471.37	(92.55)	(19.63)	
Profit/ (loss) before tax	(653.31)	3,852.96	(4,506.27)	(116.96)	

Particulars	FY 2022-23	FY 2021-22	Change	% Change	Remarks
Tax expenses	(311.10)	657.00	(968.10)	(147.35)	
Profit/ (loss) after tax	(342.21)	3,195.96	(3,538.17)	(110.71)	
Property, Plant and Equipment (incl. CWIP)	5,474.18	4156.52	1,317.67	31.70	3

1. There has been decrease in sales due to decrease in market share and demand of OEM's products in the consumer durable segment.
2. EBDITA for the year 2022-23 is ₹ 123.69 lakhs as compared to ₹ 1,306.66 lakhs in the previous year.
3. During the year, Company has invested ₹ 1903.42 Lakhs in Property, Plant and Equipment (incl. CWIP).

(₹ in lakhs)

Cash Flow details (Standalone)	2022-23	2021-22
Net cash flow from/ (used in) operating activities	42.32	667.11
Net cash flow from/ (used in) investing activities	266.64	589.17
Net cash from/ (used in) financing activities	(343.83)	(1,589.84)

**REVIEW OF OPERATION:**

During the year under review, the increasing costs of raw materials, rising operational cost and year on year cost down initiatives of the customer, coupled with fresh investment in new projects for which the turnover has yet not started have impacted profit margins of the Company.

The decline in demand for one of company's major customer along with steep competition which has impacted their market share had a direct impact on production and sales turnover.

The tooth brush sales remained steady during the year under review.

The growth trajectory of DIVO brand is in a positive trend.

**GROWTH DRIVER**

The new investment made in 2 fresh locations of Hosur and Haridwar for our consumer durable customers will add to the turnover and profitability of the Company. These units have been set up to be logistically closer to the customers manufacturing units.

In addition to the injection moulding process and in a drive for diversification, the Company has invested in new manufacturing technologies such as Hand Lay Up (HLU), LRTM (Light Resin Transfer Moulding) and Vacuum Bag Infusion Process (VIP). These technologies have been installed in the new unit located at Pune. This unit will scale up its production by Q4 of FY 2023-24.

Further, the manufacturing unit set up by Company's WOS in USA will allow the Company to cater to international customers and thereby mark its footprint in the global market allowing us to consolidate orders which will be manufactured and exported from the Pune unit.

**OPPORTUNITIES**

Post the pandemic period, the drive for indigenisation and de-risking from China, has pushed companies to invest in and set up production facilities in India. This coupled with the incentives provided by Government of India (GOI), will give boost to domestic production and manufacturing requirements.

In the last budget, the GOI has given a thrust on infrastructure and railways which are direct industries where your company's new composite division is targeting to supply.

## THREAT

Shifting consumer preferences in a projected economic downturn scenario, amendments to industrial policies to align with growing environmental concerns, huge fluctuations in raw material costs triggered by prevailing geo-political tensions, and expected economic turbulences are noted as key challenges to be addressed by the Plastics industry players during the short and medium term forecast.

The Continued pressure from unorganized players in the industry to supply at low costs in order to capture the business have a direct impact on operating profit margins.

## OUTLOOK

The future outlook for the manufacturing industry is complex as the industry faces challenges related to environmental sustainability, regulatory compliance, and changing customer demands. As the global economy continues to recover from the COVID-19 pandemic, demand for plastic products is expected to increase, particularly in emerging markets. Overall, the plastic manufacturing industry is expected to see continued growth and innovation, but will need to adapt to changing customer demands and environmental concerns in order to remain competitive in the long term.

With the Companies new investment in facilities and capacity expansions along with the push for diversification, it is poised to see good growth in its top line to help absorb the increasing costs and remain sustainable in the years to come.

## FINANCIAL RATIOS

The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:-

Ratio	F.Y. 2022-23	F.Y. 2021-22	Change (%)
Interest Coverage Ratio	(0.72)	1.73	(141.78)%
Return on Net Worth	(5.02)	3.53	(242.20)%
Net Profit Margin	(0.02)	0.01	(245.05)%

## REASON FOR CHANGE IN RATIOS:

The reason for change in the aforesaid ratios is mainly due to reduction in sales turnover of the Company and also the increase in expenditure incurred by the Company during the period under review. While setting up the additional manufacturing units, the Company has incurred capital as well as revenue expenditures, however, the corresponding revenue generation did not begin during the period under review. Hence, there has been a significant change in the aforesaid ratios.

As the manufacturing facilities at Hosur and Pune would begin in the current financial year, the Company is confident that there will be a positive impact on the said ratios.

## INTERNAL CONTROL SYSTEMS

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audits at all units and report the lapses, if any, to the management. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up and remedial measures are being taken including review and increase in the scope of coverage, wherever necessary. The Audit Committee of Directors in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements.

The Company has undertaken a detailed exercise to revisit its control systems in technical and other non-financial areas to align them properly with Management Information Systems (MIS) to make MIS more efficient and result oriented. Information technology base created by the Company over the period is providing a very useful helping hand in the process. Needless to mention that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain the central point of the entire control system.

## CAUTIONARY STATEMENT

Statements in this “Management Discussion and Analysis” describing the Company’s projections, expectations or predictions may be “Forward looking statements” within the meaning of applicable Securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could make a difference to the Company’s operation include cyclic demand and pricing of raw materials, changes in Government regulations, tax regimes, cost of power and interest cost and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events or otherwise.

For and on behalf of the Board,  
**BRIGHT BROTHERS LIMITED**

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place : Mumbai*  
*Date : 24<sup>th</sup> May, 2023*

## REPORT ON CORPORATE GOVERNANCE

[Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### 1. Company's Philosophy on Code of Corporate Governance:

Your Company firmly believes in effective corporate governance practices and ethical conduct. Transparency and accountability are the basic tenets of Corporate Governance. Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings. It helps the Company to achieve its objectives, enhance stakeholders' value and discharge its social responsibility. It, therefore, continues to lay great emphasis on integrity, fairness, empowerment and responsibility for efficient and ethical conduct of its business.

Your Company is proud to belong to a group whose founder lived his life with ethical values and built the business enterprise on a foundation of good governance. Your Company firmly believes that Management must have freedom of execution and this freedom must be exercised within the framework of accountability to meet stakeholders' aspirations and society expectations.

Your Company consistently meets commitment towards continuous up-gradation of Corporate Governance Standards. It has complied with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### 2. Board of Directors:

#### 1.1 Composition and category of Directors:

Your Company's Board of Directors ("Board") decides the policies and strategy of the Company and has the overall superintendence and control over the management of the Company. The Board of Directors provides leadership, strategic guidance and objective judgment to the Company's Management and directs, supervises and controls performance of the Company. They also ensure that good governance and risk management policies and practices, and efficient business processes are implemented smoothly.

The Composition of the Board of Directors is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The composition of the Board ensures a judicious mix of Executive and Non- Executive Independent Directors. There were three Independent Directors and three Executive Directors on the Board of the Company as on 31<sup>st</sup> March, 2023. The Chairman is the Managing Director and a member of the Promoter Group. The Independent Directors provide their independent judgment, external perspective and objectivity on the issues placed before them.

1.2 During the year 2022-23, the Board met four times on 27<sup>th</sup> May, 2022, 9<sup>th</sup> August, 2022, 10<sup>th</sup> November, 2022, and 13<sup>th</sup> February, 2023. The gap between two meetings did not exceed 120 days. The Agenda for the Board meetings were circulated in advance to take informed decisions.

1.3 Attendance of the Directors at the meetings and directorship in other companies as on 31<sup>st</sup> March, 2023:

Names and categories of Directors on the Board, their attendance at the Board Meetings held during the year and at the previous Annual General Meeting held on 24<sup>th</sup> August, 2022 and the number of other directorships and Chairmanship/Membership of Committee/s in other public companies including listed companies as on 31<sup>st</sup> March, 2023 are given below. Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/Chairmanships more than the prescribed limits.

Name of the Director, Designation and DIN	No. of Board Meetings held & attended during the year		Category of Directorship	Attendance at previous AGM
	Held	Attended		
Mr. Suresh Bhojwani (Chairman & Managing Director) DIN: 00032966	4	4	Promoter Executive	Yes
Mrs. Devika Bhojwani (Whole-time Director) DIN: 08355381	4	4	Promoter Executive	Yes
Mr. Karan Bhojwani (Whole-time Director) DIN: 06423542	4	4	Promoter Executive	Yes
Mr. Kuchimanchi Viswanath (Independent Director) DIN: 00547132	4	4	Non-Executive	Yes
Dr. T. S. Sethurathnam (Independent Director) DIN: 00042704	4	3	Non-Executive	No
Mr. Anil Kumar Bhandari (Independent Director) DIN: 00031194	4	4	Non-Executive	Yes

Directorship in other public companies and listed companies as on 31<sup>st</sup> March, 2023:

Name of the Director	No. of Directorship(s) in other public companies		No. of Committee Positions* held in other public companies		Names of the other listed entities where the Director holds Directorship
	Chairman	Member	Chairman	Member	
Mr. Suresh Bhojwani	Nil	Nil	Nil	Nil	Nil
Mrs. Devika Bhojwani	Nil	Nil	Nil	Nil	Nil
Mr. Karan Bhojwani	Nil	Nil	Nil	Nil	Nil
Mr. Kuchimanchi Viswanath	Nil	Nil	Nil	Nil	Nil
Dr. T. S. Sethurathnam	Nil	Nil	Nil	Nil	Nil
Mr. Anil Kumar Bhandari	Nil	2	2	3	i. Kirloskar Electric Company Limited ii. Waterbase Limited

\*Note: The Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee are considered while determining the number of Committee Positions.

#### 1.4 Change in composition of the Board of Directors:

The Board of Directors, upon seeking recommendation from the Nomination and Remuneration Committee considered appointment of Mr. Karan Bhojwani as a Whole-time Director of the Company for a period of five years with effect from 1<sup>st</sup> April, 2022. The approval of members for his appointment was sought by passing a special resolution through Postal Ballot.

Further, Late Mr. Kuchimanchi Purnachandra Rao (DIN 00027577), Independent Director left for heavenly abode on 7<sup>th</sup> April, 2022. In order to fill up the casual vacancy, the Company appointed Mr. Kuchimanchi Viswanath (DIN 00547132) as an Independent Director w.e.f. 27<sup>th</sup> May, 2022 for a period of five years.

#### 1.5 Board's functioning and Procedure:

The Board of Directors, being an apex body constituted by the Members of the Company, plays an important role in ensuring good governance and functioning of the Company. The detailed Agenda are sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director appraises the Board at every meeting of the overall performance of the Company followed by presentations. The members of the Board have a complete freedom to express their opinion and decisions are taken after detailed discussions.

Evolving strategy, annual business plan, review of actual business plan and course correction as deemed fit, constitute the primary business of the Board. The Board reviews the certificate issued by Chief Financial Officer and Company Secretary of the Company regarding compliances of all the applicable laws on quarterly basis.

#### 1.6 Independent Directors

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 28<sup>th</sup> March, 2023. The Independent Directors discussed and reviewed the matters specified in Regulation 25(4) of the Listing Regulations.

Names of Directors	Meeting held during the year	Meeting Attended
Dr. T. S. Sethurathnam	1	1
Mr. Anil Kumar Bhandari	1	1
Mr. Kuchimanchi Viswanath	1	1

There have been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees and commission payable to them annually in accordance with the applicable laws and with the approval of the Members. A declaration to this effect is also submitted by all the Independent Directors at the beginning of each financial year.

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company. The terms and conditions of their appointment, sitting fees payable to them and familiarization programme provided by the Company is available on the Company's website at: [http://www.brightbrothers.co.in/pdf/pdf\\_474.pdf](http://www.brightbrothers.co.in/pdf/pdf_474.pdf)

Pursuant to a notification dated 22<sup>nd</sup> October, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the said Directors in this regard.

1.7 The Matrix/Table of Core Skills, Expertise and Competencies of Board of Directors has been provided below:

Sr. No.	Details of core skills, expertise and competencies	Names of the Directors					
		Mr. Suresh Bhojwani	Mrs. Devika Bhojwani	Mr. Karan Bhojwani	Mr. Kuchimanchi Viswanath	Dr. T. S. Sethurathnam	Mr. Anil Bhandari
1	Sales, Marketing and Brand Building	✓	✓	✓	✓	✓	✓
2	Strategic Leadership	✓	✓	✓	✓		✓
3	Government Regulatory	✓		✓	✓	✓	✓
4	Financial Performance	✓	✓	✓	✓	✓	✓
5	Governance	✓	✓	✓	✓	✓	✓
6	Advising on Risk mitigation and Compliance requirements	✓		✓	✓	✓	✓

1.8 Relationship between the Directors inter-se:

Mr. Karan Bhojwani, Whole-time Director is the son of Mr. Suresh Bhojwani, Chairman and Managing Director and Mrs. Devika Bhojwani, Whole-time Director of the Company.

### 3. Committees of the Board of Directors

The Board has constituted the following Committees of Directors to deal with matters and to monitor the activities in accordance with the provisions of the Companies Act, 2013 and Listing Regulations:

#### (i) Audit Committee:

The composition of the Audit Committee and the scope of its activities and powers are in conformity with and includes the areas prescribed under the Regulations 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and the rules framed thereunder. The Audit Committee was constituted to review the financial statements, annual budget, accounting policies and practices and internal audit process. The Audit Committee comprises of three Non-Executive Directors and one Executive Director who are well versed with the financial matters and corporate laws.

The composition of Audit Committee as per Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2023 is as follows:

Name of the Directors	Designation	Category	Number of meetings held and attended during the tenure of directors	
			Held	Attended
Mr. Anil Kumar Bhandari	Chairman	Independent, Non-Executive	4	4
Dr. T. S. Sethurathnam	Member	Independent, Non-Executive	4	3
Mr. Kuchimanchi Viswanath (w.e.f. 27 <sup>th</sup> May, 2022)	Member	Independent, Non- Executive	3	3
Mr. Suresh Bhojwani	Member	Non-Independent, Executive	4	4

Mrs. Sonali Pednekar acts as Secretary to the Committee.

During the financial year 2022-23, four Audit Committee meetings were held on 27<sup>th</sup> May, 2022, 9<sup>th</sup> August, 2022, 10<sup>th</sup> November, 2022, and 13<sup>th</sup> February, 2023. The gap between two meetings did not exceed 120 days.



- Terms of Reference:

The terms of reference of the Audit Committee have been further enhanced/modified to be in line with the enhanced scope for the Committee as laid down under Section 177 of the Companies Act, 2013 which are briefly as follows:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- (b) Reviewing quarterly and annual financial statements with the management before submission to the Board for approval with particular reference to the following matters specified in the Listing Regulations:
  - Matters required to be included in the Director's Responsibility Statement and to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Functioning whistle blower policy.
  - Qualifications in the draft audit report, if any.
  - Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
- (c) To consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them.
- (d) Reviewing findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (e) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (f) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- Other Details:

- (a) The Committee invites representatives of Statutory Auditors to be present at the meetings whenever it considers appropriate.
- (b) Mrs. Sonali Pednekar is the Compliance Officer, to ensure compliance and effective implementation of the Insider Trading Code. The disclosure under the Insider Trading Code filed with the Stock Exchange are reported to the Committee on Quarterly basis.

(ii) **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, all being Independent. The Committee met two times in 2022-2023 on 27<sup>th</sup> May, 2022 and 13<sup>th</sup> February, 2023. The necessary quorum was present for both the meetings. The composition of the Committee during 2022-23 and the details of meetings held and attended by the members are as under:

Name of the Director	Designation	Category	Number of meetings held and attended during the year	
			Held	Attended
Dr. T. S. Sethurathnam	Chairman	Independent, Non-Executive	2	1
Mr. Anil Kumar Bhandari	Member	Independent, Non-Executive	2	2
Mr. Kuchimanchi Viswanath	Member	Independent, Non-Executive	1	1

The terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- 1) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- 2) To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- 3) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- 4) To formulate the criteria for evaluation of the Independent Directors and the Board.
- 5) To devise a policy on Board diversity.
- 6) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 7) Recommend to the board, all remuneration, in whatever form, payable to senior management.
  - Remuneration of Managerial Personnel:

Details of remuneration paid/payable to Chairman and Managing Director and Whole-Time Directors for the financial year ended 31<sup>st</sup> March, 2023 are as follows:

(₹ in lakhs)

Particulars	Mr. Suresh Bhojwani (Chairman and Managing Director)	Mrs. Devika Bhojwani (Whole-time Director)	Mr. Karan Bhojwani (Whole-time Director)
Salary & Allowances	80.99	12.01	54.74
Perquisites	3.00	0	0
Contribution to Provident Fund	7.92	0.90	2.76
<b>Total</b>	<b>91.91</b>	<b>12.91</b>	<b>57.50</b>

- Independent and Non-executive Directors are paid sitting fees of ₹ 20,000/- per Board meeting, ₹ 10,000/- per Audit Committee meeting and ₹ 1,000/- for every other Committee meeting. No sitting fee is payable to Executive Directors.
- Presently, the Company has no stock option scheme.
- Details of Sitting fees and Commission paid to Independent and Non-Executive Directors for attending Board/Committee Meetings for the period 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023:

(₹ in lakhs)

Sr. No.	Name of the Director	Board Meetings	Committee Meetings	Independent Directors Meeting
1.	Mr. Kuchimanchi Viswanath	0.80	0.31	0.20
2.	Dr. T. S. Sethurathnam	0.60	0.34	0.20
3.	Mr. Anil Kumar Bhandari	0.80	0.43	0.20

The shareholding details of the aforesaid Directors in the Company as on 31<sup>st</sup> March, 2023 are provided below:

Sr. No.	Name of the Director	Category	Number of shares held
1.	Mr. Kuchimanchi Viswanath	Independent, Non-Executive	NIL
2.	Dr. T. S. Sethurathnam	Independent, Non-Executive	NIL
3.	Mr. Anil Kumar Bhandari	Independent, Non-Executive	1,000

**(iii) Stakeholders Relationship Committee:**

The Company has constituted Stakeholders Relationship Committee of the Board of Directors to look into the transmission of Equity Shares /issuance of duplicate Equity Shares, complaints received from the Shareholders of the Company and other allied connected matters. During the year under review, the Committee met four times on 27<sup>th</sup> May, 2022, 9<sup>th</sup> August, 2022, 10<sup>th</sup> November, 2022, and 13<sup>th</sup> February, 2023. The composition and details of the meetings attended by the members are given below:

Name of the Director	Designation	Category	Number of meetings held and attended during the year	
			Held	Attended
Dr. T. S. Sethurathnam	Chairman	Independent, Non-Executive	4	3
Mr. Anil Kumar Bhandari (w.e.f. 13 <sup>th</sup> Feb. 2023)	Member	Independent, Non-Executive	1	1
Mr. Suresh Bhojwani	Member	Non-Independent, Executive	4	4
Mrs. Devika Bhojwani	Member	Non-Independent, Executive	4	4
Mr. Karan Bhojwani	Member	Non-Independent, Non-Executive	4	4

The Company Secretary acts as the Secretary to the Committee. There were no complaints pending as on 31<sup>st</sup> March, 2023.

#### 4. General Body Meetings:

Particulars of previous three Annual General Meetings.

AGM	Year	Location of the Meeting	Date	Time	Special Resolutions
75 <sup>th</sup> AGM	2021-22	Walchand Hirachand Hall", 4 <sup>th</sup> Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020	24 <sup>th</sup> August, 2022	11:30 a.m.	<ul style="list-style-type: none"> <li>- Re-appointment of Mr. Suresh Bhojwani (DIN: 00032966) as Chairman and Managing Director and payment of remuneration.</li> <li>- Re-appointment of Mrs. Devika Bhojwani (DIN 08355381) as a Whole-time Director and payment of remuneration</li> <li>- Appointment of Mr. Kuchimanchi Viswanath (DIN 00547132) as an Independent Director</li> </ul>
74 <sup>th</sup> AGM	2020-21	Video Conference/ Other Audio Visual Means	27 <sup>th</sup> September, 2021	12:00 noon	- NIL
73 <sup>rd</sup> AGM	2019-20	Video Conference/ Other Audio Visual Means	12 <sup>th</sup> November, 2020	11.00 a.m.	<ul style="list-style-type: none"> <li>- Payment of Commission to Directors</li> <li>- Appointment of Mr. Anil Kumar Bhandari as an Independent Director for a period of five years</li> <li>- Approve payment of remuneration to Mr. Suresh Bhojwani Chairman and Managing Director of the Company for remaining period of his term of 5 years</li> </ul>

- **Postal Ballot:**

During the year under review, approval of Members of the Company was sought through Postal Ballot and details of the same are given below:

**Date of Postal Ballot Notice:** 13<sup>th</sup> February, 2023

**Voting period:** 28<sup>th</sup> February, 2023 to 29<sup>th</sup> March, 2023

**Date of passing of resolution:** 29<sup>th</sup> March, 2023

**Date of declaration of result:** 30<sup>th</sup> March, 2023

A summary of the voting pattern is as follows:

Resolution	Votes Cast in favor (In %)	Votes Cast against (In %)
Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings	99.9853	0.0147
Appointment of Mr. Indru G. Advani (DIN 02036028) as an Independent Director	99.9853	0.0147

Mr. Abhishek Prakash, Practicing Company Secretary, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

- **Extraordinary General Meeting:**

No Extraordinary General Meeting was held during the year 2022-23.

**5. Disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”):**

Particulars	Regulation	Details
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	Details of related party transactions entered into by the Company are included in the notes to the Financial Statements. All the transactions covered under the related party transaction are fair, transparent and at arm’s length. No significant material transaction has been made with the directors, their relatives or management which is in conflict with the interest of the Company. The Board’s approved policy for related party transactions is available on the website of the Company at <a href="http://www.brightbrothers.co.in/pdf/pdf_105.pdf">http://www.brightbrothers.co.in/pdf/pdf_105.pdf</a>
Details of Regulatory compliance	Schedule V (c) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years. During the year, no penalty or strictures have been imposed on the Company by the stock exchange, or Securities and Exchange Board of India (‘SEBI’) or any statutory authority on any matter related to capital Markets.
Commodity price risk and hedging activities	Schedule V (c) 10(g) of the SEBI Listing Regulations	The activities carried out by the Company are not prone to commodity price risk. Hence, the Company has not undertaken commodity hedging positions during the financial year.
Compliance with the Code of Conduct	Regulation 34(3) of the SEBI Listing Regulations	The declaration signed by the Chairman and Managing Director stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management forms part of the Annual Report.
CEO/CFO Certification	Regulation 17(8) of SEBI Listing Regulations, 2015	The Chairman and Managing Director and Chief Financial Officer have in respect of the financial year ended 31 <sup>st</sup> March, 2023 certified to the Board regarding compliances of covenants contained in the Regulation. The Certificate forms part of the Annual Report.
Compliance Certificate from the Auditors	Regulation 34(3) of SEBI Listing Regulations, 2015	The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate forms part of the Annual Report.
Certificate regarding directors qualifications	Schedule V (c) 10(i) to the SEBI Listing Regulations	The Company has obtained a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures. The Board’s approved policy is available on the website of the Company at the following link: <a href="https://brightbrothers.co.in/pdf/pdf_540.pdf">https://brightbrothers.co.in/pdf/pdf_540.pdf</a>
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	The auditors’ report on financial statements of the Company are unqualified. Internal auditors report of the manufacturing units of the Company is submitted to the Audit Committee on quarterly basis.

**6. Disclosures in relation to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as at the end of the financial year
NIL	NIL	NIL

**7. Fees to statutory auditors:**

M/s. GMJ & Co, Chartered Accountants (Firm Registration No. 103429W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, given below:

(₹ in lakhs)

Particulars	2022-23
Audit fees	9.00
Others	0.55
Reimbursement of expenses	0.33
<b>Total Payment to Auditors</b>	<b>9.88</b>

**8. Disclosure of Accounting Standards:**

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and The Companies (Indian Accounting Standards) Rules, 2015.

**9. Others**

During the year, Company has incorporated wholly owned Subsidiary i.e. Bright Brothers LLC in the State of Delaware, United States of America.

**10. Compliance with non-mandatory requirements:**

Adoption of non-mandatory requirements under Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time to time and implemented as per the requirements of the Company.

**11. Means of Communication:**

- The quarterly, half yearly and annual results are generally published in "The Free Press Journal" (English) and "Nav-Shakti" (Marathi) in Mumbai edition.  
The results are also submitted on a timely basis in such a form to the Stock Exchange (i.e. BSE Limited) where the Equity shares of the Company are listed so as to enable it to put it on its website viz. [www.bseindia.com](http://www.bseindia.com). The results are also uploaded on the website of the Company viz. [www.brightbrothers.co.in](http://www.brightbrothers.co.in).
- A Management Discussion and Analysis is being presented as a part of the Annual Report as required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**12. General Shareholders Information:**

<b>Annual General Meeting</b>	
• <b>Date and Time</b>	: 15 <sup>th</sup> September, 2023 at 11:30 a.m.
• <b>Venue</b>	: Walchand Hirachand Hall", 4 <sup>th</sup> Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai- 400 020
• <b>Dividend Payment date</b>	: On or after 15 <sup>th</sup> September, 2023
<b>Financial Year</b>	: 2022-23
<b>Date of Book Closure</b>	: 9 <sup>th</sup> September, 2023 to 15 <sup>th</sup> September, 2023 (Both days inclusive)
<b>Financial Calendar for 2023-24</b>	
Reporting for June, 2023 quarter	: On or before 14 <sup>th</sup> August, 2023.
Reporting for September, 2023 quarter	: On or before 14 <sup>th</sup> November, 2023.
Reporting for December, 2023 quarter	: On or before 14 <sup>th</sup> February, 2024.
Reporting for quarter & year ended March, 2024	: On or before 30 <sup>th</sup> May, 2024.

