



# STERLING BIOTECH LIMITED

CIN No. L51900MH1985PLC035738

Regd. Office. : 43 Atlanta Building, Nariman Point, Mumbai-400 021.

Tel. : +91(22) 6630 6732, 6630 6733 \* Fax : +91 (22) 2204 1954

Date: 20<sup>th