**Listing:**

The Equity shares of the Company are listed on BSE Limited. The Company has paid the Annual Listing Fee for the year 2022-23.

• <b>Stock Code</b>	: 526731
• <b>ISIN No. for NSDL and CDSL</b>	: INE630D01010
• <b>Scrip ID</b>	: BRIGHTBR
• <b>CIN</b>	: L25209MH1946PLC005056

- **Stock Market Data (BSE):**

Monthly high and low quotations of shares and volume of Equity shares traded on Bombay Stock Exchange Limited is as follows.

Month	High Price	Low Price	Close Price	No. of Shares	Sensex
Apr-22	170.40	148.95	158.30	99,096	57,060.87
May-22	161.20	131.20	142.95	51,612	55,566.41
Jun-22	154.00	130.10	151.20	37,047	53,018.94
Jul-22	159.00	140.10	147.50	29,860	57,570.25
Aug-22	170.85	140.05	168.35	1,14,528	59,537.07
Sep-22	195.00	165.05	175.25	1,95,527	57,426.92
Oct-22	192.95	161.55	167.70	67,693	60,746.59
Nov-22	177.00	159.95	170.30	94,755	63,099.65
Dec-22	183.90	155.10	166.50	72,303	60,840.74
Jan-23	185.00	155.00	162.00	53,825	59,549.90
Feb-23	171.75	132.10	143.15	34,004	58,962.12
Mar-23	161.00	135.00	142.35	53,864	58,991.52

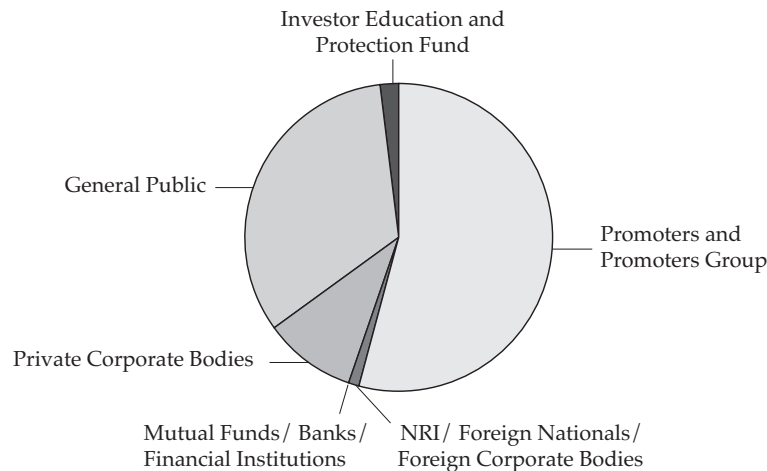
**Share Performance of the Company in Comparison to BSE Sensex**  
**BSE Sensex Vs Share Price of Bright Brothers Limited (Monthly Closing Price)**



**Pattern of Shareholding as on 31<sup>st</sup> March, 2023:**

Category	No. of Shares	%
<b>* Promoters and Promoter Group</b>	<b>30,79,552</b>	<b>54.22</b>
<b>Non Promoters</b>		
a. NRIs/Foreign Nationals/Foreign Corporate Bodies	65,815	1.16
b. Mutual Funds/Banks/Financial Institutions	50	0.00
c. Private Corporate Bodies	5,53,642	9.75
d. General Public	18,82,796	33.00
e. Investor Education and Protection Fund	98,380	1.73
<b>Grand Total</b>	<b>56,80,235</b>	<b>100.00</b>

\* Note: None of the Promoters have pledged their shares as on 31<sup>st</sup> March, 2023.





\* Promoter holdings comprised in “Promoter and Promoter Group” as defined in Regulation 2(w) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Sr. No.	Name of the shareholder	No. of Shares held as on 31 <sup>st</sup> March, 2023	% of total shareholding
1.	M/s. T. W. Bhojwani Leasing Pvt. Ltd.	10,89,094	19.17
2.	Mr. Suresh Bhojwani	12,83,418	22.59
3.	Smt. Hira T. Bhojwani	3,70,310	6.52
4.	T. W. Bhojwani – HUF	2,40,430	4.23
5.	Mrs. Devika S. Bhojwani	41,300	0.73
6.	S. T. Bhojwani – HUF	20,000	0.35
7.	Ms. Ruchika S. Bhojwani	17,500	0.31
8.	Mr. Karan S. Bhojwani	17,500	0.31
	<b>Total</b>	<b>30,79,552</b>	<b>54.22</b>

#### Distribution of shareholding (shares)

Sr. No.	Shareholding of Shares			Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1	to	500	4,625	91.24	4,41,344	7.77
2	501	to	1000	192	3.79	1,56,775	2.76
3	1001	to	2000	92	1.82	1,33,991	2.36
4	2001	to	3000	50	0.99	1,23,885	2.18
5	3001	to	4000	20	0.40	68,102	1.20
6	4001	to	5000	24	0.47	1,10,588	1.95
7	5001	to	10000	23	0.45	1,60,782	2.83
8	10001	to	*****	43	0.84	44,84,768	78.95
<b>Total</b>				<b>5069</b>	<b>100.00</b>	<b>56,80,235</b>	<b>100.00</b>

#### Share Transfer System:

Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given to the Company’s RTA i.e., Link Intime India Private Limited. Further, SEBI vide its circular No. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023 has prescribed common and simplified norms for processing investor service request by the RTA. The details of the said norms have been provided in the notice of ensuing Annual General Meeting.

**Dematerialisation and Liquidity:**

97.70% of the Company's Share Capital is dematerialized as on 31<sup>st</sup> March, 2023. The Company's shares are regularly traded on the BSE Limited.

Description	Shares	% of Equity
No. of Physical shares	1,30,550	2.30
No. of Shares held in dematerialized form in NSDL	46,29,120	81.50
No. of Shares held in dematerialized form in CDSL	9,20,565	16.20
<b>Total</b>	<b>56,80,235</b>	<b>100</b>

**Outstanding GDRs/ ADRs/Warrants or any convertible instrument, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31<sup>st</sup> March, 2023, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**Plant Locations:**

<b>Puducherry:</b> Plant I, II and III Plot No. 1/1 to 1/4, Thirubhuvanai, Mannadipet Commune, Puducherry – 605 107. Phone No. : 0413 2640105/ 2641030	<b>Faridabad:</b> Plot No. 16-17, Sector 24, Faridabad, Haryana – 121 005. Phone No. : 9582806741
<b>Bhimtal:</b> Hiltron Electronic Complex, Plot No. C,D,E,F & G Mallittal, Bhimtal, Nainital, Uttarakhand – 263136 Phone No.: 9557700155	<b>Dehradun:</b> Khasara No. 3962,3963,3946 & 3947 Lal Tapper Industrial Area, Majri Grant Dehradun, Uttarakhand – 248140. Phone No.: 9760406068
<b>Haridwar:</b> Plot No. 28-29 Sector-2 Ranipur, SIDCUL, Haridwar, Uttarakhand – 249 403 Phone No.: 9760406068	<b>Hosur:</b> Plot No.E-11-A, SIPCOT Phase-2, Expansion-1, Moranapalli, Hosur, Tamilnadu – 635 126 Phone No. : 0413 2640105/ 2641030
<b>Pune:</b> Global Industrial Park, Plot No. 4P, Gat No. 180P, 188 to 192, 193P, 194, Village Fulgaon, Taluka Haveli, Pune, Maharashtra – 412 216 Phone No.: 98811 41818	

**Address for Investor's correspondence:**

For all matters relating to shares, dividends, Annual Reports	M/s. Link Intime India Pvt Ltd. C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai – 400083  Contact person: Mr. Ganapati Haligouda Email: rnt.helpdesk@linkintime.co.in	Phone : 022 4918 6000 Fax : 022 4918 6060
For any other general matters	Company Secretary Bright Brothers Limited Office no. 91, 9 <sup>th</sup> Floor, Jolly Maker Chambers no. 2, 221, Nariman Point, Mumbai – 400021 Email: invcom@brightbrothers.co.in	Phone : 8828204635

For and on behalf of the Board,  
**BRIGHT BROTHERS LIMITED**

**Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

*Place : Mumbai*  
*Date : 24<sup>th</sup> May, 2023*

## Annexure to Corporate Governance Report

### I. Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2023.

**Suresh Bhojwani**

*Chairman & Managing Director*

DIN: 00032966

*Place : Mumbai*

*Date : 24<sup>th</sup> May, 2023*

### II. CEO-CFO CERTIFICATE (Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Board of Directors,

BRIGHT BROTHERS LIMITED

- (a) We have reviewed financial statements and the cash flow statement of Bright Brothers Limited for the year ended on 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Mr. Suresh Bhojwani**  
*Chairman & Managing Director*  
DIN: 00032966

**Mr. Chirag Shah**  
*CFO*

*Place : Mumbai*

*Date : 24<sup>th</sup> May, 2023*

### **III. Auditors' Certificate on Corporate Governance to the Members of the Bright Brothers Limited**

We have examined the compliance of conditions of Corporate Governance by BRIGHT BROTHERS LIMITED (hereinafter referred as 'the Company'), for the year ended 31<sup>st</sup> March, 2023 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

We state that compliance of conditions of corporate governance is the responsibility of the management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our examination was limited to a review of the procedures and implementations thereof, adopted by the company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI Listing Regulations 2015 subject to the following:

We further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency and effectiveness with which the management has conducted the affairs of the company.

This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For GMJ & Co**  
*Chartered Accountants*  
FRN : 103429W

**CA Madhu Jain**  
*Partner*  
Membership No.: 155537  
UDIN : 231555 37BGWQ IG1596

*Place* : Mumbai  
*Date* : 24<sup>th</sup> May, 2023

**IV. Certificate of Non-Disqualification of Directors**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members,  
Bright Brothers Limited  
CIN: L25209MH1946PLC005056  
2-91, Floor-9, Plot 225, 2, Jolly Maker Chambers,  
Vinayak Kumar Shah Marg,  
NCPA, Nariman Point,  
Mumbai 400021

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bright Brothers Limited having CIN: L25209MH1946PLC005056 and having registered office at 2-91, Floor-9, Plot 225, 2, Jolly Maker Chambers, Vinayak Kumar Shah Marg, NCPA, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment in the Company
1	Mr. Suresh Thakurdas Bhojwani	00032966	01/02/2001
2	Ms. Devika Suresh Bhojwani	08355381	01/04/2019
3	Mr. Karan Suresh Bhojwani	06423542	01/04/2022
4	Mr. Subramaniam Sethurathnam Thinam	00042704	07/03/1991
5	Mr. Anil Kumar Bhandari	00031194	09/09/2020
6	Mr. Kuchimanchi Vishwanath	00547132	27/05/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Purnima Shetty**  
Practicing Company Secretary  
FCS – 9089, CP No.: 14933  
UDIN No.- F009089E000478382  
Peer Review Certificate No. 1887/2022

Place : Navi Mumbai  
Date : 12<sup>th</sup> June, 2023

## Independent Auditor's Report

**TO THE MEMBERS OF  
BRIGHT BROTHERS LIMITED**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 loss and total comprehensive deficit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements.

#### Emphasis of Matter

The Company has an internal control system. However, the same needs to be strengthened. Our opinion is not modified in respect of this matter

#### Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business regarding Disputed Statutory Liabilities and Contingent Liabilities. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements	Our audit procedures include the following substantive procedures: <ul style="list-style-type: none"> <li>➤ Read and analysed documents provided by the management for key uncertain tax positions;</li> <li>➤ Discussed with appropriate senior management and evaluated management's underlying key assumptions in disclosure of disputed statutory liabilities</li> <li>➤ Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul>

#### Other Matters

- The comparative financial information of the Company for the quarter ended March 31, 2023 and for the period from 1 April, 2022 to 31 March, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard for Interim Financial Reporting [INDAS 34], prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and other accounting



principles generally accepted in India, have been audited by the predecessor auditor and the comparative financial statements for the year ended 31st March, 2022 prepared in accordance with the Indian Accounting Standard, prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India have been audited by predecessor auditor. The reports of the predecessor auditor on these comparative financial information and financial statements expressed an unmodified opinion respectively.

Our opinion on the Financial Results is not modified in respect of the above matters with respect to our reliance on the work done by the other auditor and the financial statements/ financial information certified by the Board of Directors.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders information, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We obtained the other information and we have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Ind AS 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 the Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the Standalone Ind AS Financial Statements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Ind AS Financial Statements 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, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - f) In our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company.
  - g) 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.
  - h) There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.
  - i) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- j) 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 read with Schedule V of the Act.

- k) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 as referred to Note 36 to the Standalone Ind AS Financial Statement.

(ii) The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses if any, on long term contracts.

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

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend declared in previous year and paid during the year by the Company is in compliance with Section 123 of the Act.

(b) The Company has not declared interim dividend during the year.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For GMJ & Co  
Chartered Accountants  
Firm's registration number: 103429W

CA Madhu Jain  
Partner  
Membership number: 155537  
UDIN: 231555 37BGWQ GI7475

Place: Mumbai  
Date: May 24, 2023

## Annexure 'A' to the Independent Auditor's Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of "The Company" of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the company's Property, plant and equipment and intangible assets:
  - a. A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - B. The Company has maintained proper records showing full particulars of intangible assets.
  - b. The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties and/or lease agreements where immovable properties are taken on lease are held in the name of the Company.
  - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b. In respect of the working capital limits sanctioned in excess of ₹ 5 Crore on the basis of security of current assets.
  - As per the explanation given to us, the Company has been sanctioned term loan, working capital term loan and sales invoice finance which are secured against exclusive charge on all existing and future receivables/current assets/movable assets/movable fixed assets. Discrepancies observed in the current assets as per the books of accounts vis a vis stock statements submitted are as per the Note No. 51 to the financial statements. The Company has explained that, although the current assets are hypothecated to Bank, no loan or drawing power is availed by the Company on the basis of stock statement submitted to the Bank.
- iii. Based on our examination of records and according to the information and explanations given to us, The Company has made investment in a subsidiary company during the year and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, in respect of
  - The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable.
  - In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

- v. The Company has not accepted deposits from public within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- According to the information and explanations given to us and on the basis of examination of records of the Company, no undisputed amounts payable in respect of provident fund, Employees' State insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2023 for a period more than six months from the date they became payable.
  - According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31, 2023, the following are the dues that have not been deposited on the account of dispute.

Sr. No.	Name of the Statute	Nature of dues	Financial Year to which it Pertains	Forum where dispute is Pending	*Amount (₹ in Lakhs)
1	Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales tax, Interest and Penalty	1998-99 2001-02	Sales Tax Appellate Tribunal	6.80
2	Bombay Sales Tax Act, 1959	Sales tax, Interest and Penalty	1987-89	Joint Commissioner (Appeals-Sales Tax)	16.86
3	The Central Excise Act, 1944	Duty and Penalty	1996-1997 to 1998-1999	CESTAT	89.78
4	Provident Fund Act, 1952	P.F. dues	2010-2011, 2011-2012, 2012-2013	Commissioner (PF)	8.66
5	Uttarakhand Value Added Tax, 2005	VAT & CST	2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Joint Commissioner (Appeals)	422.59
6	CGST Act, 2017	SGST, CGST & IGST Dues	2017-18	Deputy Commissioner CGST, Faridabad	30.65

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The company does not have dues to financial institution, government or debenture holders as at the balance sheet date.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. According to the information and explanations given to us by the management, the Company has obtained term loans from banks and Term loan taken from the banks are utilised for the purpose for which they were granted.
- d. According to the information and explanations given to us, 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. Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

- f. Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiary and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- 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 3(x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- xi. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. According to the information and explanations given to us, there are no whistle blower complaints received by the company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to information and explanations given us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by Ind AS 24, Related Party Disclosures specified under section 133 of the Act read with the relevant rules issued thereunder.
- 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 for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or persons connected to its 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 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses amounting to ₹ 72.67 lakhs during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a. There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. There is no unspent CSR amount as on the March 31, 2023. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **GMJ & Co**  
Chartered Accountants  
Firm's registration number: 103429W

**CA Madhu Jain**  
Partner  
Membership number: 155537  
UDIN: 231555 37BGWQ GI7475

Place: Mumbai  
Date: May 24, 2023

## **Annexure 'B' to the Independent Auditor's Report**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bright Brothers Limited of even date)**

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

(Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bright Brothers Limited of even date)

We have audited the internal financial controls over financial reporting of "Bright Brothers Limited" ("the Company") as of March 31, 2023, in conjunction with our audit of the Standalone 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.



**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co  
Chartered Accountants  
Firm's registration number: 103429W

CA Madhu Jain  
Partner  
Membership number: 155537  
UDIN: 231555 37BGWQ GI7475

Place: Mumbai  
Date: May 24, 2023

## Standalone Balance sheet As at 31st March 2023

Particulars	Note No.	₹ in Lakhs	
		As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	2	4,746.40	4,156.52
(b) Capital work-in-progress	3	727.78	—
(c) Right of use assets	4	289.76	—
(d) Financial assets			
(i) Investments in subsidiary	5	62.61	—
(ii) Other investments	5	19.76	34.81
(iii) Other financial assets	6	835.59	192.14
Income tax assets (net)		76.65	776.45
(e) Other non-current assets	7	295.54	275.71
<b>Total non-current assets</b>		<b>7,054.09</b>	<b>5,435.63</b>
<b>2. Current assets</b>			
(a) Inventories	8	1,868.23	1,813.95
(b) Financial assets			
(i) Investments	9	1,513.97	3,718.78
(ii) Trade receivables	10	5,427.02	6,360.15
(iii) Cash and cash equivalents	11	260.55	295.42
(iv) Bank balance other than cash and cash equivalents	12	22.29	24.64
(v) Other financial assets	13	49.10	12.53
(c) Other current assets	14	661.66	71.80
<b>Total current assets</b>		<b>9,802.82</b>	<b>12,297.27</b>
<b>TOTAL ASSETS</b>		<b>16,856.91</b>	<b>17,732.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	568.02	567.60
(b) Other equity	16	6,731.46	7,357.49
<b>Total Equity</b>		<b>7,299.48</b>	<b>7,925.09</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	1,204.15	568.63
(ia) Lease liabilities	18	240.70	—
(ii) Loan	19	18.00	156.05
(b) Provisions	20	68.58	92.03
(c) Deferred tax liabilities (net)	21	13.22	213.11
<b>Total non-current liabilities</b>		<b>1,544.65</b>	<b>1,029.82</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	357.71	494.57
(ia) Lease liabilities	18	19.35	—
(ii) Loan	22	143.16	153.00
(iii) Trade payables	23	—	—
- Total outstanding dues of micro enterprises and small enterprises; and		147.55	199.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,390.52	2,422.76
(iv) Other financial liabilities [other than those specified in item (c)]	24	3,151.66	3,733.06
(b) Other current liabilities	25	776.30	947.36
(c) Provisions	20	26.53	19.43
(d) Current tax liabilities (net)	26	—	808.33
<b>Total current liabilities</b>		<b>8,012.78</b>	<b>8,777.99</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,856.91</b>	<b>17,732.90</b>

Notes forming part of the financial Statements

1-56

For and on behalf of the Board of Directors

As per our Report annexed

For GMJ & Co

Firm Registration No.: 103429W

Chartered Accountants

CA Madhu Jain

Partner

Membership No. 155537

UDIN : 231555 37BGWQ GI7475

Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Mr. Karan Bhojwani  
DIN: 06423542

Mr. K. Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Chairman &  
Managing Director

Whole Time Director

Independent Directors

## Standalone Statement of profit and loss for the year ended 31st March 2023

Particulars	Note No.	₹ in Lakhs	
		As at 31st March, 2023	As at 31st March, 2022
<b>INCOME</b>			
I Revenue from operations	27	20,673.60	23,025.35
II Other income	28	182.46	132.05
<b>III Total Income</b>		<b>20,856.06</b>	<b>23,157.40</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	29	14,284.14	16,169.03
Purchases of stock-in-trade	30	265.43	222.43
Changes in inventories of finished goods/work-in-progress and stock-in-trade	31	142.10	(113.59)
Other operating expenses	32	2,359.64	2,388.46
Employee benefits expenses	33	2,210.29	2,003.74
Finance costs	34	378.82	471.37
Depreciation and amortisation expenses	2,3,4	580.64	621.23
Other expenses	35	1,288.31	1,048.62
<b>Total Expenses</b>		<b>21,509.37</b>	<b>22,811.29</b>
<b>V Profit/(Loss) before exceptional items and tax</b>		<b>(653.31)</b>	<b>346.11</b>
VI Exceptional items		—	3,506.85
<b>VII Profit/(Loss) before tax</b>		<b>(653.31)</b>	<b>3,852.96</b>
<b>VIII TAX EXPENSE</b>			
Current tax		(311.10)	657.00
- Current year		—	690.43
- MAT Credit		—	(37.77)
- Deferred tax		(199.97)	(3.59)
- Excess / Short Provision for Earlier Years		(111.13)	7.93
<b>IX Profit/(Loss) after tax</b>		<b>(342.21)</b>	<b>3,195.96</b>
<b>X OTHER COMPREHENSIVE INCOME</b>			
A. Items that will not be reclassified to the statement of profit and loss			
Re-measurement gain/(losses) on defined benefit plans		0.28	(30.12)
Income-tax relating to items that will not be reclassified to the statement of profit and loss		(0.08)	8.77
B. Items that may be reclassified to the statement of profit and loss			
Exchange differences in translating the financial statements of foreign operations		—	—
<b>XI Total comprehensive income/(loss) for the period</b>		<b>(342.01)</b>	<b>3,174.61</b>
<b>XII EARNING PER EQUITY SHARE IN (₹)</b>			
Basic	50	(6.02)	56.26
Diluted		(6.02)	56.26
<b>Notes forming part of the financial Statements</b>	<b>1-56</b>		

For and on behalf of the Board of Directors

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ GI7475

Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Chairman &  
Managing Director

Mr. Karan Bhojwani  
DIN: 06423542

Whole Time Director

Mr. K.Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Independent Directors

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

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before Tax	(653.31)	3,852.96
<b>Adjustments for :</b>		
Depreciation and amortization expenses	577.10	621.23
Depreciation and amortisation of financial leased assets as per Ind AS 116	3.54	—
Finance cost	377.01	471.37
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116	1.81	—
Loss/(gain) on sale of Land	—	(3,507.06)
Net (gain) on disposal of property, plant & equipment	(2.41)	—
Interest (income)	(13.44)	(2.56)
Dividend from non current investment (income)	(2.72)	(0.76)
Net (gain)/loss on sale of investments	—	(98.09)
<b>Operating profit before working capital changes</b>	<b>287.58</b>	<b>1,337.09</b>
<b>Adjustments for :</b>		
<b>Movements in working capital :</b>		
Increase/(Decrease) in trade payables	915.83	(1,200.03)
Increase/(Decrease) in other current financial liabilities	(581.40)	(1,115.70)
Increase/(Decrease) in other current liabilities	(868.26)	34.22
Increase/(Decrease) in provisions	(16.16)	(65.86)
(Increase)/Decrease in trade receivables	933.13	2,016.15
(Increase)/Decrease in other bank balances	2.35	(2.81)
(Increase)/Decrease in inventories	(54.28)	219.03
(Increase)/Decrease in current other assets	(612.99)	(11.21)
(Increase)/Decrease in other financial assets	(643.45)	(12.24)
(Increase)/Decrease in other assets	633.05	—
<b>Working capital changes :</b>	<b>(292.18)</b>	<b>(138.45)</b>
Cash flow from/(Used In) Operating Activities	(4.60)	1,198.64
Income tax Refund/(Paid)	46.92	(531.53)
<b>Net Cash flow from/(Used In) Operating Activities</b>	<b>(A) 42.32</b>	<b>667.11</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of property, plant & equipments , including capital work in progress-tangible assets and capital advances	(1,904.40)	(627.78)
Proceeds from sale of property, plant & equipments	11.07	4,464.53
Dividend from non current investment income	2.72	0.76
Purchase of investment	(62.61)	(3,248.39)
Proceeds from sale of investments	2219.86	—
<b>Net cash flow from/(Used in) Investing Activities</b>	<b>(B) 266.64</b>	<b>589.12</b>

**Standalone Statement of Cash Flow for the year ended 31st March, 2023** (Continued)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES :</b>			
Proceeds from equity capital of the Company		0.42	—
Proceeds from long-term borrowings		635.52	—
Repayment of long term borrowing		(138.05)	(479.46)
Increase/(Decrease) in short-term borrowings		(146.70)	(497.00)
Finance Cost		(377.01)	(471.37)
Final Dividend paid		(284.01)	(142.01)
Principal payment of Lease liabilities		(34.00)	—
<b>Net Cash flow from/(Used in) Financing Activities</b>	<b>(C)</b>	<b>(343.83)</b>	<b>(1,589.84)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>	<b>(34.87)</b>	<b>(333.61)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>295.42</b>	<b>629.03</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>260.55</b>	<b>295.42</b>

- (1) The above statement has been prepared in indirect method.
- (2) Previous year's figures have been reclassified to conform to current year's presentation.
- (3) Figures in the bracket indicate out go.

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This is the Cash Flow Statement referred to in our report of even date.

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ GI7475  
Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

For and on behalf of the Board of Directors

Mr. Suresh Bhojwani  
DIN: 00032966

Chairman &  
Managing Director

Mr. Karan Bhojwani  
DIN: 06423542

Whole Time Director

Mr. K.Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Independent Directors

**Standalone Statement of Changes in Equity for the year ended 31st March, 2023**  
(₹ in Lakhs)

EQUITY SHARE CAPITAL :	Paid up capital (Refer Note 15)
Balance as at 1st April 2021	567.60
Changes in equity share capital during the year	—
Changes in Equity Share Capital due to prior period errors	—
Balance as at 31st March 2022	567.60
Changes in equity share capital during the year	0.42
Balance as at 31st March 2023	568.02

**OTHER EQUITY :**

Particulars	Reserves and Surplus						Accumulated Other Comprehensive Income		Total
	Capital Reserves	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Revaluation Reserve	Actuarial gains/(losses)	
Balance as at 1st April 2021	156.83	967.00	229.53	1,933.17	139.00	923.70	84.79	(29.93)	4,404.09
Profit/(Loss) for the year						3,195.96	(84.79)		3,111.17
Remeasurements of net defined benefit plans (Net of Taxes)								(15.76)	(15.76)
Final dividend F.Y. 2020-21 paid						(142.01)			(142.01)
Balance as at 31st March 2022	156.83	967.00	229.53	1,933.17	139.00	3,977.65	—	(45.69)	7,357.49
Profit/(Loss) for the year						(342.21)			(342.21)
Remeasurements of net defined benefit plans (Net of Taxes)								0.20	0.20
Final Dividend F.Y. 2021-22 Paid						(284.01)			(284.01)
Balance as at 31st March 2023	156.83	967.00	229.53	1,933.17	139.00	3,351.42	—	(45.49)	6,731.46

Notes 1 to 56 form an integral part of Standalone financial statements.

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ GI7475  
Mumbai, 24th May 2023

For and on behalf of the Board of Directors

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DIN: 00032966  
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Company Secretary &  
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Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Independent Directors

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Note - 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### COMPANY OVERVIEW:

The Bright Brothers Limited ("the Company") is public limited Company incorporated and domiciled in India and has registered office at Office No. 91, 9th Floor, Jolly Maker Chambers No. 2, 225, Nariman Point, Mumbai 400 021. It is incorporated under the Indian Companies Act, 1913 and its shares are listed on the Bombay Stock Exchange Limited.

The Company is engaged in the business of manufacturing injection moulded plastics products for supplies to Original Equipment Manufacturers for Consumer Durable Industry and market its own products under "Brite" brand for material handling crates.

The Company has hair care division which market hair brushes and beauty products under "DIVO" brand.

##### (A) Statement of Compliance & Basis of Preparation of Financial Statements:

###### i) Compliance with IND AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

###### ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for certain class of Financial Assets/ Liabilities and defined benefit plans that are measured at fair value.

###### iii) Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR ,00,000), except when otherwise indicated.

##### (B) Presentation of financial statements:

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupee in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimals places.

##### (C) Use of Estimates:

The preparation of financial statements in conformity with Ind AS. It requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

##### (D) Current and non-current classification:

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle.
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### (E) Property, Plant and Equipment (PPE):

- (i) PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

- (ii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.
- (iii) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- (iv) Cost of land includes lands acquired under lease.
- (v) Cost of building includes buildings constructed on leasehold lands.
- (vi) PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

### (F) Depreciation on Property, Plant and Equipment:

- (i) Depreciation on Property, plant and equipment (PPE) is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation on assets added/ sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/ sold or discarded.

Gains/Losses on disposals/ de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit & Loss.

- (ii) Premium on leasehold land is amortized over the period of lease.

### (G) Intangible Assets:

Intangible assets with finite useful lives that are acquired separately or developed in-house are carried at cost less accumulated amortisation and accumulated impairment losses. The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period by contract or law or the likelihood of technical, technological obsolescence or commercial obsolescence. If, there are no such limitations, the useful life is taken to be indefinite. An intangible asset with an indefinite useful life is not amortized. Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss under other expenses / other income. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
2. The Company has intention to complete the intangible asset and use or sell it;
3. The Company has ability to use or sell the intangible asset;



## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

4. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
5. The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset;
6. The Company has ability to reliably measure the expenditure attributable to the intangible asset during its development. Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

### (H) Effects of changes in foreign currency exchange rates:

- 1) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- 2) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.
- 3) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.
- 4) In case of an asset, expense, or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

### (I) Inventories:

Inventories includes Raw Material and Components, Work-in-Progress, Finished goods and Traded goods, Stores & spares, Consumables, Packing Materials.

- (i) Raw Material and Stores Spares – Raw Material and Components are valued at lower of moving weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Taxes which are subsequently recoverable from taxation authorities are not included in the cost. Cost is determined using identified lot basis / First in first out (FIFO) basis.
- (ii) Finished Goods, Stock-in-trade, and Work in progress – Finished stock, Traded goods and Work in progress stock are valued at lower of weighted average cost including related overheads or net realisable value. Cost includes cost of direct material, labour, other direct cost, and a proportion of manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- (iii) Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

Adequate allowance is made for obsolete and slow moving items.

### (J) Financial Instruments:

#### Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss. Subsequent measurement Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) the entity's business model for managing the financial assets and;
- (ii) the contractual cash flow characteristics of the financial asset.

#### (a) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### (b) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

### (c) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

#### Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

#### Impairment:

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

#### De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.

#### **Financial Liabilities**

##### Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

The Company's financial liabilities include trade and other payables, loans and borrowings.

### Subsequent measurement:

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

### Financial Guarantee Contracts:

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

### De-recognition:

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

### Offsetting of financial instruments:

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

## **(K) Fair Value measurement:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

## **(L) Employee Benefits:**

### **(i) Short-term employee benefits:**

Employee benefits such as salaries, wages, short-term compensated absences, bonus falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### (ii) Post-employment benefits:

- A. Defined contribution plans:** The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the service.
- B. Defined benefit plans:** The employees' gratuity & leave encashment fund schemes and represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

#### (a) Defined-benefit plan:

The defined benefit obligations are calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and nonroutine settlements; and
- (ii) Net interest expense or income  
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising

- (i) Re-measurement of Actuarial(gains)/losses
- (ii) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (iii) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

### (M) Impairment of Non-Financial Assets:

As at the end of each financial year, the carrying amounts of PPE, intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value-in-use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value-in-use.

The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### (N) Taxes on Income:

Income tax comprises current and deferred tax.

Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Current Income Taxes

Tax on income for the current period is The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting the advance tax paid and the income tax provision arising in the same tax jurisdiction and where related tax paying units intends to settle the assets and liabilities on a Net basis.

### Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company reviews the Minimum Alternative Tax ('MAT') at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

### (O) Provisions, Contingent Liabilities and Contingent Assets:

#### Provisions:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

#### Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can't be recognised because it can't be measured reliably. The Company does not recognise the contingent liability but disclose its existence in its financial statements.

#### Contingent assets:

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### (P) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### (Q) Leased Assets:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

### (R) Exceptional Items:

Exceptional Items: On certain occasions, the size, type or incidence of an item of income or expense, pertaining to ordinary activities of the Company is such that its disclosure improves an understanding of performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

### (S) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (T) Revenue Recognition:

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents,

In all other cases, performance obligation is considered as satisfied at a point in time.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer. Amounts disclosed in the revenue excludes GST.

#### Other income:

Interest income from Fixed Deposits is recognised using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### (U) Earnings Per Share:

Earnings per share are calculated by divided the profit attributable to the shareholders by the number of equity shares outstanding at the close of the year. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

### (V) Cash and Cash Equivalents:

Cash and Cash equivalents include cash and cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### (W) Cash Flow Statement:

The Cash flow statement is prepared segregating the cash flows from operating, investing, and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- (i) transactions of a non-cash nature.
- (ii) any deferrals or accruals of past or future operating cash receipts or payments and
- (iii) items of income or expense associated with investing or financing cash flows.

### (X) Cash Dividend:

The Company recognizes a liability to pay dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company i.e. when the dividend distribution is being approved by the shareholders. A corresponding amount is recognized directly in equity.

### (Y) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Chairman & Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

### (Z) Recent Pronouncements:

The following standards/ amendments to standards have been issued by the Ministry of Corporate Affairs (MCA) on March 31, 2023 and will be effective from April 1; 2023. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- i. IND AS 101 - First time adoption of Ind AS - Modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
- ii. IND AS 102 - Share-based Payment - Modifications relating to adjustment after vesting date to the fair value of equity instruments granted.
- iii. IND AS 107 - Financial Instruments Disclosures - Modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments
- iv. IND AS 109 - Financial Instruments - Modification relating to reassessment of embedded derivatives
- v. IND AS 1 - Presentation of Financial Statements - Modification relating to disclosure of 'Material accounting policy information' in place of 'significant accounting policies.'
- vi. IND AS 8 - Accounting Policies, Change in Accounting Estimates and Errors - Modification of definition of 'accounting estimate' and application of changes in accounting estimates.
- vii. IND AS 12- Income Taxes - Modification relating to recognition of deferred tax liabilities and deferred tax assets.
- viii. IND AS 34 - Interim Financial Reporting - Modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

Note - 2

### PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Leasehold Improvements	Land - Lease hold Freehold Building	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Moulds	Computers	Electric Installation	Total
<b>Gross block</b>											
Balance as at 1st April 2021	125.22	637.51	—	1,534.69	8,246.49	247.38	318.46	688.15	209.28	254.18	12,394.26
Additions	—	374.25	—	16.98	214.08	0.19	—	9.85	6.69	—	627.77
Disposals/adjustments	—	(952.94)	—	—	(0.85)	—	—	—	—	(3.69)	(957.48)
Balance as at 1st April 2022	125.22	58.82	—	1,551.67	8,459.72	247.57	318.46	698.00	215.97	250.49	12,064.55
Additions	—	—	432.22	17.96	549.10	36.90	—	9.21	42.05	79.66	1,175.64
Disposals/adjustments	—	—	—	—	(5.73)	—	(63.90)	—	—	—	(69.63)
Balance as at 31st March 2023	125.22	58.82	432.22	1,569.63	9,003.09	284.47	254.56	707.21	258.02	330.15	13,170.56
<b>Accumulated depreciation</b>											
Balance as at 1st April 2021	14.35	—	—	542.06	5,321.45	197.73	140.25	581.07	188.46	207.92	7,289.44
Charge for the year	1.20	—	—	55.15	484.39	10.07	27.96	10.07	9.98	10.53	621.23
Disposals/adjustments	—	—	—	—	(0.46)	—	—	—	—	(2.18)	(2.64)
Balance as at 1st April 2022	15.55	—	—	597.21	5,805.38	207.80	168.21	591.14	198.44	216.27	7,908.03
Charge for the year	1.20	—	7.82	55.47	426.87	7.66	27.11	19.66	12.45	7.11	577.10
Disposals/adjustments	—	—	—	—	(1.28)	—	(59.69)	—	—	—	(60.97)
Balance as at 31st March 2023	16.75	—	7.82	652.68	6,230.97	215.46	135.63	610.80	210.89	223.38	8,424.16
<b>Net block as at 31st March 2022</b>	109.67	58.82	—	954.46	2,654.34	39.77	150.25	106.86	17.53	34.22	4,156.52
<b>Net block as at 31st March 2023</b>	108.47	58.82	424.40	916.95	2,772.12	69.01	118.93	96.41	47.13	106.77	4,746.40



## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 3</b>		
<b>CAPITAL WORK-IN-PROGRESS</b>		
Buildings	21.49	—
Plant and equipment	500.96	—
Furniture and fixtures	15.94	—
Electrical Installations	137.03	—
Other assets	52.36	—
<b>Total Capital work-in-progress</b>	<b>727.78</b>	<b>—</b>

### Capital work-in-progress Ageing Scheduled

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31st March, 2023</b>					
Projects in progress	727.78	—	—	—	727.78
<b>Total</b>	<b>727.78</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>727.78</b>
<b>As at 31st March, 2022</b>					
Projects in progress	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

### Note - 4

#### RIGHT OF USE ASSETS

Particulars	₹ in Lakhs	
	Buildings	Total
<b>Gross block</b>		
Balance as at 1st April 2021	—	—
Additions	—	—
Disposals/adjustments	—	—
<b>Balance as at 1st April 2022</b>	<b>—</b>	<b>—</b>
Additions	293.30	293.30
Disposals/adjustments	—	—
<b>Balance as at 31st March 2023</b>	<b>293.30</b>	<b>293.30</b>
<b>Accumulated depreciation</b>		
Balance as at 1st April 2021	—	—
Charge for the year	—	—
Disposals/adjustments	—	—
<b>Balance as at 1st April 2022</b>	<b>—</b>	<b>—</b>
Charge for the year	3.54	3.54
Disposals/adjustments	—	—
<b>Balance as at 31st March 2023</b>	<b>3.54</b>	<b>3.54</b>
<b>Net block as at 31st March 2022</b>	<b>—</b>	<b>—</b>
<b>Net block as at 31st March 2023</b>	<b>289.76</b>	<b>289.76</b>

\*Refer note 43 for details

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Note - 5

#### NON-CURRENT INVESTMENTS

	(₹ in Lakhs)			
	Quantity		As at 31st March 2023	As at 31st March 2022
	31st March 2023	31st March 2022		
<b>Investment in Subsidiary (at cost) - Unquoted</b>				
Bright Brothers LLC	—	—	62.61	—
(100% Contribution fully paid in capital) (March 31, 2022: NIL)			62.61	—
<b>Investment in equity instruments (at Fair Value through Profit or loss) - Unquoted</b>				
The Saraswat Co-op. Bank Ltd. (Share of ₹ 10/- each, fully paid up)	1,000	1,000	0.10	0.10
Shalimar Infotech Ltd.	1,666	1,666	19.66	5.00
	<u>2,666</u>	<u>2,666</u>	<u>19.76</u>	<u>5.10</u>
<b>Other non-current investments (units of venture fund)-Unquoted</b>				
Ambit Pragma Fund Scheme I	—	6,208	—	29.71
	<u>2,666.00</u>	<u>8,874.00</u>	<u>82.37</u>	<u>34.81</u>

### Note - 6

#### OTHER NON-CURRENT FINANCIAL ASSETS

##### (Unsecured, considered good)

Security Deposits	294.78	152.33
Bank deposits with more than twelve months maturity	501.00	—
Deposit against disputed stamp duty	39.81	39.81
	<u>835.59</u>	<u>192.14</u>

### Note - 7

#### OTHER NON-CURRENT ASSETS

Gratuity Assets (Net)	40.92	—
Balances with government authorities	254.62	275.71
	<u>295.54</u>	<u>275.71</u>

### Note - 8

#### INVENTORIES

##### (For mode of valuation-Refer to Note 1 (I))

Raw materials	905.90	849.85
Finished goods/work in progress	396.32	585.13
Stock-in-trade	157.35	110.64
Stores, spares and components	350.16	197.05
Packing materials	58.50	71.28
	<u>1,868.23</u>	<u>1,813.95</u>

#### Notes:

- Inventories which are pledged/hypothecated (Refer Note 49)

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Note - 9

#### CURRENT INVESTMENTS

	Quantity		As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>(A) Investments at Fair Value through Profit or Loss</b>				
<b>(a) Investment in equity instruments (quoted)</b>				
(No. of equity shares of face value of ₹ 10 each fully paid-up unless otherwise specified)				
JSW Steel Ltd. (Face value of ₹ 1 each)	1,266	1,914	8.71	14.02
Atul Ltd.	225	441	15.66	45.39
Suven Life Sciences Ltd. (Face value of ₹ 1 each)	3,898	2,599	1.89	2.41
Tvs Srichakra Ltd.	478	478	12.17	7.64
JSW Energy Ltd.	2,582	—	6.22	—
Dishman Carbogen Amcis Ltd. (Face Value Of ₹ 2 Each)	5,949	2,916	7.42	5.39
Astrazeneca Pharma India Ltd. (Face Value Of ₹ 2 Each)	632	632	20.56	16.12
Supreme Petrochem Ltd. (Face Value Of ₹ 4 Each)	3,488	1,744	12.92	16.14
Grasim Industries Ltd. (Face Value Of ₹ 2 Each)	589	787	9.62	13.10
Bayer Cropscience Ltd.	291	291	11.87	14.46
Heritage Foods Ltd. (Face Value Of ₹ 5 Each)	7,050	3,525	10.16	11.29
Thirumalai Chemicals Ltd. (Face Value Of ₹ 1 Each)	2,797	2,797	4.81	7.44
Ultramarine & Pigments Ltd. (Face Value Of ₹ 2 Each)	960	960	3.13	3.12
3M India Ltd.	24	24	5.51	4.73
Pfizer Ltd.	149	141	5.17	6.13
D-Link India Ltd. (Face Value Of ₹ 2 Each)	3,356	3,356	7.83	4.69
Marico Ltd. (Face Value Of ₹ 1 Each)	—	675	—	3.40
Procter & Gamble Hygiene & Health Care Ltd.	—	40	—	5.77
Glaxosmithkline Pharmaceuticales Ltd.	—	132	—	2.20
Oil and Natural Gas Corp Ltd. (Face Value Of ₹ 5 Each)	3,635	1,728	5.49	2.83
Galaxy Surfactants Ltd.	44	—	1.02	—
Cholamandalam Investments and Finance Ltd (Face Value Of ₹ 2 Each)	463	—	3.52	—
The Ramco Cements Limited (Face Value Of ₹ 1 Each)	693	—	5.24	—
Godrej Properties Ltd (Face Value Of ₹ 5 Each)	1,126	—	11.61	—
Axis Bank Ltd (Face Value Of ₹ 2 Each)	927	—	7.96	—
Gillette India	13	—	0.24	—
PSP Projects Ltd	36	—	0.55	—
<b>(A)</b>			<b>179.28</b>	<b>186.27</b>
<b>(b) Investments in Mutual Funds (trade)</b>				
HDFC Equity Savings Fund - Regular Plan - Growth	123,415	123,415	62.17	59.58
HDFC Arbitrage Fund	1,947,753	2,043,801	508.66	507.95
HDFC Overnight Fund -Direct Plan-Growth	—	378	—	11.85
Kotak Equity Arbitrage Fund - Growth	2,400,396	3,372,149	763.68	1,018.72
Kotak Liquid Regular Plan Growth	4	19,595	0.18	838.47
Kotak Savings Fund Regular Plan Growth	—	1,682,432	—	587.00
Nippon India Arbitrage Fund Growth	—	2,352,491	—	508.94
<b>(B)</b>			<b>1,334.69</b>	<b>3,532.51</b>
<b>Total [A + B]</b>			<b>1,513.97</b>	<b>3,718.78</b>

\* Current investments are stated at Market value

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

As at  
31st March, 2023      As at  
31st March, 2022

**Note - 10****TRADE RECEIVABLES****(Unsecured, considered good unless otherwise stated)**

Trade receivables, considered good - unsecured	5,427.02	6,360.15
	5,427.02	6,360.15

**Notes:**

1. Debts due by directors or other officers of the company or any of them either severally or jointly ₹ Nil Lakhs (Previous years ₹ Nil Lakhs) - (Refer Note 41 & 48)
2. Carrying amounts of trade receivables, as at March 31, 2023 and 2022, approximate the fair value due to their nature.

**TRADE RECEIVABLES AGEING SCHEDULE:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>31 March 2023</b>							
i) Undisputed Trade receivables – considered good	4,891.82	468.97	64.16	1.93	—	0.14	5,427.02
ii) Undisputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
iv) Disputed Trade receivables – considered good	—	—	—	—	—	—	—
v) Disputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
vi) Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
<b>Subtotal :</b>	<b>4,891.82</b>	<b>468.97</b>	<b>64.16</b>	<b>1.93</b>	<b>—</b>	<b>0.14</b>	<b>5,427.02</b>
Less: Provision for doubtful trade receivables	—	—	—	—	—	—	—
<b>Total :</b>	<b>4,891.82</b>	<b>468.97</b>	<b>64.16</b>	<b>1.93</b>	<b>—</b>	<b>0.14</b>	<b>5,427.02</b>
<b>31 March 2022</b>							
i) Undisputed Trade receivables – considered good	5,845.90	492.76	12.00	3.45	4.80	1.24	6,360.15
ii) Undisputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
iv) Disputed Trade receivables – considered good	—	—	—	—	—	—	—
v) Disputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
vi) Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
<b>Subtotal :</b>	<b>5,845.90</b>	<b>492.76</b>	<b>12.00</b>	<b>3.45</b>	<b>4.80</b>	<b>1.24</b>	<b>6,360.15</b>
Less: Provision for doubtful trade receivables	—	—	—	—	—	—	—
<b>Total :</b>	<b>5,845.90</b>	<b>492.76</b>	<b>12.00</b>	<b>3.45</b>	<b>4.80</b>	<b>1.24</b>	<b>6,360.15</b>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with banks - in current accounts	256.43	289.97
Cash on hand	4.12	5.45
	<u>260.55</u>	<u>295.42</u>

<b>Note - 12</b>		
<b>BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Earmarked deposits	3.24	3.08
Unpaid dividend accounts	19.05	21.56
	<u>22.29</u>	<u>24.64</u>

\*These deposits includes items such as Balances with banks held as Unpaid dividend accounts and Earmarked deposits , etc.

<b>Note - 13</b>		
<b>OTHER FINANCIAL ASSETS</b>		
Interest Receivables	9.37	—
Discount Receivables	11.32	8.63
Other Receivables	28.41	3.90
	<u>49.10</u>	<u>12.53</u>

<b>Note - 14</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Capital Advances</b>		
Advances to vendors	497.60	—
<b>Advances other than Capital advances</b>		
Advances to vendors	56.66	—
Loan and advances to employees	6.93	14.45
<b>Others</b>		
Prepaid Expenses	100.47	57.35
	<u>661.66</u>	<u>71.80</u>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Note - 15

#### EQUITY SHARE CAPITAL

	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
<b>i Authorised Share Capital</b>				
Ordinary Share of ₹ 10/- each	7,000,000	700.00	7,000,000	700.00
		<u>700.00</u>		<u>700.00</u>
Cumulative redeemable preference share of ₹ 10/- each	3,000,000	300.00	3,000,000	300.00
		<u>300.00</u>		<u>300.00</u>
<b>ii Issued, subscribed and fully paid up</b>				
Equity share of ₹ 10 each	5,680,235	568.02	5,680,235	568.02
Less: Calls in arrears		—		0.42
		<u>568.02</u>		<u>567.60</u>

#### iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
Balance at the beginning of the year	5,680,235	568.02	5,680,235	567.60
Add: Shares issued	—	—	—	—
Balance at the end of the year	5,680,235	568.02	5,680,235	567.60

#### iv Rights, preferences and restrictions attached to equity shares

The Company has one class of shares i.e Ordinary shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share.

Each Shareholder is eligible for one vote per share held. In the event of liquidation, Ordinary shareholders will be eligible to receive the assets of the company after distribution of all preferential amounts, in Proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in the case of Interim Dividend.

#### v Preference Shares:

The Company has the power to issue cumulative redeemable preference shares. In the event of liquidation, the Preference shareholders of the Company have the preference over equity shares when it comes to payment of dividend and return of capital.

#### vi Details of shareholders holding more than 5% of equity share capital\*

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Name of the equity shareholder				
Mr. Suresh Bhojwani (DIN: 00032966)	1,283,418	22.59%	1,283,418	22.59%
Smt. Hira T. Bhojwani (DIN: 00032997)	370,310	6.52%	370,310	6.52%
M/s. T. W. Bhojwani Leasing Pvt. Ltd	1,089,094	19.17%	1,073,594	18.90%

vii Unpaid Calls	2022-23	2021-22
By Directors	Nil	Nil
By Others	—	42,000

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### viii The details of Shares held by promoters at the end of the year

Promoter name	2022-23			2021-22		
	No. of Equity Shares	Equity Shares %	% Change during the year	No. of Equity Shares	Equity Shares %	% Change during the year
Suresh T Bhojwani	1,283,418	22.59%	—	1,283,418	22.59%	—
T W Bhojwani Leasing Private Limited	1,089,094	19.17%	1.44%	1,073,594	18.90%	1.93%
Hira Thakurdas Bhojwani	370,310	6.52%	—	370,310	6.52%	—
Thakurdas Wadhmal Bhojwani HUF	240,430	4.23%	—	240,430	4.23%	—
Devika S Bhojwani	41,300	0.73%	—	41,300	0.73%	—
S T Bhojwani	20,000	0.35%	—	20,000	0.35%	—
Karan Suresh Bhojwani	17,500	0.31%	—	17,500	0.31%	—
Ruchika S Bhojwani	17,500	0.31%	—	17,500	0.31%	—
<b>Total</b>	<b>3,079,552</b>	<b>54.22%</b>		<b>3,064,052</b>	<b>53.94%</b>	

(₹ in Lakhs)

As at  
31st March, 2023

As at  
31st March, 2022

### Note - 16

#### OTHER EQUITY

Capital Reserve	156.83	156.83
Securities Premium Reserve	967.00	967.00
Capital Redemption Reserve	229.53	229.53
General Reserve	1,933.17	1,933.17
Amalgamation Reserve	139.00	139.00
Other Comprehensive Income	(45.49)	(45.69)
Retained Earnings	3,351.42	3,977.65
	<u>6,731.46</u>	<u>7,357.49</u>

#### Nature and purpose of other the reserves :

- Capital reserve** : Capital reserve created at the time of acquisition. The reserve will be utilised in accordance with the provisions of the Act.
- Securities Premium Reserve** : Securities premium reserve is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Act.
- Capital Redemption Reserve** : Capital redemption reserve is being created by transfer from Retained earnings at the time of buy back of equity shares in accordance with the Act. The reserve will be utilised in accordance with the provisions of the Act.
- General Reserve** : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- Amalgamation Reserve** : The Amalgamation reserve is created for amalgamation of Brite Automotive and Plastics Limited with Bright Brothers Limited pursuant to the Scheme of amalgamation being sanctioned by the High Court. This reserve is utilised in accordance with the provisions of the Act.
- Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 17</b>		
<b>BORROWINGS</b>		
<b>Non current borrowings</b>		
<b>Secured</b>		
<b>Term loans from banks</b>		
Borrowings-Car Loan	69.33	98.23
Borrowings-Bank	1,492.53	964.97
	<u>1,561.86</u>	<u>1063.2</u>
Less : Current maturity of long term borrowing (Refer Note 49 and 52)	357.71	494.57
	<u><u>1,204.15</u></u>	<u><u>568.63</u></u>
<b>Current Borrowings</b>		
<b>Secured</b>		
<b>Term loans from banks</b>		
Borrowings-Car Loan	31.34	28.90
Borrowings-Bank	326.37	465.67
	<u>357.71</u>	<u>494.57</u>
<b>Note - 18</b>		
<b>LEASE LIABILITIES</b>		
Non current lease liabilities (refer note 43)	240.70	—
	<u>240.70</u>	<u>—</u>
Current lease liabilities (refer note 43)	19.35	—
	<u>19.35</u>	<u>—</u>
<b>Note - 19</b>		
<b>LOAN</b>		
<b>Unsecured</b>		
Loan - Related parties	18.00	156.05
	<u>18.00</u>	<u>156.05</u>
<b>Note - 20</b>		
<b>PROVISIONS</b>		
<b>Non current provisions</b>		
Leave Encashment	68.58	92.03
	<u>68.58</u>	<u>92.03</u>
<b>Current provisions</b>		
Leave Encashment	26.53	19.43
	<u>26.53</u>	<u>19.43</u>



## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

	As at 31st March, 2023	As at 31st March, 2022
(₹ in Lakhs)		
<b>Note - 21</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>(A) Deferred Tax Liabilities</b>		
(i) Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.	198.79	213.11
<b>Gross deferred tax liability (A)</b>	<b>198.79</b>	<b>213.11</b>
<b>(B) Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis</b>		
(i) Other item giving rise to timing difference/Unabsorbed business loss	185.57	—
<b>Gross deferred tax assets (B)</b>	<b>185.57</b>	<b>—</b>
<b>Net deferred tax liabilities (A-B)</b>	<b>13.22</b>	<b>213.11</b>

### Note - 22

#### LOAN

##### Unsecured

Loan - Related parties	143.16	153.00
	<u>143.16</u>	<u>153.00</u>

### Note - 23

#### TRADE PAYABLES

Trade Payable to Related Parties	10.05	11.27
Trade Payable to Others		
- Total outstanding dues of micro enterprises and small enterprises; and	147.55	199.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,380.47	2,411.49
	<u>3,538.07</u>	<u>2,622.24</u>

#### Dues to micro, small and medium enterprises

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). According to such identification, the disclosure in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount remaining unpaid	147.55	199.48
- Interest amount remaining unpaid	—	—
(ii) Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day		
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	—	—
(iv) Interest accrued and remaining unpaid	—	—
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	—	—

Further, the Company generally makes payment to all its suppliers within the agreed credit period (less than 45 days) and thus, the management is confident that no liability of interest under this Act, is expected to arise.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium enterprises at the balance sheet date under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

### Trade Payables Ageing Schedule:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Due for more than 1 year or but less than		Due for more than 2 year or but less than		
		1 year	2 year	3 year	Due for more than 3 year	
<b>“Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 &amp; 31st March 2022 is as follows:”</b>						
<b>As at 31 March, 2023</b>						
i) Micro, small and medium enterprises	89.64	57.91	—	—	—	147.55
ii) Creditors other than micro, small and medium enterprises	2,360.83	998.78	16.93	2.68	11.30	3,390.52
iii) Disputed dues – Micro, small and medium enterprises	—	—	—	—	—	—
iv) Disputed dues other than micro, small and medium enterprises	—	—	—	—	—	—
<b>As at 31 March, 2022</b>						
i) Micro, small and medium enterprises	143.31	56.17	—	—	—	199.48
ii) Creditors other than micro, small and medium enterprises	1,478.22	904.21	34.25	2.22	3.86	2,422.76
iii) Disputed dues – Micro, small and medium enterprises	—	—	—	—	—	—
iv) Disputed dues other than micro, small and medium enterprises	—	—	—	—	—	—
						<b>(₹ in Lakhs)</b>
						As at 31st March, 2023
						As at 31st March, 2022

### Note - 24

#### OTHER FINANCIAL LIABILITIES

Unpaid dividends	19.05	21.56
Sales Invoice Finance - (Refer Note 49 and 51)	3,131.41	3,710.15
Other Financial liabilities	1.20	1.35
	<u>3,151.66</u>	<u>3,733.06</u>

### Note - 25

#### OTHER CURRENT LIABILITIES

Statutory dues	49.28	321.84
Employee payables	150.01	140.45
Revenue received in advance	241.60	—
Security Deposit (Liabilities)	2.56	2.56
Other liabilities	332.85	482.52
	<u>776.30</u>	<u>947.36</u>

### Note - 26

#### CURRENT TAX LIABILITIES (NET)

Provision for tax (net)	—	808.33
	<u>—</u>	<u>808.33</u>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 27</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Goods</b>		
Sale of Plastic Components	18,940.71	21,148.18
Hair Care and Beauty Products	455.53	375.74
Sale of Moulds	228.20	446.40
	<u>19,624.44</u>	<u>21,970.32</u>
<b>Sale of services</b>		
Job Work	1,049.16	1,055.03
<b>Total</b>	<u><u>20,673.60</u></u>	<u><u>23,025.35</u></u>
<b>Note - 28</b>		
<b>OTHER INCOME</b>		
Interest	13.44	2.56
Dividend	2.72	0.76
Net gain on sale of investments	95.52	98.09
Net gain on property, plant & equipments	2.41	0.21
Other non-operating income	38.37	30.43
Provision written back	30.00	—
	<u>182.46</u>	<u>132.05</u>
<b>Note - 29</b>		
<b>COST OF MATERIALS CONSUMED</b>		
<b>Cost of Raw Materials Consumed</b>		
Opening stock of raw materials	849.85	1,293.05
Add : Purchases	12,594.18	14,142.05
Less : Closing Stock of raw materials	905.90	849.85
<b>(A)</b>	<u><u>12,538.13</u></u>	<u><u>14,585.25</u></u>
<b>Cost of components, packing, paints and plating charges consumed</b>		
Consumption of Components	989.37	947.65
Consumption of Packing	601.17	565.24
Consumption of Paints and Plating charges	155.47	70.89
<b>(B)</b>	<u>1,746.01</u>	<u>1,583.78</u>
<b>Total (A+B)</b>	<u><u>14,284.14</u></u>	<u><u>16,169.03</u></u>
<b>Note - 30</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
Hair Care and Beauty products	265.43	222.43
	<u>265.43</u>	<u>222.43</u>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 31</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished goods/ work -in-progress	585.13	518.40
Stock-in-trade	110.64	63.78
<b>Inventories at the end of the year</b>		
Finished goods/ work -in-progress	396.32	585.13
Stock-in-trade	157.35	110.64
	<u>142.10</u>	<u>(113.59)</u>
<b>Note - 32</b>		
<b>OTHER OPERATING EXPENSES</b>		
Consumption of stores and spare parts	119.20	316.01
Power and fuel	930.23	869.35
Contract labour and sub-contract charges	1,023.18	969.14
Repairs to machinery	195.62	153.30
Repairs to mould	38.12	32.50
Other Maintenance Costs	53.29	48.16
	<u>2,359.64</u>	<u>2,388.46</u>
<b>Note - 33</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	1,950.59	1,788.68
Contribution to Provident fund and other fund	137.73	119.91
Staff welfare expenses	121.97	95.15
	<u>2,210.29</u>	<u>2,003.74</u>
<b>Note - 34</b>		
<b>FINANCE COSTS</b>		
Interest and discounting charges	298.11	375.71
Interest on lease liabilities	1.81	—
Interest on term loan	78.90	95.66
	<u>378.82</u>	<u>471.37</u>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 35</b>		
<b>OTHER EXPENSES</b>		
Security charges and other contract charges	108.29	105.53
Rent	215.21	183.94
Rates and taxes	9.09	37.90
Printing and stationery	17.88	21.05
Telephone & Internet Expenses	13.01	13.28
Insurance	54.21	57.41
Repairs		
- Building	11.85	19.99
- Others	14.48	12.37
Legal and professional fees	120.75	110.94
Directors sitting fees and commission	3.88	9.91
Postage & Courier Charges	7.97	4.05
Office & General Expenses	19.85	18.58
Payment to Auditors (Refer note no. 38)	9.88	6.12
Travelling and conveyance	174.89	108.52
Donations to Political Party	2.00	—
Expenditure towards corporate social responsibility (CSR) (refer to note 54)	13.86	10.20
Sales promotion and commission	44.99	28.03
Freight and forwarding charges	397.77	211.76
Advertisement and sales promotions	8.77	21.61
Miscellaneous expenses	39.68	67.43
	<u>1,288.31</u>	<u>1,048.62</u>

### 36. Contingent Liabilities not provided for: Contingent Liabilities in respect of the following

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
<b>i. Claims against the company not acknowledged as debt</b>	<b>612.09</b>	<b>670.70</b>
Sales Tax, VAT and CST (including Interest and Penalty wherever applicable.)	446.25	468.85
Service Tax	—	66.66
Stamp Duty	36.75	36.75
Excise Duty	89.78	89.78
Employees Provident Fund	8.66	8.66
GST	30.65	—
<b>ii. Guarantees excluding financial guarantees</b>		
Guarantee given by the banks to the third parties on behalf of the company	—	—
<b>iii. Other money for which the company is contingently liable</b>		
Letters of credit opened by the bankers of the Company in favour of the third parties	—	—
Claims not acknowledged by the company	—	—

#### Notes:

- It is not possible to estimate the timings of outflow of the contingent liabilities.
- The Company do not expect any reimbursement in respect of the contingent liabilities.
- Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non-submission of required declaration forms in time due to non- receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### 37. Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 265.15 lakhs (Previous year ₹ 10.00 lakhs)

### 38. Payments to Auditors:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Audit fees	9.00	6.00
Others	0.55	0.12
Reimbursement of expenses	0.33	—
<b>Total Payment To Auditors</b>	<b>9.88</b>	<b>6.12</b>

### 39. Financial Instruments:

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the respective Notes to Financial Statements.

#### Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

#### (a) Financial assets

Instruments carried at fair value

(₹ in Lakhs)

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	Fair value through profit and loss	Instruments carried at amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2022</b>						
Investments	—	—	3,753.59	—	3,753.59	3,753.59
Trade receivables	—	—	—	6,360.15	6,360.15	6,360.15
Cash and cash equivalents	—	—	—	295.42	295.42	295.42
Other bank balances	—	—	—	24.64	24.64	24.64
Other financial assets	—	—	—	204.67	204.67	204.67
<b>Total</b>	<b>—</b>	<b>—</b>	<b>3,753.59</b>	<b>6,884.88</b>	<b>10,638.47</b>	<b>10,638.47</b>
<b>As at 31 March, 2023</b>						
Investments	—	—	1,596.34	—	1,596.34	1,596.34
Trade receivables	—	—	—	5,427.02	5,427.02	5,427.02
Cash and cash equivalents	—	—	—	260.55	260.55	260.55
Other bank balances	—	—	—	22.29	22.29	22.29
Other financial assets	—	—	—	884.69	884.69	884.69
<b>Total</b>	<b>—</b>	<b>—</b>	<b>1,596.34</b>	<b>6,594.55</b>	<b>8,190.90</b>	<b>8,190.90</b>

#### (b) Financial liabilities

(₹ in Lakhs)

Particulars	Fair value through profit and loss	at amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2022</b>				
Borrowings	—	1,063.20	1,063.20	1,063.20
Lease liabilities	—	—	—	—
Loan	—	309.05	309.05	309.05
Trade payables	—	2,622.24	2,622.24	2,622.24
Other financial liabilities	—	3,733.06	3,733.06	3,733.06
<b>Total</b>	<b>—</b>	<b>7,727.55</b>	<b>7,727.55</b>	<b>7,727.55</b>
<b>As at 31 March, 2023</b>				
Borrowings	—	1,561.86	1,561.86	1,561.86
Lease liabilities	—	260.05	260.05	260.05
Loan	—	161.16	161.16	161.16
Trade payables	—	3,538.07	3,538.07	3,538.07
Other financial liabilities	—	3,151.66	3,151.66	3,151.66
<b>Total</b>	<b>—</b>	<b>8,672.80</b>	<b>8,672.80</b>	<b>8,672.80</b>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### (c) Fair value hierarchy

The below table summarises the categories of financial assets and liabilities as at March 31, 2023, and March 31, 2022 measured at fair value

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March, 2022</b>				
<b>Equities</b>				
Equity Instruments	186.27	—	34.81	221.08
<b>Debt</b>				
Real Estate Fund	—	—	—	—
Structured Products	—	—	—	—
Liquid Mutual Funds	3,532.51	—	—	3,532.51
FMP Mutual fund	—	—	—	—
Preference Shares	—	—	—	—
Government Bonds	—	—	—	—
Bonds	—	—	—	—
Non-Convertible Debentures	—	—	—	—
<b>Total</b>	<b>3,718.78</b>	<b>—</b>	<b>34.81</b>	<b>3,753.59</b>
<b>As at 31 March, 2023</b>				
<b>Equities</b>				
Equity Instruments	179.28	—	82.37	261.65
<b>Debt</b>				
Real Estate Fund	—	—	—	—
Structured Products	—	—	—	—
Liquid Mutual Funds	1,334.69	—	—	1,334.69
FMP Mutual fund	—	—	—	—
Preference Shares	—	—	—	—
Government Bonds	—	—	—	—
Bonds	—	—	—	—
Non-Convertible Debentures	—	—	—	—
<b>Total</b>	<b>1,513.97</b>	<b>—</b>	<b>82.37</b>	<b>1,596.34</b>

Fair value of financial assets and liabilities measured at amortised cost:-

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Trade receivables	5,427.02	5,427.02	6,360.15	6,360.15
Cash and cash equivalents	260.55	260.55	295.42	295.42
Other bank balances	22.29	22.29	24.64	24.64
Other financial assets	884.69	884.69	204.67	204.67
<b>Total</b>	<b>6,594.55</b>	<b>6,594.55</b>	<b>6,884.88</b>	<b>6,884.88</b>
<b>Financial liabilities</b>				
Borrowings	1,561.86	1,561.86	1,063.20	1,063.20
Lease liabilities	260.05	260.05	—	—
Loan	161.16	161.16	309.05	309.05
Trade payables	3,538.07	3,538.07	2,622.24	2,622.24
Other financial liabilities	3,151.66	3,151.66	3,733.06	3,733.06
<b>Total</b>	<b>8,672.80</b>	<b>8,672.80</b>	<b>7,727.55</b>	<b>7,727.55</b>

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments, if any), trade payables, and other financial liabilities (except derivative financial instruments, if any) is considered to be equal to the carrying amount of these

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

items due to their short-term nature. There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

### 40. (A) Components of Ratios :

Sr No.	Ratios	Numerator	Denominator	2022-23	2021-22	Variance in %
1	Current ratio	Current Assets	Current Liabilities	1.22	1.40	-12.67%
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.75	0.68	10.86%
3	Debt Service Coverage Ratio	Earnings available for debt service	Average Shareholder's Equity	0.84	4.75	-82.23%
4	Return on Equity Ratio	Net Profits after taxes - Exceptional items	Average Shareholder's Equity	-4.80%	4.66%	-202.86%
5	Inventory Turnover Ratio	Sales	Average Inventory	11.23	11.97	-6.20%
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Accounts Receivable	3.51	12.25	12.25%
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.17	4.45	-6.10%
8	Net Capital Turnover Ratio	Net Sales	Working capital	11.55	6.54	76.52%
9	Net Profit Ratio	Net profit after tax	Net Sales	-1.66%	1.14%	-245.05%
10	Return on Capital Employed	Earning before interest and taxes	Capital Employed	-2.30%	6.44%	-135.68%
11	<b>Return on Investment</b>					
	(a) Equity Instrument	$ROI = \frac{MV(T1) - MV(T0) - \text{Sum}[C(t)]}{\text{Sum}[W(t) * C(t)]}$		-12.57%	-1.55%	709.72%
	(b) Mutual Fund	where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $\frac{T1 - t}{T1}$		5.85%	3.53%	65.43%
	(c) Fixed Deposit			8.02%	—	><100%

### (B) Reasons for variance of more than 25% in above ratios :

Sr No.	Particulars	Reason
1	Debt Service Coverage Ratio	During the F.Y. 2022-23 the company has incurred loss which has affected this ratio, further in F.Y. 2021-22 there is sale of land which has improved the ratio in that year
2	Return on Equity Ratio	During the F.Y. 2022-23 the company has incurred loss which has affected this ratio
3	Net Capital Turnover Ratio	Increase in Ratio due to sale of Current Investment
4	Net Profit Ratio	During the F.Y. 2022-23 the company has incurred loss which has affected this ratio
5	Return on Capital Employed	During the F.Y. 2022-23 the company has incurred loss which has affected this ratio, further in F.Y. 2021-22 there is sale of land which has improved the ratio in that year
6	Return on Investment	
	(a) Equity Instrument	Due to Market Volatility
	(b) Mutual Fund	Due to Market Volatility
	(c) Fixed Deposit	New investment made in fixed Deposit



## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### 41. Risk Management:

#### Financial risk management objective and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The risk management policies aim to mitigate the following risks arising from the financial instruments: (a) Liquidity risk ;(b) Market risk and (c) Credit risk.

#### (A) Financial risk factors

The Company's principal financial liabilities comprise borrowings, deposits from dealers and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to the following risk arising from the financial instruments: (a) Liquidity risk; (b) Market risk and (c) Credit risk.

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Market Risk - Foreign exchange	Financial assets and liabilities denominated in Foreign Currencies.	Cash flow forecasting; Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equities, Bonds, debentures, Mutual Funds	Sensitivity analysis; market fluctuations; credit rating	Continuous monitoring, Diversification
Credit risk	Cash and cash equivalents, trade receivables, investments, loans and other financial assets measured at fair /amortised cost.	Ageing analysis/ Credit ratings / Assets Coverage	Diversification in various class of assets, credit limits

#### (a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintaining sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

#### (i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured working capital credit facility from Banks	2368.59	1835.74

#### (ii) The following is the contractual maturities of the financial liabilities:

(₹ in Lakhs)

Particulars	Total Liability (undiscounted)	Less than 1 year	1-3 years	more than 3 years	Carrying amount as per Books
<b>As at 31 March, 2022</b>					
<b>Non-derivative liabilities</b>					
Borrowings	1,063.20	494.57	568.63	—	1,063.20
Lease liabilities	—	—	—	—	—
Loan	309.05	153.00	156.05	—	309.05
Trade payables	2,622.24	2,581.91	36.47	3.86	2,622.24
Other financial liabilities	3,733.06	3,733.06	—	—	3,733.06
<b>As at 31 March, 2023</b>					

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

Particulars	Total Liability (undiscounted)	Less than 1 year	1-3 years	more than 3 years	Carrying amount as per Books
<b>Non-derivative liabilities</b>					
Borrowings	1,561.86	357.71	760.32	443.83	1,561.86
Lease liabilities	260.05	19.35	78.47	162.23	260.05
Loan	161.16	143.16	18.00	—	161.16
Trade payables	3,538.07	3,507.16	30.91	—	3,538.07
Other financial liabilities	3,151.66	3,151.66	—	—	3,151.66

### (b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

#### (i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company has not entered into any transaction, in currency other than functional currency, for purchase of raw material or capital assets nor availed any foreign currency loans, which remains outstanding as at year end. Similarly, the Company does not have any assets/liabilities receivable/payable in foreign currency as at year end date. The Company is not exposed to any foreign currency.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's entire borrowings, Long term as well as short term, have fixed rate of interest and carried at amortized costs. The Company did not have any borrowings bearing variable rate of interest.

#### Exposure to Interest rate risk - Financial liabilities

(₹ in Lakhs)

Particulars	As at	
	31 March, 2023	31 March, 2022
Total borrowings	4,854.42	5,030.47
% of borrowings out of above bearing variable rate of interest		
1. Short term in nature	74.82%	85.71%
2. Long term in nature	25.18%	14.29%

Hence, the Company is not exposed to any interest rate risk.

#### (iii) Price risk

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

#### Exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Amount	%	Amount	%
<b>Equities</b>				
Quoted Equity Instruments	179.28	11.23%	186.27	4.96%
Other Equity Instruments	82.37	5.16%	34.81	0.93%
<b>Mutual Funds</b>				
Savings, Liquid & Other Fund Instruments	1,334.69	83.61%	3,532.51	94.11%
<b>Total</b>	<b>1,596.34</b>	<b>100.00%</b>	<b>3,753.59</b>	<b>100.00%</b>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Investments in Equity Instruments and Mutual funds (including investment through Venture funds)

The Company's quoted equity instruments and in mutual funds are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L wherein the price fluctuations, based on the historical trends, are not very significant.

#### (c) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an on-going basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as;

- (i) Actual or expected significant adverse changes in business
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty

The company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

#### Provision for expected credit losses:

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Quality assets, low credit risk			
Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Standard assets, moderate credit risk			
Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 180 days past due	Substandard assets, relatively high credit risk	Life-time expected credit losses	Life-time expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due	Low quality assets, very high credit risk			

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make Contractual payments greater than 365 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Doubtful assets, credit-impaired	Asset is written off		

### Expected credit loss for loans, security deposits and investments:

As at 31 March, 2023

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	—	—	—
		Security and other deposits	—	—	—
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	—	—	—

As at 31 March, 2022

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	660.00	—	660.00
		Security and other deposits	—	—	—
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	—	—	—

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Expected credit loss for trade receivables under simplified approach

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Not Due	4,891.84	5,845.90
Due for not more than 3 months	426.44	471.51
Due for more than 3 months or but less than 6 months	42.53	21.25
Due for more than 6 months	66.24	21.49
<b>Total</b>	<b>5,427.05</b>	<b>6,360.15</b>

#### (B) Commodity Risk

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

#### (C) Capital risk management

##### (a) The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total equity	7,299.48	7,925.09
Net Debt	1,722.53	1,076.83
<b>Total Capital (Borrowings and Equity)</b>	<b>9,022.01</b>	<b>9,001.93</b>
<b>Gearing Ratio</b>	<b>19.09%</b>	<b>11.96%</b>

(i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.

(ii) Equity comprises of all components including other comprehensive income.

##### (b) Dividend :

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Equity Shares:</b>		
Final dividend for the year ended March 31, 2022 of ₹ 5.00 per shares (March 31, 2021 of ₹ 2.50 per shares) fully paid share	284.01	142.00
Interim dividend for the year ended March 31, 2023 of ₹ NIL per shares (March 31, 2022 of ₹ NIL per shares) fully paid share	—	—

The Board of Directors have recommended a payment of final dividend of ₹1.00 per equity share of the face value of ₹ 10 each for the financial year ended 31st March, 2023. Final dividend is subject to approval of Shareholders.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### 42. Disclosure Pursuant to Ind AS – 19 “Employee Benefits”:

#### (a) Defined contribution plan

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary and other allowances as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expenses recognised during the year towards defined contribution plan is ₹ 104.81 Lakhs (March 31, 2022 ₹ 106.76 Lakhs).

#### (b) Defined benefit plan

##### (i) Gratuity:

In accordance with applicable laws, the company provides for gratuity, a defined benefit retirement plan (“The Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employee on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under their respective Group Gratuity Schemes.

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of plan assets
<b>As at 31st March, 2021</b>	<b>278.64</b>	<b>328.47</b>
Current service cost	25.24	—
Interest expense/(income)	18.62	23.12
<b>Total amount recognised in profit or loss</b>	<b>43.86</b>	<b>23.12</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amounts included in interest expense/(income)	—	0.11
Net actuarial (gain)/loss	—	—
Adjustment to Opening Fair Value of Plan Asset		—
Change in experience	38.36	—
Change in demographic assumptions	—	—
Change in financial assumptions	(8.12)	—
<b>Total amount recognised in other comprehensive income</b>	<b>30.24</b>	<b>0.11</b>
Employer Contribution	—	33.06
Benefits payment	(8.89)	(8.89)
<b>As at 31 March, 2022</b>	<b>343.84</b>	<b>375.87</b>
<b>The net asset As at 31 March, 2022</b>	<b>32.03</b>	
<b>As at 31 March, 2022</b>	<b>343.84</b>	<b>375.87</b>
Adjustment to Opening Fair Value of Plan Asset	—	24.46
Current service cost	27.97	—
Interest expense/(income)	23.12	27.41
<b>Total amount recognised in profit or loss</b>	<b>51.09</b>	<b>27.41</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amounts included in interest expense/(income)	—	(0.69)
Net actuarial (gain)/loss	—	—
Change in experience	4.17	—
Change in demographic assumptions	—	—
Change in financial assumptions	(5.14)	—
<b>Total amount recognised in other comprehensive income</b>	<b>(0.97)</b>	<b>(0.69)</b>
Employer Contribution	—	7.84
Benefits payment	(36.38)	(36.38)
<b>As at 31 March, 2023</b>	<b>357.58</b>	<b>398.50</b>
<b>The net asset As at 31 March, 2023</b>	<b>40.92</b>	

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

The net liability disclosed above relates to funded/unfunded plans are as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Present value of funded obligations	(357.58)	(343.84)
Fair value of plan assets	398.50	375.87
<b>(Deficit)/Surplus of funded plan</b>	<b>40.92</b>	<b>32.03</b>
<b>Significant estimates: actuarial assumptions and sensitivity</b>		
<b>Financial assumption:</b>		
Discount rate	7.29%	7.10%
Salary escalation rate	4.00%	4.00%
<b>Demographic assumption:</b>		
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Employee Attrition rate		
0 to 40 Years	3.00%	3.00%
41 to 50 Years	2.00%	2.00%
51 to 58 Years	1.00%	1.00%
Retirement age	58 Years	58 Years
<b>Sensitivity analysis</b>		
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:		
<b>Discount rate</b>		
(a) Discount rate - 100 basis points	—	—
(b) Discount rate + 100 basis points	—	—
<b>Salary escalation rate</b>		
(a) Rate - 100 basis points	—	—
(b) Rate + 100 basis points	—	—

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>The major categories of plan asset are as follows:</b>		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Gilts	0.00%	0.00%
Pooled assets with an insurance company	100.00%	100.00%
Other	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The defined benefit obligations shall mature after year end March 31, 2023 as follows:

Year 1	—	—
Year 2	—	—
Year 3	—	—
Year 4	—	—
Year 5	—	—
Year 6-10	—	—

The weighted average duration of the defined benefit obligation is 8.35 years (Previous Year: 8.31 years).

(ii) **Compensated Absences:**

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### Risk exposure:

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

Investment risk/ Interest risk:	The Company is exposed to Investment/Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.
Longevity risk:	The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason
Salary risk:	The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation

### 43. Leases :

Under Ind AS 116 the nature of expenses in respect of operating lease has changed from "lease rent" to "depreciation cost" and "finance Cost" for the right-to use assets and for interest accrued on lease liability is 9% p.a. The Weighted Average lessee's incremental borrowing rate applied to lease liabilities is 9% P.A.

#### (A) Lease liabilities are presented in the balance sheet as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current	19.35	—
Non-current	240.70	—
<b>Total</b>	<b>260.06</b>	<b>—</b>

#### (B) Right-of-use assets pertaining to the above as at 31 March 2023:

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Right-of-use assets</b>		
Opening balance	—	—
Add: Additions on account of new leases entered during the year	293.30	—
Less: Depreciation charged on the right-of-use assets	3.54	—
<b>Closing balance</b>	<b>289.76</b>	<b>—</b>

#### (C) The following are amounts recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets	3.54	—
Interest expense on lease liabilities	1.81	—
<b>Total</b>	<b>5.35</b>	<b>—</b>

#### (D) Break-up of the Contractual Maturities of lease liabilities on an undiscounted basis :

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Within 1 year	19.35	—
1 to 5 years	151.40	—
More than 5 years	89.31	—
<b>Total</b>	<b>260.06</b>	<b>—</b>

#### (E) Amounts recognised in the statement of cash flows :

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Total cash outflow for leases	34.00	—

#### (F) Short term lease rentals:

Rental expense recorded for short-term leases was ₹ 215.21 Lakhs for the year ended 31 March, 2023 (Previous Year ₹ 183.94 Lakhs)



## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### 44. Income Taxes:

#### (A) Components of Income Tax Expense.

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>(a) Tax expense recognised in the Statement of Profit and Loss</b>		
<b>i) Current tax</b>		
Current year	—	652.66
Tax provision of earlier years	(111.13)	7.93
<b>Total current tax</b>	<b>(111.13)</b>	<b>660.59</b>
<b>ii) Deferred tax</b>		
Relating to origination and reversal of temporary difference	(199.97)	(3.59)
<b>Total deferred income tax expense/(credit)</b>	<b>(199.97)</b>	<b>(3.59)</b>
<b>Total i) + ii)</b>	<b>(311.10)</b>	<b>657.00</b>
<b>(b) Tax on Other Comprehensive Income</b>		
<b>i) Tax relating to items that will not be reclassified to profit or loss</b>		
Tax on realized gain of equity instruments	—	—
Tax on re-measurements of net defined benefit plans	—	—
Tax on equity instrument through other comprehensive income	—	—
<b>ii) Income tax on items that will be reclassified to profit or loss</b>		
Tax on debt instrument through other comprehensive income	—	—
<b>Total i) + ii)</b>	<b>—</b>	<b>—</b>

#### (B) Reconciliation of tax expenses and the accounting profit for the year.

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
<b>Profit before tax</b>	<b>(653.31)</b>	<b>3,852.96</b>
<b>Enacted income tax rate in India</b>	<b>27.82%</b>	<b>29.12%</b>
Expected income tax expense during the year at statutory rate	—	1,121.98
Differences due to:		
Expenses not deductible for tax purposes	<b>0.00</b>	14.76
Exempt Income	—	—
Tax of earlier years reversed	—	—
Impact of Minimum alternate tax	—	652.66
Adjustment of C/F Losses / Difference in Tax Rate etc..	—	(446.31)
<b>Effective tax expenses</b>	<b>—</b>	<b>652.66</b>

#### (C) The movement in deferred tax assets and liabilities.

(₹ in Lakhs)

Movement during the year ended March 31, 2022	Year Ended 31st March, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Year Ended 31st March, 2022
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	—	—	—	—
On depreciation	(216.70)	3.59	—	(213.11)
On fair valuation of financial assets	—	—	—	—
<b>Total</b>	<b>(216.70)</b>	<b>3.59</b>	<b>—</b>	<b>(213.11)</b>

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Movement during the year ended March 31, 2023	Year Ended 31st March, 2022	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Year Ended 31st March, 2023
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	—	185.57	—	185.57
On depreciation	(213.11)	14.32	—	(198.79)
On fair valuation of financial assets	—	—	—	—
<b>Total</b>	<b>(213.11)</b>	<b>199.89</b>	<b>—</b>	<b>(13.22)</b>

### 45. Other Comprehensive Income

Amounts recognised in Other Comprehensive Income i.e. Items that will not be reclassified to profit and loss in subsequent year includes Actuarial Gains/(Loss) on post-employment defined benefit plan (net of deferred tax)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Amounts recognised in Other Comprehensive Income i.e. Items that will not be reclassified to profit and loss in subsequent year includes Actuarial Gains/(Loss) on post-employment defined benefit plan (net of deferred tax)	0.28	(30.12)
Tax on above	(0.08)	8.77
<b>Net Other Comprehensive Income / (Loss)</b>	<b>0.20</b>	<b>(21.35)</b>

### 46. Income Tax Expenses Recognized in Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Tax on Other Comprehensive Income / (Loss)	(0.08)	8.77
<b>Total</b>	<b>(0.08)</b>	<b>8.77</b>

47. The Company is engaged in the activities relating to manufacture and sale of process plastics and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for the purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely process plastics. The geographical segments considered for disclosure are India and Rest of the World. All the manufacturing facilities are located in India.

- (i) The Product wise break up – Please refer Note 27  
(ii) Geographical information.

(₹ in Lakhs)

Particulars	Revenue from external Customers		Non-Current Assets*	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022	Year Ended 31st March, 2023	Year Ended 31st March, 2022
India	20,673.60	23,025.35	4,746.40	4,156.52
Rest of World	—	—	—	—
<b>Total</b>	<b>20,673.60</b>	<b>23,025.35</b>	<b>4,746.40</b>	<b>4,156.52</b>

\* Non-Current Assets are used in the operations of the Company to generate revenues both in India and outside India

- (iii) Information about major customers

Revenue from sale of products to largest customers (greater than 10% of total sales) is ₹ 15,806.45 lakhs (March 31, 2022 ₹ 17,050.36 Lakhs)

### 48. The disclosure as required by Ind AS 24 “Related Parties Disclosures” is as follows:

Names of related parties are as under:

(a) Subsidiaries where control exists:

Bright Brothers LLC, Wholly-owned Subsidiary (Incorporated on 8th December, 2022)

(b) Entities in which key managerial personnel are interested:

M/s. Quality Plastics

M/s. T.W.Bhojwani Leasing Pvt. Ltd.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

**(c) Key Managerial Personnel:**

Mrs. Devika Bhojwani - Whole Time Director DIN: 08355381  
 Mr. Suresh Bhojwani - Chairman & Managing Director DIN: 00032966  
 Mr. Karan Bhojwani - Whole-time Director DIN: 06423542 (w.e.f. 1st April, 2022)  
 Mr. Chirag Shah - Chief Financial Officer  
 Mrs. Sonali Pednekar - Company Secretary & Compliance Officer

**(d) Relatives of Key Managerial Personnel:**

Smt. Hira Bhojwani  
 Ms. Ruchika Bhojwani - Chief Operating Officer  
 M/s. T.W. Bhojwani HUF  
 M/s. S. T. Bhojwani HUF

**(e) Other Related Parties:**

Mr. K. P. Rao - Independent Director DIN : 00027577 (upto 7th April, 2022)  
 Dr. T. S. Sethurathnam - Independent Director DIN : 00042704  
 Mr. Anil Kumar Bhandari DIN: 00031194  
 Mr. K. Viswanath – Independent Director DIN: 00547132 (w.e.f. 27th May, 2022)  
 Mr. Indru Advani – Independent Director DIN: 02036028 (w.e.f. 1st April, 2023)

(₹ in Lakhs)

Name of the Wholly-owned Subsidiary	Amount invested towards Capital	
	2022-23	2021-22
Bright Brothers LLC	62.61	—

(₹ in Lakhs)

Particulars	Entities in which key managerial personnel are interested		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>(a) Remuneration</b>								
i) Mr. Suresh Bhojwani DIN : 00032966	—	—	91.91	91.91	—	—	—	—
ii) Mrs. Devika Bhojwani DIN: 08355381	—	—	12.91	10.24	—	—	—	—
iii) Mr. Karan Bhojwani	—	—	57.50	—	—	49.86	—	—
iv) Ms. Ruchika Bhojwani	—	—	—	—	29.87	29.87	—	—
v) Mr. Chirag Shah	—	—	72.46	72.46	—	—	—	—
vi) Mrs. Sonali Pednekar	—	—	8.37	8.37	—	—	—	—
	—	—	243.15	182.98	29.87	79.73	—	—
<b>(b) Warehousing Charges</b>								
i) Quality Plastics	14.40	14.40	—	—	—	—	—	—
	14.40	14.40	—	—	—	—	—	—
<b>(c) Royalty</b>								
i) Quality Plastics	3.81	3.90	—	—	—	—	—	—
	3.81	3.90	—	—	—	—	—	—
<b>(d) Purchase</b>								
i) Quality Plastics	10.34	5.69	—	—	—	—	—	—
	10.34	5.69	—	—	—	—	—	—
<b>(e) Loans Accepted/(Repaid)</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	(100.00)	(460.00)	—	—
ii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	—	(10.00)	—	—	—	—
iii) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	(45.00)	(15.00)
	—	—	—	(10.00)	(100.00)	(460.00)	(45.00)	(15.00)

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Entities in which key managerial personnel are interested		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>(f) Interest Paid</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	12.48	33.50	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	1.62	1.62	—	—	—	—
iii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	3.60	3.96	—	—	—	—
iv) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	3.83	4.72
	—	—	5.22	5.58	12.48	33.50	3.83	4.72
<b>(g) Dividend Paid</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	18.52	9.26	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	64.17	32.09	—	—	—	—
iii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	2.07	1.03	—	—	—	—
iv) Mr. Karan Bhojwani	—	—	0.88	—	—	0.44	—	—
v) Ms. Ruchika Bhojwani	—	—	—	—	0.88	0.44	—	—
vi) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	0.03	0.02
vii) Mr. Anil Kumar Bhandari DIN: 00031194	—	—	—	—	—	—	0.05	0.03
viii) Mr. Chirag Shah	—	—	0.66	0.32	—	—	—	—
ix) M/s. T.W.Bhojwani Leasing Pvt. Ltd.	54.02	26.42	—	—	—	—	—	—
x) M/s. T.W. Bhojwani HUF	—	—	—	—	12.02	6.01	—	—
xi) M/s. S. T. Bhojwani HUF	—	—	—	—	1.00	0.50	—	—
	54.02	26.42	67.78	33.44	32.42	16.65	0.08	0.05
<b>(h) Sitting Fees &amp; Commission</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	—	1.45	—	—
ii) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	—	2.98
iii) Dr. T. S. Sethurathnam DIN : 00042704	—	—	—	—	—	—	1.14	2.74
iv) Mr. Anil Kumar Bhandari DIN: 00031194	—	—	—	—	—	—	1.43	2.74
v) Mr. K. Viswanath DIN : 00547132	—	—	—	—	—	—	1.31	—
	—	—	—	—	—	1.45	3.88	8.46

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Entities in which key managerial personnel are interested		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
<b>(i) Gratuity</b>								
i) Mr. Karan Bhojwani	—	—	8.93	—	—	—	—	—
ii) Ms. Ruchika Bhojwani	—	—	—	—	6.34	—	—	—
iii) Mr. Chirag Shah	—	—	9.36	—	—	—	—	—
iv) Mrs. Sonali Pednekar	—	—	0.61	—	—	—	—	—
	—	—	<b>18.90</b>	—	<b>6.34</b>	—	—	—
<b>(j) Year End Balances</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>
<b>i) Receivable</b>								
1) Quality Plastics	4.11	4.11	—	—	—	—	—	—
	<b>4.11</b>	<b>4.11</b>	—	—	—	—	—	—
<b>ii) Trade Payable</b>								
1) Quality Plastics	10.05	11.27	—	—	—	—	—	—
	<b>10.05</b>	<b>11.27</b>	—	—	—	—	—	—
<b>iii) Unsecured Loans Payable</b>								
1) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	102.00	203.99	—	—
2) Mr. Suresh Bhojwani DIN : 00032966	—	—	18.36	18.36	—	—	—	—
3) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	40.80	40.80	—	—	—	—
4) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	—	45.90
	—	—	<b>59.16</b>	<b>59.16</b>	<b>102.00</b>	<b>203.99</b>	—	<b>45.90</b>
<b>iv) Sitting Fees &amp; Commission Payable</b>								
1) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	—	0.61	—	—
2) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	—	1.22
3) Dr. T. S. Sethurathnam DIN : 00042704	—	—	—	—	—	—	0.20	1.22
4) Mr. Anil Kumar Bhandari DIN: 00031194	—	—	—	—	—	—	0.20	1.22
5) Mr. K. Viswanath DIN : 00547132	—	—	—	—	—	—	0.20	—
	—	—	—	—	—	<b>0.61</b>	<b>0.60</b>	<b>3.66</b>
<b>v) Remuneration Payable</b>								
1) Mr. Suresh Bhojwani DIN : 00032966	—	—	4.32	4.32	—	—	—	—
2) Mrs. Devika Bhojwani DIN: 08355381	—	—	0.93	0.46	—	—	—	—
3) Mr. Karan Bhojwani	—	—	2.75	—	—	2.25	—	—
4) Ms. Ruchika Bhojwani	—	—	—	—	1.55	1.62	—	—
5) Mr. Chirag Shah	—	—	3.81	5.37	—	—	—	—
6) Mrs. Sonali Pednekar	—	—	0.60	0.60	—	—	—	—
	—	—	<b>12.41</b>	<b>10.75</b>	<b>1.55</b>	<b>3.87</b>	—	—

- (i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back
- (ii) The related parties are as identified by the Company and relied upon by the Auditors.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

### 49. Assets provided as security

- (a) Vehicle loans are taken from the banks against hypothecation of the vehicles purchased, repayable in 60 monthly instalments with interest rates ranging from 7.40% to 8.40%.
- (b) (i) Term loan from Kotak Mahindra Bank are secured against all existing and future receivables/ current assets/ movable assets/ movable fixed assets with the term loan of 7.50 Cr carry interest at 1.15% p.a. over and above the 3 months MCLR (as at 31.03.23 is 8.65%) payable in monthly basis. The term loan monthly instalment payable @ 19.98 lakhs, last instalment due in June 2023.
- (ii) Working Capital Term Loan from Kotak Mahindra Bank are secured against charge on all existing and future receivables/ current assets/ movable assets/ movable fixed assets with the Working Capital Term Loan of 7.45 Cr carry interest rate shall be floating for the entire loan tenor. Applicable floating ROI as on date of offer is 7.50% p.a. with moratorium of 12 months. The monthly instalment payable @ 23.17 lakhs, first instalment due in February 2022 last instalment due in January 2025.
- (iii) Sales Invoice Financing from Kotak Mahindra Bank are secured against on all existing and future receivables/ current assets/ movable assets/ movable fixed assets with the Sales Invoice Financing of 55.00 Cr carry interest at 0.45% p.a. over and above the 3 months MCLR (as at 31.03.23 is 8.65%).
- (iv) Term loan from Yes Bank are secured against on all existing and future receivables/ current assets/ movable assets/ moveable fixed assets/Fixed Deposit lien marked in favour of YBL with the term loan of 9.76 Cr carry EBLR + 2.50% P.A. (as at 31.03.23 is 6.25%) payable in monthly basis. The term loan tenor 72 month(s) (6 Years including 12 months moratorium), last instalment due in January 2029.
- (c) The collateral security (Applicable for all facilities) secured by way of mortgage over Puducherry and Bhimtal Properties.

### 50. Earnings Per Share (EPS) :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Profit/(Loss) after tax(PAT) available for equity shareholders (before exceptional items)	(342.21)	262.76
Profit/(Loss) after tax(PAT) available for equity shareholders (after exceptional items)	(342.21)	3,195.96
Weighted average number of equity Shares (In nos.)	5680235	5680235
Nominal value of equity Shares (In ₹)	10.00	10.00
Basic earning per share (Before exceptional Income/Loss) (In ₹)	(6.02)	56.26
Diluted earning per share (Before exceptional Income/Loss) (In ₹)	(6.02)	56.26
Basic earning per share (After exceptional Income/Loss) (₹)	(6.02)	56.26
Diluted earning per share (After exceptional Income/Loss) (₹)	(6.02)	56.26

### 51. Borrowings:

- i) The Company has not defaulted in repayment of any borrowings from any lenders and interest as on the balance sheet date.
- ii) Borrowings are not guaranteed by personal guarantee of any of the director.
- iii) Statement of current assets filed by the Company with banks vis a vis the books of account.

(₹ in Lakhs)

Quarter	Inventories and Trade receivables as per the books of accounts	Inventories and Trade receivables as per the Stock statement	(Short)/Excess	Remarks
Jun-22	8,520.20	8,349.13	171.07	Adjustment for provisions write-offs, floor stock in books of accounts at the time of finalisation
Sep-22	6,777.57	6,843.25	(65.68)	Not Material
Dec-22	6,071.34	6,091.02	(19.68)	Not Material
Mar-23	7,295.25	7,535.43	(240.18)	Adjustment for provisions write-offs, floor stock in books of accounts at the time of finalisation

- iv) Borrowings from banks used for the specific purpose for which it was taken as at the balance sheet date.

### 52. Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015):

The Company has not given loans and advances in the nature of loans.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

53. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023.

### 54. Details of Corporate Social Responsibility:

(a) Sr. No.	Particulars	2022-23 (₹ in Lakh)	2021-22 (₹ in Lakh)
1	Amount required to be spent as per Section 135 of Companies Act 2013	10.64	10.06
2	Amount spent during the year		
	(a) Construction/Acquisition of Assets	—	—
	(b) On purpose other than above	10.72	10.20
3	Excess amount spent under Section 135 (5)		
	(a) Carried forward opening balance Excess/Short*	—	—
	(b) Amount required to be spent during the year	10.64	10.06
	(c) Actual amount spent/incurred during the year	10.72	10.20
	(d) The excess amount spent at the end of the year out of the amount required to be spent by the Company during the year	0.08	0.14
4	Nature of CSR activities	Programmes for welfare & sustainable development of the community at large	
5	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	No CSR transaction has been entered into with a related party	No CSR transaction has been entered into with a related party

\* The excess amount spent on CSR during the financial year ended 31st March, 2022 was not carried forward in the next year.

(b) Sr. No.	Particulars	2022-23 (₹ in Lakh)	2021-22 (₹ in Lakh)
1	Health care	4.00	5.00
2	Setting up homes and hostels for orphans	1.12	0.50
3	Animal welfare	2.00	3.00
4	Education	1.10	1.20
5	Eradicating malnutrition	1.50	—
6	Training to promote sports activity	1.00	—
7	Empowering women	—	0.50
	<b>Total</b>	<b>10.72</b>	<b>10.20</b>

### 55 Other Statutory Information :

- The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- During the year ended March 31, 2023, the company has not revalued any property, plant and equipment and intangible assets.
- There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting periods.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## Notes of the Standalone Financial Statements for the year ended 31st March, 2023

- vi) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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 to or on behalf of the Ultimate Beneficiaries
- viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- 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.
- ix) Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961”.
- xi) The Company have not declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- xii) The title deeds of the freehold & leasehold lands, Buildings are registered in the name of the Company. No deeds are pending for registration in this regard.
56. The previous period's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials have been rounded off to nearest lakhs rupees.

Notes 1 to 56 Form an Integral part of Standalone Financial Statements.

		For and on behalf of the Board of Directors	
As per our Report annexed		Mr. Suresh Bhojwani	<i>Chairman &amp;</i>
For GMJ & Co		DIN: 00032966	<i>Managing Director</i>
Firm Registration No.: 103429W		Mr. Karan Bhojwani	<i>Whole Time Director</i>
<i>Chartered Accountants</i>		DIN: 06423542	
	Mr. Chirag Shah	Mr. K.Viswanath	}
	<i>Chief Financial Officer</i>	DIN: 00547132	
CA Madhu Jain		Dr. T. S. Sethurathnam	
<i>Partner</i>		DIN: 00042704	
Membership No. 155537		Mr. Anil Kumar Bhandari	}
UDIN : 231555 37BGWQ GI7475	Mrs. Sonali Pednekar	DIN: 00031194	
	<i>Company Secretary &amp;</i>	Mr. Indru Advani	
Mumbai, 24th May 2023	<i>Compliance Officer</i>	DIN: 02036028	



## Independent Auditor's Report

**TO THE MEMBERS OF  
BRIGHT BROTHERS LIMITED**

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Bright Brothers Limited** (*"the Company"*) and its subsidiary (the Company, its subsidiary together referred as *"the Group"*) which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the *"the consolidated Ind AS financial statements"*).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Group as at March 31, 2023, and their consolidated net loss, their consolidated total comprehensive income (deficit), their consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (*"SA"*s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Emphasis of Matter**

The Company has an internal control system. However, the same needs to be strengthened. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

Sr. No.	Key Audit Matter	How was the matter addressed in our audit
1	The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business regarding Disputed Statutory Liabilities and Contingent Liabilities. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>➤ Read and analysed documents provided by the management for key uncertain tax positions;</li> <li>➤ Discussed with appropriate senior management and evaluated management's underlying key assumptions in disclosure of disputed statutory liabilities;</li> <li>➤ Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul>

### Other information

The Holding Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders' information, but does not include the consolidated Ind AS financial statements, standalone financial statements, and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS 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 consolidated Ind AS financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit Financial Statements and other information of 1 subsidiary, whose financial information reflect Group's share of total assets of ₹ 29.25 Lakhs as at 31 March, 2023, Group's share of total revenue of ₹ Nil, Group's share of total net loss after tax of ₹ 35.84 Lakhs and Group's share of total comprehensive deficit of ₹ 1.18 Lakhs for the year ended on 31 March, 2023 respectively and net cash inflow of ₹ 21.65 Lakhs for the year ended on March 31, 2023, as considered in the Consolidated Financial Statements. This unaudited financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements are not material to the Group.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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

1. As required by Section 143(3) of the Act, based on our audit As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Holding company has a branch office, although no separate books of accounts are prepared by the Branch and hence section 143(8) does not apply to the company.
  - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) In our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Group.

- g) On the basis of the written representations received from the directors of the Group company as on March 31, 2023, taken on record by the Board of Directors of the group, none of the directors of the Group company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.
- i) With respect to adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure B” which is based on the auditor’s report of the holding company and its subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies.
- j) 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 Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- k) 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 Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer Note 36 to the Consolidated Ind AS financial statements.
  - (ii) Provisions has been made in the consolidated Ind AS financial statement, as required under the applicable law or accounting standard, for material foreseeable laws if any, on long term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
  - (iv)
    - a. The respective management of the Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or any of such subsidiary to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The respective management of the Company, whose financial statements have been audited under the Act, have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on audit procedures which we considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its Subsidiary, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a.) and (b.) contain any material misstatement.

- (v) a. The final dividend declared in previous year and paid during the year by the Holding Company is in compliance with Section 123 of the Act.
  - b. The Holding Company has not declared interim dividend during the year.
  - c. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **GMJ & Co**  
Chartered Accountants  
Firm's registration number: 103429W

**CA Madhu Jain**  
Partner  
Membership No: 155537  
UDIN: 231555 37BGWQ GJ9250

Place: Mumbai  
Date: May 24, 2023

**Annexure 'A' to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (xxi) With respect to the matters specified in paragraphs 3(xxix) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **GMJ & Co**  
Chartered Accountants  
Firm's registration number: 103429W

**CA Madhu Jain**  
Partner  
Membership No.: 155537  
UDIN: 231555 37BGWQ GJ9250

Place: Mumbai  
Date: May 24, 2023

## **Annexure 'B' to the Independent Auditor's Report**

(Referred to in paragraph 1(i) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bright Brothers Limited of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of "Bright Brothers Limited" ("the Company") and its subsidiary company, as of that date.

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

The respective board of directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind As financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co  
Chartered Accountants  
Firm's registration number: 103429W

CA Madhu Jain  
Partner  
Membership No.: 155537  
UDIN: 231555 37BGWQ GJ9250

Place: Mumbai  
Date: May 24, 2023

## Consolidated Balance Sheet as at 31st March 2023

Particulars	Note No.	(₹ in Lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	2	4,749.89	4,156.52
(b) Capital work-in-progress	3	727.78	—
(c) Right of use assets	4	289.76	—
(d) Financial assets			
(i) Investments	5	19.76	34.81
(ii) Other financial assets	6	839.70	192.14
Income tax assets (net)		76.65	776.45
(e) Other non-current assets	7	295.54	275.71
<b>Total non-current assets</b>		<b>6,999.08</b>	<b>5,435.63</b>
<b>2. Current assets</b>			
(a) Inventories	8	1,868.23	1,813.95
(b) Financial assets			
(i) Investments	9	1,513.97	3,718.78
(ii) Trade receivables	10	5,427.02	6,360.15
(iii) Cash and cash equivalents	11	282.19	295.42
(iv) Bank Balance other than cash and cash equivalents	12	22.29	24.64
(v) Other financial Assets	13	49.10	12.53
(c) Other current assets	14	661.66	71.80
<b>Total current assets</b>		<b>9,824.46</b>	<b>12,297.27</b>
<b>TOTAL ASSETS</b>		<b>16,823.54</b>	<b>17,732.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	568.02	567.60
(b) Other equity	16	6,694.44	7,357.49
<b>Total Equity</b>		<b>7,262.46</b>	<b>7,925.09</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	1,204.15	568.63
(ia) Lease liabilities	18	240.70	—
(ii) Loan	19	18.00	156.05
(b) Provisions	20	68.58	92.03
(c) Deferred tax liabilities (net)	21	13.22	213.11
<b>Total non-current liabilities</b>		<b>1,544.65</b>	<b>1,029.82</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	357.70	494.57
(ia) Lease liabilities	18	19.35	—
(ii) Loan	22	143.16	153.00
(iii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises; and		147.55	199.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,390.52	2,422.76
(iv) Other financial liabilities [other than those specified in item (c)]	24	3,151.66	3,733.06
(b) Other current liabilities	25	779.97	947.36
(c) Provisions	20	26.53	19.43
(d) Current tax liabilities (net)	26	—	808.33
<b>Total current liabilities</b>		<b>8,016.43</b>	<b>8,777.99</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,823.54</b>	<b>17,732.90</b>
<b>Notes forming part of the financial Statements</b>	<b>1-59</b>		

For and on behalf of the Board of Directors

As per our Report annexed

For GMJ &amp; Co

Firm Registration No.: 103429W

Chartered Accountants

CA Madhu Jain

Partner

Membership No. 155537

UDIN : 231555 37BGWQ GJ9250

Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial OfficerMrs. Sonali Pednekar  
Company Secretary &  
Compliance OfficerMr. Suresh Bhojwani  
DIN: 00032966Mr. Karan Bhojwani  
DIN: 06423542Mr. K.Viswanath  
DIN: 00547132Dr. T. S. Sethurathnam  
DIN: 00042704Mr. Anil Kumar Bhandari  
DIN: 00031194Mr. Indru Advani  
DIN: 02036028Chairman &  
Managing Director

Whole Time Director

Independent Directors

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

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
(₹ in Lakhs)			
<b>INCOME</b>			
I Revenue from operations	27	20,673.60	23,025.35
II Other income	28	182.46	132.05
<b>III Total Income</b>		<b>20,856.06</b>	<b>23,157.40</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	29	14,284.14	16,169.03
Purchases of stock-in-trade	30	265.43	222.43
Changes in inventories of finished goods/work-in-progress and stock-in-trade	31	142.10	(113.59)
Other operating expenses	32	2,359.64	2,388.46
Employee benefits expenses	33	2,242.18	2,003.74
Finance costs	34	378.84	471.37
Depreciation and amortisation expenses	2,3,4	580.64	621.23
Other expenses	35	1,292.25	1,048.62
<b>Total Expenses</b>		<b>21,545.22</b>	<b>22,811.29</b>
V <b>Profit/(Loss) before exceptional items and tax</b>		<b>(689.16)</b>	346.11
VI Exceptional items			3,506.85
<b>VII Profit/(Loss) before tax</b>		<b>(689.16)</b>	<b>3,852.96</b>
<b>VIII TAX EXPENSE</b>			
Current tax		(311.10)	657.00
- Current year		—	690.43
- MAT credit		—	(37.77)
- Deferred tax		(199.97)	(3.59)
- Excess / short provision for earlier years		(111.13)	7.93
<b>IX Profit/(Loss) after tax</b>		<b>(378.06)</b>	<b>3,195.96</b>
<b>X OTHER COMPREHENSIVE INCOME</b>			
A. <b>Items that will not be reclassified to the statement of profit and loss</b>			
Re-measurement gain/(losses) on defined benefit plans		0.28	(30.12)
Income-tax relating to items that will not be reclassified to the statement of profit and loss		(0.08)	8.77
B. <b>Items that may be reclassified to the statement of profit and loss</b>			
Exchange differences in translating the financial statements of foreign operations		(1.18)	—
<b>XI Total comprehensive income/(loss) for the period</b>		<b>(379.04)</b>	<b>3,174.61</b>
<b>XII EARNING PER EQUITY SHARE (₹)</b>			
Basic	49	(6.66)	56.26
Diluted		(6.66)	56.26
<b>Notes forming part of the financial Statements</b>	<b>1-59</b>		

For and on behalf of the Board of Directors

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ GJ9250

Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

Mr. Suresh Bhojwani  
DIN: 00032966

Chairman &  
Managing Director

Mr. Karan Bhojwani  
DIN: 06423542

Whole Time Director

Mr. K. Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Independent Directors

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>	
Profit before Tax	(689.16)
<b>Adjustments for :</b>	
Depreciation and amortization expenses	577.10
Depreciation and amortisation of financial leased assets as per Ind AS 116	3.54
Finance costs	377.03
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116	1.81
Net (gain) on disposal of property, plant & equipment	(2.41)
Interest (income)	(13.44)
Dividend from non current investment (income)	(2.72)
Net (gain)/loss on sale of investments	—
<b>Operating profit before working capital changes</b>	<b>251.75</b>
<b>Adjustments for :</b>	
<b>Movements in working capital :</b>	
Increase/ (Decrease) in trade payables	915.83
Increase/ (Decrease) in other current financial liabilities	(577.73)
Increase/ (Decrease) in other current liabilities	(868.26)
Increase/ (Decrease) in provisions	(17.34)
(Increase)/Decrease in trade receivables	933.13
(Increase)/Decrease in other bank balances	2.35
(Increase)/Decrease in inventories	(54.28)
(Increase)/Decrease in current other assets	(617.11)
(Increase)/Decrease in other financial assets	(643.45)
(Increase)/Decrease in other assets	633.05
<b>Working capital changes :</b>	<b>(293.81)</b>
Cash flow from/(Used In) Operating Activities	(42.05)
Income tax Refund/(Paid)	46.92
<b>Net Cash flow from/(Used In) Operating Activities</b>	<b>(A) 4.87</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>	
Purchase of property, plant & equipments, including capital work in progress-tangible assets and capital advances	(1,907.89)
Proceeds from sale of property, plant & equipments	11.07
Interest Income	—
Dividend from non current investment income	2.72
Proceeds from investments	2,219.86
<b>Net cash flow from/(Used in) Investing Activities</b>	<b>(B) 325.76</b>

**Consolidated Statement of Cash Flow for the year ended 31st March, 2023** (Continued)

Particulars	Year ended 31st March, 2023
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES :</b>	
Proceeds from equity capital of the Company	0.42
Proceeds from long-term borrowings	635.53
Repayment of long term borrowing	(138.05)
Increase/ (Decrease) in short-term borrowings	(146.71)
Finance Cost	(377.03)
Final Dividend paid	(284.01)
Principal payment of Lease liabilities	(34.00)
<b>Net Cash flow from/(Used in) Financing Activities</b>	<b>(C)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>295.42</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>282.19</b>

- (1) The above statement has been prepared in indirect method.
- (2) Previous year's figures have been reclassified to conform to current year's presentation.
- (3) Figures in the bracket indicate out go.

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This is the Cash Flow Statement referred to in our report of even date.

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ GJ9250

Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

For and on behalf of the Board of Directors

Mr. Suresh Bhojwani  
DIN: 00032966

Chairman &  
Managing Director

Mr. Karan Bhojwani  
DIN: 06423542

Whole Time Director

Mr. K.Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Independent Directors

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2023 (₹ in Lakhs)

EQUITY SHARE CAPITAL :	Paid up capital (Refer Note 15)
Balance as at 1st April 2021	567.60
Changes in equity share capital during the year	—
Changes in Equity Share Capital due to prior period errors	—
Balance as at 31st March 2022	567.60
Changes in equity share capital during the year	0.42
Balance as at 31st March 2023	568.02

### OTHER EQUITY :

Particulars	Reserves and Surplus						Accumulated Other Comprehensive Income		Total	
	Capital Reserves	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Revaluation Reserve	Foreign Exchange Translation Reserve		Actuarial gains/(losses)
Balance as at 1st April 2021	156.83	967.00	229.53	1,933.17	139.00	923.70	84.79	—	(29.93)	4,404.09
Profit/(Loss) for the year						3,195.96	(84.79)	—	—	3,111.17
Remeasurements of net defined benefit plans (Net of Taxes)									(15.76)	(15.76)
Final dividend F.Y. 2020-21 paid									—	(142.01)
Balance as at 31st March 2022	156.83	967.00	229.53	1,933.17	139.00	3,977.65	—	—	(45.69)	7,357.49
Profit/(Loss) for the year						(378.06)			—	(378.06)
Remeasurements of net defined benefit plans (Net of Taxes)								(1.18)	0.20	(0.98)
Dividend F.Y. 2021-22 Paid						(284.01)			—	(284.01)
Balance as at 31st March 2023	156.83	967.00	229.53	1,933.17	139.00	3,315.58	—	(1.18)	(45.49)	6,694.44

Notes 1 to 59 Form an Integral part of Consolidated Financial Statements.

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ G19250

Mumbai, 24th May 2023

Mr. Suresh Bhojwani  
DIN: 00032966

Mr. Karan Bhojwani  
DIN: 06423542

Mr. Chirag Shah  
Chief Financial Officer

Mr. K.Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Chairman &  
Managing Director

Whole Time Director

Independent Directors

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### Note - 1

#### BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

##### (A) GROUP OVERVIEW:

The consolidated financial statements comprise financial statements of Bright Brothers Limited, Parent Company and its subsidiary (hereinafter referred as “the Group”).

The Bright Brothers Limited (“the Parent Company”) is public limited company incorporated and domiciled in India and has registered office at Office No. 91, 9th Floor, Jolly Maker Chambers No. 2, 225, Nariman Point, Mumbai 400 021. It is incorporated under the Indian Companies Act, 1913 and its shares are listed on the Bombay Stock Exchange Limited.

The Group is one of the leading plastic products manufacturing Company in India having 8 manufacturing facilities spread across the country, offering a wide and comprehensive range of plastic products in India.

##### Group Structure:

Name of Company	Country of incorporation	Shareholding as at	
		As at 31st March, 2023	As at 31st March, 2022
<b>Subsidiary</b> Bright Brothers LLC	USA	100%	—

##### (B) BASIS OF PREPARATION AND MEASUREMENT

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013.

The consolidated financial statements of the Group are prepared and presented on accrual basis and under the historical cost convention, except for certain class of Financial Assets/Liabilities and defined benefit plans that are measured at fair value. These consolidated financial statements are approved for issue by the Company’s Board of Directors on 24th May, 2023.

##### (C) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are evaluated by the Group and are based on various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the group’s normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

Areas involving critical estimates and Judgements are:

- Estimation of employee defined benefit obligations
- Estimation of current tax expenses
- Estimation of provisions and contingent liabilities

##### (D) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2023. The Parent Company prepares and reports its consolidated financial statements in INR (R).

##### Subsidiaries:

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

### Consolidation procedure:

#### Subsidiaries:

- a) Combine, on line-by-line basis like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### (E) FOREIGN CURRENCY TRANSACTIONS

In preparing the financial statements of individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

### (F) FOR OTHER ACCOUNTING POLICIES - REFER SIGNIFICANT ACCOUNTING POLICIES MENTIONED IN THE STANDALONE FINANCIAL STATEMENTS.



## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

Note - 2

### PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Leasehold Improvements	Land - Lease hold Freehold Building	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Moulds	Computers	Electric Installation	Total
<b>Gross block</b>											
Balance as at 1st April 2021	125.22	637.51	—	1,534.69	8,246.49	247.38	318.46	688.15	209.28	254.18	12,394.26
Additions	—	374.25	—	16.98	214.08	0.19	—	9.85	6.69	—	627.77
Disposals/adjustments	—	(952.94)	—	—	(0.85)	—	—	—	—	(3.69)	(957.48)
<b>Balance as at 1st April 2022</b>	<b>125.22</b>	<b>58.82</b>	<b>—</b>	<b>1,551.67</b>	<b>8,459.72</b>	<b>247.57</b>	<b>318.46</b>	<b>698.00</b>	<b>215.97</b>	<b>250.49</b>	<b>12,064.55</b>
Additions	—	—	432.22	17.96	552.59	36.90	—	8.54	42.05	79.66	1,179.13
Disposals/adjustments	—	—	—	—	(5.73)	—	(63.90)	—	—	—	(69.63)
<b>Balance as at 31st March 2023</b>	<b>125.22</b>	<b>58.82</b>	<b>432.22</b>	<b>1,569.63</b>	<b>9,006.58</b>	<b>284.47</b>	<b>254.56</b>	<b>707.21</b>	<b>258.02</b>	<b>330.15</b>	<b>13,174.05</b>
<b>Accumulated depreciation</b>											
Balance as at 1st April 2021	14.35	—	—	542.06	5,321.45	197.73	140.25	581.07	188.46	207.92	7,289.44
Charge for the year	1.20	—	—	55.15	484.39	10.07	27.96	11.88	9.98	10.53	621.23
Disposals/adjustments	—	—	—	—	(0.46)	—	—	—	—	(2.18)	(2.64)
<b>Balance as at 1st April 2022</b>	<b>15.55</b>	<b>—</b>	<b>—</b>	<b>597.21</b>	<b>5,805.38</b>	<b>207.80</b>	<b>168.21</b>	<b>591.14</b>	<b>198.44</b>	<b>216.27</b>	<b>7,908.03</b>
Charge for the year	1.20	—	7.82	55.47	426.87	7.66	27.11	11.75	12.45	7.11	577.10
Disposals/adjustments	—	—	—	—	(1.28)	—	(59.69)	—	—	—	(60.97)
<b>Balance as at 31st March 2023</b>	<b>16.75</b>	<b>—</b>	<b>7.82</b>	<b>652.68</b>	<b>6,230.97</b>	<b>215.46</b>	<b>135.63</b>	<b>610.80</b>	<b>210.89</b>	<b>223.38</b>	<b>8,424.16</b>
<b>Net block as at 31st March 2022</b>	<b>109.67</b>	<b>58.82</b>	<b>—</b>	<b>954.46</b>	<b>2,654.34</b>	<b>39.77</b>	<b>150.25</b>	<b>106.86</b>	<b>17.53</b>	<b>34.22</b>	<b>4,156.52</b>
<b>Net block as at 31st March 2023</b>	<b>108.47</b>	<b>58.82</b>	<b>424.40</b>	<b>916.95</b>	<b>2,775.61</b>	<b>69.01</b>	<b>118.93</b>	<b>96.41</b>	<b>47.13</b>	<b>106.77</b>	<b>4,749.89</b>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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### Note - 3

#### CAPITAL WORK-IN-PROGRESS

Buildings	21.49	—
Plant and equipment	500.96	—
Furniture and fixtures	15.94	—
Electrical Installations	137.03	—
Other assets	52.36	—
<b>Total Capital work-in-progress</b>	<b>727.78</b>	<b>—</b>

#### Capital work-in-progress Ageing Scheduled

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31st March, 2023</b>					
Projects in progress	727.78	—	—	—	727.78
<b>Total</b>	<b>727.78</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>727.78</b>
<b>As at 31st March, 2022</b>					
Projects in progress	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

### Note - 4

#### RIGHT OF USE ASSETS

Particulars	Buildings	Total
<b>Gross block</b>		
Balance as at 1st April 2021	—	—
Additions	—	—
Disposals/adjustments	—	—
<b>Balance as at 1st April 2022</b>	<b>—</b>	<b>—</b>
Additions	293.30	293.30
Disposals/adjustments	—	—
<b>Balance as at 31st March 2023</b>	<b>293.30</b>	<b>293.30</b>
<b>Accumulated depreciation</b>		
Balance as at 1st April 2021	—	—
Charge for the year	—	—
Disposals/adjustments	—	—
<b>Balance as at 1st April 2022</b>	<b>—</b>	<b>—</b>
Charge for the year	3.54	3.54
Disposals/adjustments	—	—
<b>Balance as at 31st March 2023</b>	<b>3.54</b>	<b>3.54</b>
<b>Net block as at 31st March 2022</b>	<b>—</b>	<b>—</b>
<b>Net block as at 31st March 2023</b>	<b>289.76</b>	<b>289.76</b>

\* Refer note 42 for details

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### Note - 5

#### NON-CURRENT INVESTMENTS

	(₹ in Lakhs)			
	Quantity		As at 31st March 2023	As at 31st March 2022
	31st March 2023	31st March 2022		
<b>Investment in equity instruments (at Fair Value through Profit or loss) - Unquoted</b>				
The Saraswat Co-op. Bank Ltd. (Share of ₹ 10/- each, fully paid up)	1,000	1,000	0.10	0.10
Shalimar Infotech Ltd.	1,666	1,666	19.66	5.00
	<u>2,666</u>	<u>2,666</u>	<u>19.76</u>	<u>5.10</u>
<b>Other non-current investments (units of venture fund) - Unquoted</b>				
Ambit Pragma Fund Scheme I	—	6,208	—	29.71
	<u>2,666.00</u>	<u>8,874.00</u>	<u>19.76</u>	<u>34.81</u>

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022

### Note - 6

#### OTHER FINANCIAL ASSETS - NON-CURRENT

##### (Unsecured, considered good)

Security Deposits	298.89	152.33
Bank deposits with more than twelve months maturity	501.00	—
Deposit against disputed stamp duty	39.81	39.81
	<u>839.70</u>	<u>192.14</u>

### Note - 7

#### OTHER NON-CURRENT ASSETS

Gratuity Assets (Net)	40.92	—
Balances with government authorities	254.61	275.71
	<u>295.54</u>	<u>275.71</u>

### Note - 8

#### INVENTORIES

##### (For mode of valuation-Refer to Note 1 (I))

Raw materials	905.90	849.85
Finished goods/work in progress	396.32	585.13
Stock-in-trade	157.35	110.64
Stores, spares and components	350.16	197.05
Packing materials	58.50	71.28
	<u>1,868.23</u>	<u>1,813.95</u>

#### Notes:

1. Inventories which are pledged/hypothecated (Refer Note 48)

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### Note - 9

#### CURRENT INVESTMENTS

	Quantity		As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>(A) Investments at Fair Value through Profit or Loss</b>				
<b>(a) Investment in equity instruments (quoted)</b>				
(No. of equity shares of face value of ₹ 10 each fully paid-up unless otherwise specified)				
JSW Steel Ltd. (Face value of ₹ 1 each)	1,266	1,914	8.71	14.02
Atul Ltd.	225	441	15.66	45.39
Suven Life Sciences Ltd. (Face value of ₹ 1 each)	3,898	2,599	1.89	2.41
Tvs Srichakra Ltd.	478	478	12.17	7.64
JSW Energy Ltd.	2,582	—	6.22	—
Dishman Carbogen Amcis Ltd. (Face Value of ₹ 2 Each)	5,949	2,916	7.42	5.39
Astrazeneca Pharma India Ltd. (Face Value of ₹ 2 Each)	632	632	20.56	16.12
Supreme Petrochem Ltd. (Face Value of ₹ 4 Each)	3,488	1,744	12.92	16.14
Grasim Industries Ltd. (Face Value of ₹ 2 Each)	589	787	9.62	13.10
Bayer Cropscience Ltd.	291	291	11.87	14.46
Heritage Foods Ltd. (Face Value of ₹ 5 Each)	7,050	3,525	10.16	11.29
Thirumalai Chemicals Ltd. (Face Value of ₹ 1 Each)	2,797	2,797	4.81	7.44
Ultramarine & Pigments Ltd. (Face Value of ₹ 2 Each)	960	960	3.13	3.12
3M India Ltd.	24	24	5.51	4.73
Pfizer Ltd.	149	141	5.17	6.13
D-Link India Ltd. (Face Value of ₹ 2 Each)	3,356	3,356	7.83	4.69
Marico Ltd. (Face Value of ₹ 1 Each)	—	675	—	3.40
Procter & Gamble Hygiene & Health Care Ltd.	—	40	—	5.77
Glaxosmithkline Pharmaceuticales Ltd.	—	132	—	2.20
Oil and Natural Gas Corp Ltd. (Face Value of ₹ 5 Each)	3,635	1,728	5.49	2.83
Galaxy Surfactants Ltd.	44	—	1.02	—
Cholamandalam Investments and Finance Ltd (Face Value of ₹ 2 Each)	463	—	3.52	—
The Ramco Cements Limited (Face Value of ₹ 1 Each)	693	—	5.24	—
Godrej Properties Ltd (Face Value of ₹ 5 Each)	1,126	—	11.61	—
Axis Bank Ltd (Face Value of ₹ 2 Each)	927	—	7.96	—
Gillette India	13	—	0.24	—
PSP Projects Ltd	36	—	0.55	—
<b>(A)</b>			<b>179.28</b>	<b>186.27</b>
<b>(b) Investments in Mutual Funds (trade)</b>				
HDFC Equity Savings Fund - Regular Plan-Growth	123,415	123,415	62.17	59.58
HDFC Arbitrage Fund - WS - Regular Plan-Growth	1,947,753	2,043,801	508.66	507.95
HDFC Overnight Fund - Direct Plan-Growth	—	378	—	11.85
Kotak Equity Arbitrage Fund - Growth	2,400,396	3,372,149	763.68	1,018.72
Kotak Liquid Regular Plan-Growth	4	19,595	0.18	838.47
Kotak Savings Fund - Regular Plan-Growth	—	1,682,432	—	587.00
Nippon India Arbitrage Fund - Growth	—	2,352,491	—	508.94
<b>(B)</b>			<b>1,334.69</b>	<b>3,532.51</b>
<b>Total [A + B]</b>			<b>1,513.97</b>	<b>3,718.78</b>

\* Current investments are stated at Market value

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

As at  
31st March, 2023      As at  
31st March, 2022

### Note - 10

#### TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Trade receivables, considered good - unsecured	5,427.02	6,360.15
	5,427.02	6,360.15

#### Notes:

- Debts due by directors or other officers of the company or any of them either severally or jointly ₹ Nil Lakhs (Previous years ₹ Nil Lakhs)
- Carrying amounts of trade receivables, as at March 31, 2023 and 2022, approximate the fair value due to their nature.

#### TRADE RECEIVABLES AGEING SCHEDULE:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>31 March 2023</b>							
i) Undisputed Trade receivables – considered good	4,891.82	468.97	64.16	1.93	—	0.14	5,427.02
ii) Undisputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
iv) Disputed Trade receivables – considered good	—	—	—	—	—	—	—
v) Disputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
vi) Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
<b>Subtotal :</b>	<b>4,891.82</b>	<b>468.97</b>	<b>64.16</b>	<b>1.93</b>	<b>—</b>	<b>0.14</b>	<b>5,427.02</b>
Less: Provision for doubtful trade receivables	—	—	—	—	—	—	—
<b>Total :</b>	<b>4,891.82</b>	<b>468.97</b>	<b>64.16</b>	<b>1.93</b>	<b>—</b>	<b>0.14</b>	<b>5,427.02</b>
<b>31 March 2022</b>							
i) Undisputed Trade receivables – considered good	5,845.90	492.76	12.00	3.45	4.80	1.24	6,360.15
ii) Undisputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
iv) Disputed Trade receivables – considered good	—	—	—	—	—	—	—
v) Disputed Trade Receivables – which have significant increase in credit Risk	—	—	—	—	—	—	—
vi) Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
<b>Subtotal :</b>	<b>5,845.90</b>	<b>492.76</b>	<b>12.00</b>	<b>3.45</b>	<b>4.80</b>	<b>1.24</b>	<b>6,360.15</b>
Less: Provision for doubtful trade receivables	—	—	—	—	—	—	—
<b>Total :</b>	<b>5,845.90</b>	<b>492.76</b>	<b>12.00</b>	<b>3.45</b>	<b>4.80</b>	<b>1.24</b>	<b>6,360.15</b>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with banks - in current accounts	278.07	289.97
Cash on hand	4.12	5.45
	<u>282.19</u>	<u>295.42</u>

<b>Note - 12</b>		
<b>BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Earmarked deposits	3.24	3.08
Unpaid dividend accounts	19.05	21.56
	<u>22.29</u>	<u>24.64</u>

\*These deposits includes items such as Balances with banks held as Unpaid dividend accounts and Earmarked deposits, etc.

<b>Note - 13</b>		
<b>OTHER FINANCIAL ASSETS</b>		
Interest Receivables	9.37	—
Discount Receivables	11.32	8.63
Other Receivables	28.41	3.90
	<u>49.10</u>	<u>12.53</u>

<b>Note - 14</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
<b>Capital Advances</b>		
Advances to vendors	497.60	—
<b>Advances other than capital advances</b>		
Advances to vendors	56.66	—
Loan and advances to employees	6.93	14.45
<b>Others</b>		
Prepaid Expenses	100.47	57.35
	<u>661.66</u>	<u>71.80</u>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### Note - 15

#### EQUITY SHARE CAPITAL

	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
<b>i Authorised Share Capital</b>				
Ordinary Share of ₹ 10/- each	7,000,000	700.00	7,000,000	700.00
		<u>700.00</u>		<u>700.00</u>
Cumulative redeemable preference share of ₹ 10/- each	3,000,000	300.00	3,000,000	300.00
		<u>300.00</u>		<u>300.00</u>
<b>ii Issued, subscribed and fully paid up</b>				
Equity share of ₹ 10 each	5,680,235	568.02	5,680,235	568.02
Less: Calls in arrears		—		0.42
		<u>568.02</u>		<u>567.60</u>

#### iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Balance at the beginning of the year	5,680,235	568.02	5,680,235	567.60
Add: Shares issued	—	—	—	—
<b>Balance at the end of the year</b>	<b>5,680,235</b>	<b>568.02</b>	<b>5,680,235</b>	<b>567.60</b>

#### iv Rights, preferences and restrictions attached to equity shares

The Company has one class of shares i.e Ordinary shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share.

Each Shareholder is eligible for one vote per share held. In the event of liquidation, Ordinary shareholders will be eligible to receive the assets of the company after distribution of all preferential amounts, in Proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in the case of Interim Dividend.

#### v Preference Shares:

The Company has the power to issue cumulative redeemable preference shares. In the event of liquidation, the Preference shareholders of the Company have the preference over equity shares when it comes to payment of dividend and return of capital.

#### vi Details of shareholders holding more than 5% of equity share capital\*

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Mr. Suresh Bhojwani (DIN: 00032966)	1,283,418	22.59%	1,283,418	22.59%
Smt. Hira T. Bhojwani (DIN: 00032997)	370,310	6.52%	370,310	6.52%
M/s. T. W. Bhojwani Leasing Pvt. Ltd	1,089,094	19.17%	1,073,594	18.90%

vii Unpaid Calls	2022-23	2021-22
By Directors	Nil	Nil
By Others	—	42,000

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### viii The details of Shares held by promoters at the end of the year

Promoter name	2022-23			2021-22		
	No. of Equity Shares	Equity Shares %	% Change during the year	No. of Equity Shares	Equity Shares %	% Change during the year
Suresh T Bhojwani	1,283,418	22.59%	—	1,283,418	22.59%	—
T W Bhojwani Leasing Private Limited	1,089,094	19.17%	1.44%	1,073,594	18.90%	1.93%
Hira Thakurdas Bhojwani	370,310	6.52%	—	370,310	6.52%	—
Thakurdas Wadhmal Bhojwani HUF	240,430	4.23%	—	240,430	4.23%	—
Devika S Bhojwani	41,300	0.73%	—	41,300	0.73%	—
S T Bhojwani	20,000	0.35%	—	20,000	0.35%	—
Karan Suresh Bhojwani	17,500	0.31%	—	17,500	0.31%	—
Ruchika S Bhojwani	17,500	0.31%	—	17,500	0.31%	—
<b>Total</b>	<b>3,079,552</b>	<b>54.22%</b>		<b>3,064,052</b>	<b>53.94%</b>	

(₹ in Lakhs)

As at 31st March, 2023      As at 31st March, 2022

### Note - 16

#### OTHER EQUITY

Capital Reserve	156.83	156.83
Securities Premium Reserve	967.00	967.00
Capital Redemption Reserve	229.53	229.53
General Reserve	1,933.17	1,933.17
Amalgamation Reserve	139.00	139.00
Other Comprehensive Income	(45.49)	(45.69)
Foreign Exchange Translation Reserve	(1.18)	—
Retained Earnings	3,315.58	3,977.65
	<u>6,694.44</u>	<u>7,357.49</u>

#### Nature and purpose of other the reserves :

- Capital reserve** : Capital reserve created at the time of acquisition. The reserve will be utilised in accordance with the provisions of the Act.
- Securities Premium Reserve** : Securities premium reserve is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Act.
- Capital Redemption Reserve** : Capital redemption reserve is being created by transfer from Retained earnings at the time of buy back of equity shares in accordance with the Act. The reserve will be utilised in accordance with the provisions of the Act.
- General Reserve** : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- Amalgamation Reserve** : The Amalgamation reserve is created for amalgamation of Brite Automotive and Plastics Limited with Bright Brothers Limited pursuant to the Scheme of amalgamation being sanctioned by the High Court. This reserve is utilised in accordance with the provisions of the Act.
- Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Revaluation Reserve** : Revaluation reserve represents the revalued of certain fixed assets as on 30.06.1993 as per the Valuation report dated 16.11.1993 submitted by Professional Valuers, appointed for the purpose by the Company. The reserve will be utilised in accordance with the provisions of the Act.



## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 17</b>		
<b>BORROWINGS</b>		
<b>Non current borrowings</b>		
<b>SECURED</b>		
<b>Term loans from banks</b>		
Borrowings-Car Loan	69.33	98.23
Borrowings-Bank	1,492.53	964.97
	<u>1,561.86</u>	<u>1063.2</u>
Less : Current maturity of long term borrowing (Refer Note 48 and 50)	357.71	494.57
	<u><u>1,204.15</u></u>	<u><u>568.63</u></u>
<b>Current borrowings</b>		
<b>SECURED</b>		
<b>Term loans from banks</b>		
Borrowings-Car Loan	31.34	28.90
Borrowings-Bank	326.37	465.67
	<u>357.71</u>	<u>494.57</u>
<b>Note - 18</b>		
<b>LEASE LIABILITIES</b>		
Non-current lease liabilities (Refer note 42)	240.70	—
	<u>240.70</u>	<u>—</u>
Current lease liabilities borrowings (Refer note 42)	19.35	—
	<u>19.35</u>	<u>—</u>
<b>Note - 19</b>		
<b>LOAN</b>		
<b>UNSECURED</b>		
Loan - Related parties	18.00	156.05
	<u>18.00</u>	<u>156.05</u>
<b>Note - 20</b>		
<b>PROVISIONS</b>		
<b>Non current provisions</b>		
Leave Encashment	68.58	92.03
	<u>68.58</u>	<u>92.03</u>
<b>Current provisions</b>		
Leave Encashment	26.53	19.43
	<u>26.53</u>	<u>19.43</u>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

		(₹ in Lakhs)
		As at
		As at
		31st March, 2023
		31st March, 2022
<b>Note - 21</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>(A) Deferred Tax Liabilities</b>		
(i) Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting.	198.79	213.11
<b>Gross deferred tax liability (A)</b>	<u>198.79</u>	<u>213.11</u>
<b>(B) Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis</b>		
(i) Other item giving rise to timing difference / Unabsorbed business loss	185.57	—
<b>Gross deferred tax assets (B)</b>	<u>185.57</u>	<u>—</u>
<b>Net deferred tax liabilities (A-B)</b>	<u>13.22</u>	<u>213.11</u>

### Note - 22

#### LOAN

##### UNSECURED

Loan - Related parties	143.16	153.00
	<u>143.16</u>	<u>153.00</u>

### Note - 23

#### TRADE PAYABLES

Trade Payable to related Parties	10.05	11.27
– Total outstanding dues of micro enterprises and small enterprises; and	147.55	199.48
– Total outstanding dues of creditors other than micro enterprises and small enterprises	3,380.47	2,411.49
	<u>3,538.07</u>	<u>2,622.24</u>

#### Dues to micro, small and medium enterprises

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). According to such identification, the disclosure in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	147.55	199.48
– Principal amount due to micro and small enterprises	—	—
– Interest due on above	—	—
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	—	—
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	—	—
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	—	—

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

Further, the Company generally makes payment to all its suppliers within the agreed credit period (less than 45 days) and thus, the management is confident that no liability of interest under this Act, is expected to arise.

Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium enterprises at the balance sheet date under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

### Trade Payables Ageing Schedule:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Due for more than 1 year or but less than 2 year		Due for more than 2 year or but less than 3 year		
		Less than 1 year	Due for more than 1 year or but less than 2 year	Due for more than 2 year or but less than 3 year	Due for more than 3 year	
"Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 & 31st March 2022 is as follows:"						
<b>As at 31 March, 2023</b>						
i) Micro, small and medium enterprises	89.64	57.91	—	—	—	147.55
ii) Creditors other than micro, small and medium enterprises	2,360.83	998.78	16.93	2.68	11.30	3,390.52
iii) Disputed dues – Micro, small and medium enterprises	—	—	—	—	—	—
iv) Disputed dues other than micro, small and medium enterprises	—	—	—	—	—	—
<b>As at 31 March, 2022</b>						
i) Micro, small and medium enterprises	143.31	56.17	—	—	—	199.48
ii) Creditors other than micro, small and medium enterprises	1,478.22	904.21	34.25	2.22	3.86	2,422.76
iii) Disputed dues – Micro, small and medium enterprises	—	—	—	—	—	—
iv) Disputed dues other than micro, small and medium enterprises	—	—	—	—	—	—
						(₹ in Lakhs)
						As at
						31st March, 2023
						As at
						31st March, 2022

### Note - 24

#### OTHER FINANCIAL LIABILITIES

Unpaid dividends	19.05	21.56
Sales Invoice Finance -(Refer Note 48 and 50)	3,131.41	3,710.15
Other Financial liabilities	1.20	1.35
	<u>3,151.66</u>	<u>3,733.06</u>

### Note - 25

#### OTHER CURRENT LIABILITIES

Statutory dues	49.28	321.84
Employee payables	150.01	140.45
Revenue received in advance	241.60	—
Security Deposit (Liabilities)	2.56	2.56
Other liabilities	336.51	482.52
	<u>779.97</u>	<u>947.36</u>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 26</b>		
<b>CURRENT TAX LIABILITIES (NET)</b>		
Provision for tax (net)	—	808.33
	<u>—</u>	<u>808.33</u>
<b>Note - 27</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Goods</b>		
Sale of Plastic Components	18,940.71	21,148.18
Hair Care and Beauty Products	455.53	375.74
Sale of Moulds	228.20	446.40
	<u>19,624.44</u>	<u>21,970.32</u>
<b>Sale of services</b>		
Job Work	1,049.16	1,055.03
<b>Total</b>	<u>20,673.60</u>	<u>23,025.35</u>
<b>Note - 28</b>		
<b>OTHER INCOME</b>		
Interest	13.44	2.56
Dividend	2.72	0.76
Net gain on sale of investments	95.52	98.09
Net gain on property, plant & equipments	2.41	0.21
Other non-operating income	38.37	30.43
Provision written back	30.00	—
	<u>182.46</u>	<u>132.05</u>
<b>Note - 29</b>		
<b>COST OF MATERIALS CONSUMED</b>		
<b>Cost of Raw Materials Consumed</b>		
Opening stock of raw materials	849.85	1,293.05
Add : Purchases	12,594.18	14,142.05
Less : Closing Stock of raw materials	905.90	849.85
	<u>12,538.13</u>	<u>14,585.25</u>
<b>(A)</b>	<u>12,538.13</u>	<u>14,585.25</u>
<b>Cost of components, packing, paints and plating charges consumed</b>		
Consumption of Components	989.37	947.65
Consumption of Packing	601.17	565.24
Consumption of Paints and Plating charges	155.47	70.89
	<u>1,746.01</u>	<u>1,583.78</u>
<b>(B)</b>	<u>1,746.01</u>	<u>1,583.78</u>
<b>Total (A+B)</b>	<u>14,284.14</u>	<u>16,169.03</u>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 30</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
Hair Care and Beauty products	265.43	222.43
	<u>265.43</u>	<u>222.43</u>
<b>Note - 31</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished goods/ work-in-progress and stock-in-trade	585.13	518.40
	110.64	63.78
<b>Inventories at the end of the year</b>		
Finished goods/ work-in-progress and stock-in-trade	396.32	585.13
	<u>157.35</u>	<u>110.64</u>
	<u>142.10</u>	<u>(113.59)</u>
<b>Note - 32</b>		
<b>OTHER OPERATING EXPENSES</b>		
Consumption of stores and spare parts	119.20	316.01
Power and fuel	930.23	869.35
Contract labour and sub-contract charges	1,023.18	969.14
Repairs to machinery	195.62	153.30
Repairs to mould	38.13	32.50
Other Maintenance Costs	53.28	48.16
	<u>2,359.64</u>	<u>2,388.46</u>
<b>Note - 33</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	1,982.48	1,788.68
Contribution to Provident fund and other fund	137.73	119.91
Staff welfare expenses	121.97	95.15
	<u>2,242.18</u>	<u>2,003.74</u>
<b>Note - 34</b>		
<b>FINANCE COSTS</b>		
Interest and discounting charges	298.13	375.71
Interest on lease liabilities	1.81	—
Interest on term loan	78.90	95.66
	<u>378.84</u>	<u>471.37</u>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 35</b>		
<b>OTHER EXPENSES</b>		
Security charges and other contract charges	108.29	105.53
Rent Expenses	218.61	183.94
Rates and taxes Expenses	9.09	37.90
Printing and stationery	18.05	21.05
Telephone & Internet Expenses	13.01	13.28
Insurance	54.21	57.41
Repairs		
- Building	11.85	19.99
- Others	14.48	12.37
Legal and professional fees	121.01	110.94
Directors sitting fees and commission	3.88	9.91
Postage & Courier Charges	7.97	4.05
Office & General Expenses	19.85	18.58
Payment to Auditors (Refer note no. 38)	9.88	6.12
Travelling and conveyance	174.89	108.52
Donations to Political Party	2.00	—
Expenditure towards corporate social responsibility (CSR) (Refer to note 53)	13.86	10.20
Sales promotion and commission	44.99	28.03
Freight and forwarding charges	397.77	211.76
Advertisement and sales promotions	8.77	21.61
Miscellaneous expenses	39.78	67.44
	<u>1,292.25</u>	<u>1,048.62</u>

### 36. Contingent Liabilities not provided for: Contingent Liabilities in respect of the following

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
<b>i. Claims against the company not acknowledged as debt</b>	612.09	670.70
Sales Tax, VAT and CST (including Interest and Penalty wherever applicable.)	446.25	468.85
Service Tax	—	66.66
Stamp Duty	36.75	36.75
Excise Duty	89.78	89.78
Employees Provident Fund	8.66	8.66
GST	30.65	—
<b>ii. Guarantees excluding financial guarantees</b>		
Guarantee given by the banks to the third parties on behalf of the company	—	—
<b>iii. Other money for which the company is contingently liable</b>		
Letters of credit opened by the bankers of the Company in favour of the third parties	—	—
Claims not acknowledged by the company	—	—

#### Notes:

- It is not possible to estimate the timings of outflow of the contingent liabilities.
- The Company do not expect any reimbursement in respect of the contingent liabilities.
- Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non-submission of required declaration forms in time due to non- receipt of the same from customers and/or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### 37. Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 265.15 lakhs (Previous year ₹ 10.00 lakhs)

### 38. Payments to Auditors:

Particulars	₹ in Lakhs	
	2022-23	2021-22
Audit fees	9.00	6.00
Others	0.55	0.12
Reimbursement of expenses	0.33	—
<b>Total Payment To Auditors</b>	<b>9.88</b>	<b>6.12</b>

### 39. Financial Instruments:

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the respective Notes to Financial Statements.

#### Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

#### (a) Financial assets

Instruments carried at fair value

Particulars	₹ in Lakhs					
	FVOCI (Equity instruments)	FVOCI (Other instruments)	Fair value through profit and loss	Instruments carried at amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2022</b>						
Investments	—	—	3,753.59	—	3,753.59	3,753.59
Trade receivables	—	—	—	6,360.15	6,360.15	6,360.15
Cash and cash equivalents	—	—	—	295.42	295.42	295.42
Other bank balances	—	—	—	24.64	24.64	24.64
Other financial assets	—	—	—	204.67	204.67	204.67
<b>Total</b>	<b>—</b>	<b>—</b>	<b>3,753.59</b>	<b>6,884.88</b>	<b>10,638.47</b>	<b>10,638.47</b>
<b>As at 31 March, 2023</b>						
Investments	—	—	1,533.73	—	1,533.73	1,533.73
Trade receivables	—	—	—	5,427.02	5,427.02	5,427.02
Cash and cash equivalents	—	—	—	282.19	282.19	282.19
Other bank balances	—	—	—	22.29	22.29	22.29
Other financial assets	—	—	—	888.80	888.80	888.80
<b>Total</b>	<b>—</b>	<b>—</b>	<b>1,533.73</b>	<b>6,620.31</b>	<b>8,154.04</b>	<b>8,154.04</b>

#### (b) Financial liabilities

Particulars	₹ in Lakhs			
	Fair value through profit and loss	At amortized cost	Total carrying value	Total fair value
<b>As at 31 March, 2022</b>				
Borrowings	—	1,063.20	1,063.20	1,063.20
Lease liabilities	—	—	—	—
Loan	—	309.05	309.05	309.05
Trade payables	—	2,622.24	2,622.24	2,622.24
Other financial liabilities	—	3,733.06	3,733.06	3,733.06
<b>Total</b>	<b>—</b>	<b>7,727.55</b>	<b>7,727.55</b>	<b>7,727.55</b>
<b>As at 31 March, 2023</b>				
Borrowings	—	1,561.86	1,561.86	1,561.86
Lease liabilities	—	260.05	260.05	260.05
Loan	—	161.16	161.16	161.16
Trade payables	—	3,538.07	3,538.07	3,538.07
Other financial liabilities	—	3,151.66	3,151.66	3,151.66
<b>Total</b>	<b>—</b>	<b>8,672.80</b>	<b>8,672.80</b>	<b>8,672.80</b>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### (c) Fair value hierarchy

The below table summarises the categories of financial assets and liabilities as at March 31, 2023, and March 31, 2022 measured at fair value

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March, 2022</b>				
<b>Equities</b>				
Equity Instruments	186.27	—	34.81	221.08
<b>Debt</b>				
Real Estate Fund	—	—	—	—
Structured Products	—	—	—	—
Liquid Mutual Funds	3,532.51	—	—	3,532.51
FMP Mutual fund	—	—	—	—
Preference Shares	—	—	—	—
Government Bonds	—	—	—	—
Bonds	—	—	—	—
Non-Convertible Debentures	—	—	—	—
<b>Total</b>	<b>3,718.78</b>	<b>—</b>	<b>34.81</b>	<b>3,753.59</b>
<b>As at 31 March, 2023</b>				
<b>Equities</b>				
Equity Instruments	179.28	—	19.76	199.04
<b>Debt</b>				
Real Estate Fund	—	—	—	—
Structured Products	—	—	—	—
Liquid Mutual Funds	1,334.69	—	—	1,334.69
FMP Mutual fund	—	—	—	—
Preference Shares	—	—	—	—
Government Bonds	—	—	—	—
Bonds	—	—	—	—
Non-Convertible Debentures	—	—	—	—
<b>Total</b>	<b>1,513.97</b>	<b>—</b>	<b>19.76</b>	<b>1,533.73</b>

Fair value of financial assets and liabilities measured at amortised cost:-

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Trade receivables	5,427.02	5,427.02	6,360.15	6,360.15
Cash and cash equivalents	282.19	282.19	295.42	295.42
Other bank balances	22.29	22.29	24.64	24.64
Other financial assets	888.80	888.80	204.67	204.67
<b>Total</b>	<b>6,620.31</b>	<b>6,620.31</b>	<b>6,884.88</b>	<b>6,884.88</b>
<b>Financial liabilities</b>				
Borrowings	1,561.86	1,561.86	1,063.20	1,063.20
Lease liabilities	260.05	260.05	—	—
Loan	161.16	161.16	309.05	309.05
Trade payables	3,538.07	3,538.07	2,622.24	2,622.24
Other financial liabilities	3,151.66	3,151.66	3,733.06	3,733.06
<b>Total</b>	<b>8,672.80</b>	<b>8,672.80</b>	<b>7,727.55</b>	<b>7,727.55</b>

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments, if any), trade payables, and other financial liabilities (except derivative financial instruments, if any) is considered to be equal to the carrying amount of these items due to their short-term nature. There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.



## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### 40. Risk Management:

#### Financial risk management objective and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The risk management policies aim to mitigate the following risks arising from the financial instruments: (a) Liquidity risk; (b) Market risk and (c) Credit risk.

#### (A) Financial risk factors

The Company's principal financial liabilities comprise borrowings, deposits from dealers and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to the following risk arising from the financial instruments: (a) Liquidity risk; (b) Market risk and (c) Credit risk.

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Market Risk - Foreign exchange	Financial assets and liabilities denominated in Foreign Currencies.	Cash flow forecasting; Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equities, Bonds, debentures, Mutual Funds	Sensitivity analysis; market fluctuations; credit rating	Continuous monitoring, Diversification
Credit risk	Cash and cash equivalents, trade receivables, investments, loans and other financial assets measured at fair /amortised cost.	Ageing analysis/ Credit ratings / Assets Coverage	Diversification in various class of assets, credit limits

#### (a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintaining sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

#### (i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured working capital credit facility from Banks	2,368.59	1,835.74

#### (ii) The following is the contractual maturities of the financial liabilities:

(₹ in Lakhs)

Particulars	Total Liability (undiscounted)	Less than 1 year	1-3 years	more than 3 years	Carrying amount as per Books
<b>As at 31 March, 2022</b>					
<b>Non-derivative liabilities</b>					
Borrowings	1,063.20	494.57	568.63	—	1,063.20
Lease liabilities	—	—	—	—	—
Loan	309.05	153.00	156.05	—	309.05
Trade payables	2,622.24	2,581.91	36.47	3.86	2,622.24

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

Particulars	Total Liability (undiscounted)	Less than 1 year	1-3 years	more than 3 years	Carrying amount as per Books
Other financial liabilities	3,733.06	3,733.06	—	—	3,733.06
<b>As at 31 March, 2023</b>					
<b>Non-derivative liabilities</b>					
Borrowings	1,561.86	357.71	760.32	443.83	1,561.86
Lease liabilities	260.05	19.35	78.47	162.24	260.05
Loan	161.16	143.16	18.00	—	161.16
Trade payables	3,538.07	3,507.16	30.91	—	3,538.07
Other financial liabilities	3,151.66	3,151.66	—	—	3,151.66

### (b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

#### (i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company has not entered into any transaction, in currency other than functional currency, for purchase of raw material or capital assets nor availed any foreign currency loans, which remains outstanding as at year end. Similarly, the Company does not have any assets/liabilities receivable/payable in foreign currency as at year end date. The Company is not exposed to any foreign currency.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's entire borrowings, Long term as well as short term, have fixed rate of interest and carried at amortized costs. The Company did not have any borrowings bearing variable rate of interest.

#### Exposure to Interest rate risk - Financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total borrowings	4,854.42	5,030.47
% of borrowings out of above bearing variable rate of interest		
1. Short term in nature	74.82%	85.71%
2. Long term in nature	25.18%	14.29%

Hence, the Company is not exposed to any interest rate risk.

#### (iii) Price risk

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

#### Exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Amount	%	Amount	%
<b>Equities</b>				
Quoted Equity Instruments	179.28	11.69%	186.27	4.96%
Other Equity Instruments	19.76	1.29%	34.81	0.93%
<b>Mutual Funds</b>				
Savings, Liquid & Other Fund Instruments	1,334.69	87.02%	3,532.51	94.11%
<b>Total</b>	<b>1,533.73</b>	<b>100.00%</b>	<b>3,753.59</b>	<b>100.00%</b>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### Investments in Equity Instruments and Mutual funds (including investment through Venture funds)

The Company's quoted equity instruments and in mutual funds are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L wherein the price fluctuations, based on the historical trends, are not very significant.

#### (c) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an on-going basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as;

- (i) Actual or expected significant adverse changes in business
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty

The company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

#### Provision for expected credit losses:

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Quality assets, low credit risk			
Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Standard assets, moderate credit risk			
Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 180 days past due	Substandard assets, relatively high credit risk	Life-time expected credit losses	Life-time expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due	Low quality assets, very high credit risk			

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make Contractual payments greater than 365 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Doubtful assets, credit-impaired	Asset is written off		

## Expected credit loss for loans, security deposits and investments:

As at 31 March, 2023

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	—	—	—	—
		Security and other deposits	—	—	—	—
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	—	—	—	—

As at 31 March, 2022

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	660.00	—	660.00	—
		Security and other deposits	—	—	—	—
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	—	—	—	—

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### Expected credit loss for trade receivables under simplified approach

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Not Due	4,891.84	5,845.90
Due for not more than 3 months	426.44	471.51
Due for more than 3 months or but less than 6 months	42.53	21.25
Due for more than 6 months	66.24	21.49
<b>Total</b>	<b>5,427.05</b>	<b>6,360.15</b>

#### (B) Commodity Risk

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

#### (C) Capital risk management

##### (a) The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total equity	7,262.46	7,925.09
Net Debt	1,700.87	1,076.83
<b>Total Capital (Borrowings and Equity)</b>	<b>8,963.33</b>	<b>9,001.93</b>
<b>Gearing Ratio</b>	<b>18.98%</b>	<b>11.96%</b>

(i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.

(ii) Equity comprises of all components including other comprehensive income.

##### (b) Dividend :

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Equity Shares:</b>		
Final dividend for the year ended March 31, 2022 of ₹ 5.00 per shares (March 31, 2021 of ₹ 2.50 per shares) fully paid share	284.01	142.00
Interim dividend for the year ended March 31, 2023 of ₹ NIL per shares (March 31, 2022 of ₹ NIL per shares) fully paid share	—	—

The Board of Directors have recommended a payment of final dividend of ₹ 1.00 per equity share of the face value of ₹ 10 each for the financial year ended 31st March, 2023. Final dividend is subject to approval of Shareholders.

#### 41. Disclosure Pursuant to Ind AS – 19 "Employee Benefits":

##### (a) Defined contribution plan

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary and other allowances as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expenses recognised during the year towards defined contribution plan is ₹ 104.81 lakhs (March 31, 2022 ₹ 106.76 lakhs).

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### (b) Defined benefit plan

#### (i) Gratuity:

In accordance with applicable laws, the company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employee on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under their respective Group Gratuity Schemes.

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of plan assets
<b>As at 31st March, 2021</b>	<b>278.64</b>	<b>328.47</b>
Current service cost	25.24	—
Interest expense/(income)	18.62	23.12
<b>Total amount recognised in profit or loss</b>	<b>43.86</b>	<b>23.12</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amounts included in interest expense/(income)	—	0.11
Net actuarial (gain)/loss	—	—
Adjustment to Opening Fair Value of Plan Asset		—
Change in experience	38.36	—
Change in demographic assumptions	—	—
Change in financial assumptions	(8.12)	—
<b>Total amount recognised in other comprehensive income</b>	<b>30.24</b>	<b>0.11</b>
Employer Contribution	—	33.06
Benefits payment	(8.89)	(8.89)
<b>As at 31 March, 2022</b>	<b>343.84</b>	<b>375.87</b>
<b>The net asset As at 31 March, 2022</b>	<b>32.03</b>	
<b>As at 31 March, 2022</b>	<b>343.84</b>	<b>375.87</b>
Adjustment to Opening Fair Value of Plan Asset	—	24.46
Current service cost	27.97	—
Interest expense/(income)	23.12	27.41
<b>Total amount recognised in profit or loss</b>	<b>51.09</b>	<b>27.41</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amounts included in interest expense/(income)	—	(0.69)
Net actuarial (gain)/loss	—	—
Change in experience	4.17	—
Change in demographic assumptions	—	—
Change in financial assumptions	(5.14)	—
<b>Total amount recognised in other comprehensive income</b>	<b>(0.97)</b>	<b>(0.69)</b>
Employer Contribution	—	7.84
Benefits payment	(36.38)	(36.38)
<b>As at 31 March, 2023</b>	<b>357.58</b>	<b>398.50</b>
<b>The net asset As at 31 March, 2023</b>	<b>40.92</b>	

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

The net liability disclosed above relates to funded/unfunded plans are as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Present value of funded obligations	(357.58)	(343.84)
Fair value of plan assets	398.50	375.87
<b>(Deficit)/Surplus of funded plan</b>	<b>40.92</b>	<b>32.03</b>
<b>Significant estimates: actuarial assumptions and sensitivity</b>		
<b>Financial assumption:</b>		
Discount rate	7.29%	7.10%
Salary escalation rate	4.00%	4.00%
<b>Demographic assumption:</b>		
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Employee Attrition rate		
0 to 40 Years	3.00%	3.00%
41 to 50 Years	2.00%	2.00%
51 to 58 Years	1.00%	1.00%
Retirement age	58 Years	58 Years
<b>Sensitivity analysis</b>		
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:		
<b>Discount rate</b>		
(a) Discount rate - 100 basis points	—	—
(b) Discount rate + 100 basis points	—	—
<b>Salary escalation rate</b>		
(a) Rate - 100 basis points	—	—
(b) Rate + 100 basis points	—	—

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>The major categories of plan asset are as follows:</b>		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Gilts	0.00%	0.00%
Pooled assets with an insurance company	100.00%	100.00%
Other	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The defined benefit obligations shall mature after year end March 31, 2023 as follows:

Year 1	—	—
Year 2	—	—
Year 3	—	—
Year 4	—	—
Year 5	—	—
Year 6-10	—	—

The weighted average duration of the defined benefit obligation is 8.35 years (Previous Year: 8.31 years).

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### (ii) Compensated Absences:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

### Risk exposure:

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

Investment risk/ Interest risk:	The Company is exposed to Investment/Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.
Longevity risk:	The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason
Salary risk:	The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation

### 42. Leases :

Under Ind AS 116 the nature of expenses in respect of operating lease has changed from "lease rent" to "depreciation cost" and "finance Cost" for the right-to use assets and for interest accrued on lease liability is 9% p.a.

The Weighted Average lessee's incremental borrowing rate applied to lease liabilities is 9% P.A.

#### (A) Lease liabilities are presented in the balance sheet as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current	19.35	—
Non-current	240.70	—
<b>Total</b>	<b>260.06</b>	<b>—</b>

#### (B) Right-of-use assets pertaining to the above as at 31 March 2023:

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Right-of-use assets</b>		
Opening balance	—	—
Add: Additions on account of new leases entered during the year	293.30	—
Less: Depreciation charged on the right-of-use assets	3.54	—
<b>Closing balance</b>	<b>289.76</b>	<b>—</b>

#### (C) The following are amounts recognised in statement of profit and loss:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets	3.54	—
Interest expense on lease liabilities	1.81	—
<b>Total</b>	<b>5.35</b>	<b>—</b>

#### (D) Break-up of the Contractual Maturities of lease liabilities on an undiscounted basis :

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Within 1 year	19.35	—
1 to 5 years	151.40	—
More than 5 years	89.31	—
<b>Total</b>	<b>260.06</b>	<b>—</b>



## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### (E) Amounts recognised in the statement of cash flows :

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Total cash outflow for leases	34.00	—

### (F) Short term lease rentals:

Rental expense recorded for short-term leases was ₹ 215.21 Lakhs for the year ended 31 March, 2023 (Previous Year ₹ 183.94 Lakhs)

## 43. Income Taxes:

### (A) Components of Income Tax Expense.

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>(a) Tax expense recognised in the Statement of Profit and Loss</b>		
<b>i) Current tax</b>		
Current year	—	652.66
Tax provision of earlier years	(111.13)	7.93
<b>Total current tax</b>	<b>(111.13)</b>	<b>660.59</b>
<b>ii) Deferred tax</b>		
Relating to origination and reversal of temporary difference	(199.97)	(3.59)
<b>Total deferred income tax expense/(credit)</b>	<b>(199.97)</b>	<b>(3.59)</b>
<b>Total i) + ii)</b>	<b>(311.10)</b>	<b>657.00</b>
<b>(b) Tax on Other Comprehensive Income</b>		
<b>i) Tax relating to items that will not be reclassified to profit or loss</b>		
Tax on realized gain of equity instruments	—	—
Tax on re-measurements of net defined benefit plans	—	—
Tax on equity instrument through other comprehensive income	—	—
<b>ii) Income tax on items that will be reclassified to profit or loss</b>		
Tax on debt instrument through other comprehensive income	—	—
<b>Total i) + ii)</b>	<b>—</b>	<b>—</b>

### (B) Reconciliation of tax expenses and the accounting profit for the year.

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
<b>Profit before tax</b>	<b>(653.31)</b>	3,852.96
<b>Enacted income tax rate in India</b>	<b>27.82%</b>	29.12%
Expected income tax expense during the year at statutory rate	—	1,121.98
Differences due to:		
Expenses not deductible for tax purposes	0.00	14.76
Exempt Income	—	—
Tax of earlier years reversed	—	—
Impact of Minimum alternate tax	—	652.66
Adjustment of C/F Losses / Difference in Tax Rate etc..	—	(446.31)
<b>Effective tax expenses</b>	<b>—</b>	652.66

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

### (C) The movement in deferred tax assets and liabilities.

(₹ in Lakhs)

Movement during the year ended March 31, 2022	Year Ended 31st March, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Year Ended 31st March, 2022
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	—	—	—	—
On depreciation	(216.70)	3.59	—	(213.11)
On fair valuation of financial assets	—	—	—	—
<b>Total</b>	<b>(216.70)</b>	<b>3.59</b>	<b>—</b>	<b>(213.11)</b>

Movement during the year ended March 31, 2023	Year Ended 31st March, 2022	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Year Ended 31st March, 2023
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	—	185.57	—	185.57
On depreciation	(213.11)	14.32	—	(198.79)
On fair valuation of financial assets	—	—	—	—
<b>Total</b>	<b>(213.11)</b>	<b>199.89</b>	<b>—</b>	<b>(13.22)</b>

#### 44. Other Comprehensive Income

Amounts recognised in Other Comprehensive Income i.e. Items that will not be reclassified to profit and loss in subsequent year includes Actuarial Gains/(Loss) on post-employment defined benefit plan (net of deferred tax)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Amounts recognised in Other Comprehensive Income i.e. Items that will not be reclassified to profit and loss in subsequent year includes Actuarial Gains/(Loss) on post-employment defined benefit plan (net of deferred tax)	0.28	(30.12)
Tax on above	(0.08)	8.77
Exchange differences in translating the financial statements of foreign operations	(1.18)	—
<b>Net Other Comprehensive Income/(Loss)</b>	<b>(0.98)</b>	<b>(21.35)</b>

#### 45. Income Tax Expenses Recognized in Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Tax on Other Comprehensive Income / (Loss)	(0.08)	8.77
<b>Total</b>	<b>(0.08)</b>	<b>8.77</b>

46. The Company is engaged in the activities relating to manufacture and sale of process plastics and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for the purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely process plastics. The geographical segments considered for disclosure are India and Rest of the World. All the manufacturing facilities are located in India.

- The Product wise break up – Please refer Note 27
- Geographical information.

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Revenue from external Customers		Non-Current Assets*	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022	Year Ended 31st March, 2023	Year Ended 31st March, 2022
India	20,673.60	23,025.35	4,746.40	4,156.52
Rest of World	—	—	—	—
<b>Total</b>	<b>20,673.60</b>	<b>23,025.35</b>	<b>4,746.40</b>	<b>4,156.52</b>

\* Non-Current Assets are used in the operations of the Company to generate revenues both in India and outside India

## (iii) Information about major customers

Revenue from sale of products to largest customers (greater than 10% of total sales) is ₹ 15,806.45 lakhs (March 31, 2022) ₹ 17,050.36 lakhs)

## 47. The disclosure as required by Ind AS 24 "Related Parties Disclosures" is as follows:

Names of related parties are as under:

## (a) Subsidiaries where control exists:

Bright Brothers LLC, Wholly-owned Subsidiary (Incorporated on 8th December, 2022)

## (b) Entities in which key managerial personnel are interested:

M/s. Quality Plastics

M/s. T.W. Bhojwani Leasing Pvt. Ltd.

## (c) Key Managerial Personnel:

Mrs. Devika Bhojwani - Whole Time Director DIN: 08355381

Mr. Suresh Bhojwani - Chairman & Managing Director DIN: 00032966

Mr. Karan Bhojwani - Whole-time Director DIN: 06423542 (w.e.f. 1st April, 2022)

Mr. Chirag Shah - Chief Financial Officer

Mrs. Sonali Pednekar - Company Secretary & Compliance Officer

## (d) Relatives of Key Managerial Personnel:

Smt. Hira Bhojwani

Ms. Ruchika Bhojwani - Chief Operating Officer

M/s. T.W. Bhojwani HUF

M/s. S. T. Bhojwani HUF

## (e) Other Related Parties:

Mr. K. P. Rao - Independent Director DIN : 00027577 (upto 7th April, 2022)

Dr. T. S. Sethurathnam - Independent Director DIN : 00042704

Mr. Anil Kumar Bhandari DIN: 00031194

Mr. K. Viswanath – Independent Director DIN: 00547132 (w.e.f. 27th May, 2022)

Mr. Indru Advani – Independent Director DIN: 02036028 (w.e.f. 1th April, 2023)

(₹ in Lakhs)

Name of the Wholly-owned Subsidiary	Amount invested towards Capital	
	2022-23	2021-22
Bright Brothers LLC	62.61	—

(₹ in Lakhs)

Particulars	Entities in which key managerial personnel are interested		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>(a) Remuneration</b>								
i) Mr. Suresh Bhojwani DIN : 00032966	—	—	91.91	91.91	—	—	—	—
ii) Mrs. Devika Bhojwani DIN: 08355381	—	—	12.91	10.24	—	—	—	—
iii) Mr. Karan Bhojwani	—	—	57.50	—	—	49.86	—	—
iv) Ms. Ruchika Bhojwani	—	—	—	—	29.87	29.87	—	—
v) Mr. Chirag Shah	—	—	72.46	72.46	—	—	—	—
vi) Mrs. Sonali Pednekar	—	—	8.37	8.37	—	—	—	—
	—	—	243.15	182.98	29.87	79.73	—	—

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Entities in which key managerial personnel are interested		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>(b) Warehousing Charges</b>								
i) Quality Plastics	14.40	14.40	—	—	—	—	—	—
	<b>14.40</b>	<b>14.40</b>	—	—	—	—	—	—
<b>(c) Royalty</b>								
i) Quality Plastics	3.81	3.90	—	—	—	—	—	—
	<b>3.81</b>	<b>3.90</b>	—	—	—	—	—	—
<b>(d) Purchase</b>								
i) Quality Plastics	10.34	5.69	—	—	—	—	—	—
	<b>10.34</b>	<b>5.69</b>	—	—	—	—	—	—
<b>(e) Loans Accepted/(Repaid)</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	(100.00)	(460.00)	—	—
ii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	—	(10.00)	—	—	—	—
iii) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	(45.00)	(15.00)
	—	—	—	(10.00)	<b>(100.00)</b>	<b>(460.00)</b>	<b>(45.00)</b>	<b>(15.00)</b>
<b>(f) Interest Paid</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	12.48	33.50	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	1.62	1.62	—	—	—	—
iii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	3.60	3.96	—	—	—	—
iv) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	3.83	4.72
	—	—	<b>5.22</b>	<b>5.58</b>	<b>12.48</b>	<b>33.50</b>	<b>3.83</b>	<b>4.72</b>
<b>(g) Dividend Paid</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	18.52	9.26	—	—
ii) Mr. Suresh Bhojwani DIN : 00032966	—	—	64.17	32.09	—	—	—	—
iii) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	2.07	1.03	—	—	—	—
iv) Mr. Karan Bhojwani	—	—	0.88	—	—	0.44	—	—
v) Ms. Ruchika Bhojwani	—	—	—	—	0.88	0.44	—	—
vi) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	0.03	0.02
vii) Mr. Anil Kumar Bhandari DIN: 00031194	—	—	—	—	—	—	0.05	0.03
viii) Mr. Chirag Shah	—	—	0.66	0.32	—	—	—	—
ix) M/s. T.W. Bhojwani Leasing Pvt. Ltd.	54.02	26.42	—	—	—	—	—	—
x) M/s. T.W. Bhojwani HUF	—	—	—	—	12.02	6.01	—	—
xi) M/s. S. T. Bhojwani HUF	—	—	—	—	1.00	0.50	—	—
	<b>54.02</b>	<b>26.42</b>	<b>67.78</b>	<b>33.44</b>	<b>32.42</b>	<b>16.65</b>	<b>0.08</b>	<b>0.05</b>

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Entities in which key managerial personnel are interested		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>(h) Sitting Fees &amp; Commission</b>								
i) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	—	1.45	—	—
ii) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	—	2.98
iii) Dr. T. S. Sethurathnam DIN : 00042704	—	—	—	—	—	—	1.14	2.74
iv) Mr. Anil Kumar Bhandari DIN: 00031194	—	—	—	—	—	—	1.43	2.74
v) Mr. K. Viswanath DIN : 00547132	—	—	—	—	—	—	1.31	—
	—	—	—	—	—	1.45	3.88	8.46
<b>(i) Gratuity</b>								
i) Mr. Karan Bhojwani	—	—	8.93	—	—	—	—	—
ii) Ms. Ruchika Bhojwani	—	—	—	—	6.34	—	—	—
iii) Mr. Chirag Shah	—	—	9.36	—	—	—	—	—
iv) Mrs. Sonali Pednekar	—	—	0.61	—	—	—	—	—
	—	—	18.90	—	6.34	—	—	—
<b>(j) Year End Balances</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.22</b>
<b>i) Receivable</b>								
1) Quality Plastics	4.11	4.11	—	—	—	—	—	—
	<b>4.11</b>	<b>4.11</b>	—	—	—	—	—	—
<b>ii) Trade Payable</b>								
1) Quality Plastics	10.05	11.27	—	—	—	—	—	—
	<b>10.05</b>	<b>11.27</b>	—	—	—	—	—	—
<b>iii) Unsecured Loans Payable</b>								
1) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	102.00	203.99	—	—
2) Mr. Suresh Bhojwani DIN : 00032966	—	—	18.36	18.36	—	—	—	—
3) Mrs. Devika S. Bhojwani DIN: 08355381	—	—	40.80	40.80	—	—	—	—
4) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	—	45.90
	—	—	<b>59.16</b>	<b>59.16</b>	<b>102.00</b>	<b>203.99</b>	—	<b>45.90</b>
<b>iv) Sitting Fees &amp; Commission Payable</b>								
1) Smt. Hira T. Bhojwani DIN : 00032997	—	—	—	—	—	0.61	—	—
2) Mr. K. P. Rao DIN : 00027577	—	—	—	—	—	—	—	1.22
3) Dr. T. S. Sethurathnam DIN : 00042704	—	—	—	—	—	—	0.20	1.22
4) Mr. Anil Kumar Bhandari DIN: 00031194	—	—	—	—	—	—	0.20	1.22
5) Mr. K. Viswanath DIN : 00547132	—	—	—	—	—	—	0.20	—
	—	—	—	—	—	0.61	<b>0.60</b>	<b>3.66</b>
<b>v) Remuneration Payable</b>								
1) Mr. Suresh Bhojwani DIN : 00032966	—	—	4.32	4.32	—	—	—	—
2) Mrs. Devika Bhojwani DIN: 08355381	—	—	0.93	0.46	—	—	—	—
3) Mr. Karan Bhojwani	—	—	2.75	—	—	2.25	—	—
4) Ms. Ruchika Bhojwani	—	—	—	—	1.55	1.62	—	—
5) Mr. Chirag Shah	—	—	3.81	5.37	—	—	—	—
6) Mrs. Sonali Pednekar	—	—	0.60	0.60	—	—	—	—
	—	—	<b>12.41</b>	<b>10.75</b>	<b>1.55</b>	<b>3.87</b>	—	—

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

- (i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back
- (ii) The related parties are as identified by the Company and relied upon by the Auditors.

### 48. Assets provided as security

- (a) Vehicle loans are taken from the banks against hypothecation of the vehicles purchased, repayable in 60 monthly instalments with interest rates ranging from 7.40% to 8.40%.
- (b)
  - (i) Term loan from Kotak Mahindra Bank are secured against all existing and future receivables/current assets/movable assets/movable fixed assets with the term loan of 7.50 Cr carry interest at 1.15% p.a. over and above the 3 months MCLR (as at 31.03.23 is 8.65%) payable in monthly basis. The term loan monthly instalment payable @ 19.98 lakhs, last instalment due in June 2023.
  - (ii) Working Capital Term Loan from Kotak Mahindra Bank are secured against charge on all existing and future receivables/current assets/movable assets/movable fixed assets with the Working Capital Term Loan of 7.45 Cr carry interest rate shall be floating for the entire loan tenor. Applicable floating ROI as on date of offer is 7.50% p.a. with moratorium of 12 months. The monthly instalment payable @ 23.17 lakhs, first instalment due in February 2022 last instalment due in January 2025.
  - (iii) Sales Invoice Financing from Kotak Mahindra Bank are secured against on all existing and future receivables/current assets/movable assets/movable fixed assets with the Sales Invoice Financing of 55.00 Cr carry interest at 0.45% p.a. over and above the 3 months MCLR (as at 31.03.23 is 8.65%).
  - (iv) Term loan from Yes Bank are secured against on all existing and future receivables/current assets/movable assets/movable fixed assets/Fixed Deposit lien marked in favour of YBL with the term loan of 9.76 Cr carry EBLR + 2.50% P.A. (as at 31.03.23 is 6.25%) payable in monthly basis. The term loan tenor 72 month(s) (6 Years including 12 months moratorium), last instalment due in January 2029.
- (c) The collateral security (Applicable for all facilities) secured by way of mortgage over Puducherry and Bhimtal Properties.

### 49. Earnings Per Share (EPS):

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Profit/(Loss) after tax (PAT) available for equity shareholders (before exceptional items)	(378.06)	262.76
Profit/(Loss) after tax (PAT) available for equity shareholders (after exceptional items)	(378.06)	3,195.96
Weighted average number of equity Shares (In nos.)	5680235	5680235
Nominal value of equity Shares (In ₹)	10.00	10.00
Basic earning per share (Before exceptional Income/Loss) (In ₹)	(6.66)	56.26
Diluted earning per share (Before exceptional Income/Loss) (In ₹)	(6.66)	56.26
Basic earning per share (After exceptional Income/Loss) (₹)	(6.66)	56.26
Diluted earning per share (After exceptional Income/Loss) (₹)	(6.66)	56.26

### 50. Borrowings:

- i) The Company has not defaulted in repayment of any borrowings from any lenders and interest as on the balance sheet date.
- ii) Borrowings are not guaranteed by personal guarantee of any of the director.
- iii) Statement of current assets filed by the Company with banks vis a vis the books of account.

(₹ in Lakhs)

Quarter	Inventories and Trade receivables as per the books of accounts	Inventories and Trade receivables as per the Stock statement	(Short)/Excess	Remarks
Jun-22	8,520.20	8,349.13	171.07	Adjustment for provisions write-offs, floor stock in books of accounts at the time of finalisation
Sep-22	6,777.57	6,843.25	(65.68)	Not Material
Dec-22	6,071.34	6,091.02	(19.68)	Not Material
Mar-23	7,295.25	7,535.43	(240.18)	Adjustment for provisions write-offs, floor stock in books of accounts at the time of finalisation

- iv) Borrowings from banks used for the specific purpose for which it was taken as at the balance sheet date.

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

51. Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015):

The Company has not given loans and advances in the nature of loans.

52. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023.

53. **Details of Corporate Social Responsibility:**

(a) Sr. No.	Particulars	2022-23 (₹ in Lakh)	2021-22 (₹ in Lakh)
1	Amount required to be spent as per Section 135 of Companies Act 2013	10.64	10.06
2	Amount spent during the year		
	(a) Construction/Acquisition of Assets	—	—
	(b) On purpose other than above	10.72	10.20
3	Excess amount spent under Section 135 (5)		
	(a) Carried forward opening balance Excess/Short*	—	—
	(b) Amount required to be spent during the year	10.64	10.06
	(c) Actual amount spent/incurred during the year	10.72	10.20
	(d) The excess amount spent at the end of the year out of the amount required to be spent by the Company during the year	0.08	0.14
4	Nature of CSR activities	Programmes for welfare & sustainable development of the community at large	
5	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	No CSR transaction has been entered into with a related party	No CSR transaction has been entered into with a related party

\* The excess amount spent on CSR during the financial year ended 31st March, 2022 was not carried forward in the next year.

(b) Sr. No.	Particulars	2022-23 (₹ in Lakh)	2021-22 (₹ in Lakh)
1	Health care	4.00	5.00
2	Setting up homes and hostels for orphans	1.12	0.50
3	Animal welfare	2.00	3.00
4	Education	1.10	1.20
5	Eradicating malnutrition	1.50	—
6	Training to promote sports activity	1.00	—
7	Empowering women	—	0.50
	<b>Total</b>	<b>10.72</b>	<b>10.20</b>

54. **Other Statutory Information :**

- The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- During the year ended March 31, 2023, the company has not revalued any property, plant and equipment and intangible assets.

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

- iii) There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting periods.
- iv) The Company do not have any transactions with companies struck off.
- v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- vi) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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 to or on behalf of the Ultimate Beneficiaries
- viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- 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.
- ix) Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961”.
- xi) The Company have not declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- xii) The title deeds of the freehold & leasehold lands, Buildings are registered in the name of the Company. No deeds are pending for registration in this regard.
55. The previous period's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials have been rounded off to nearest lakhs rupees.
56. **Information about subsidiary:**
- The consolidated financial statements includes information of the below mentioned subsidiary:
 

(₹ in lakhs)

Name	Country of incorporation	Controlling interest	Year ended 31st March, 2023	Year ended 31st March, 2022
Bright Brothers LLC	United States of America	100%	62.61	Nil
  - The financial statements of each of the subsidiary are drawn up to the same reporting date i.e. year ended 31st March, 2023, for the purpose of consolidation.
57. There is only one foreign subsidiary company with insignificant transactions.



## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

58. Additional Information to be given as required under Schedule III of the Companies Act 2013.

(₹ in lakhs)

Sr. No.	Name of the Entity	31st March, 2023						31st March, 2022									
		Net Assets i.e Total Assets Minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Assets i.e Total Assets Minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Comprehensive income	Amount	As % of consolidated OCI	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Comprehensive income	
	Parent																
1	Bright Brothers Limited	100.51%	7,299.49	90.52%	(342.21)	(19.95%)	0.20	90.25%	(342.01)	—	—	—	—	—	—	—	—
	Foreign Subsidiaries																
1	Bright Brothers LLC	(0.51%)	(37.03)	9.48%	(35.85)	119.95%	(1.18)	9.77%	(37.03)	—	—	—	—	—	—	—	—
		100.00%	7,262.46	100.00%	(378.06)	100.00%	(0.98)	100.00%	(379.04)	—	—	—	—	—	—	—	—

## Notes of the Consolidated Financial Statements for the year ended 31st March, 2023

59. The previous period's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials have been rounded off to nearest lakhs rupees.

Notes 1 to 59 Form an Integral part of Consolidated Financial Statements.

As per our Report annexed  
For GMJ & Co  
Firm Registration No.: 103429W  
Chartered Accountants

CA Madhu Jain  
Partner  
Membership No. 155537  
UDIN : 231555 37BGWQ GJ9250

Mumbai, 24th May 2023

Mr. Chirag Shah  
Chief Financial Officer

Mrs. Sonali Pednekar  
Company Secretary &  
Compliance Officer

For and on behalf of the Board of Directors

Mr. Suresh Bhojwani  
DIN: 00032966

Chairman &  
Managing Director

Mr. Karan Bhojwani  
DIN: 06423542

Whole Time Director

Mr. K.Viswanath  
DIN: 00547132

Dr. T. S. Sethurathnam  
DIN: 00042704

Mr. Anil Kumar Bhandari  
DIN: 00031194

Mr. Indru Advani  
DIN: 02036028

Independent Directors



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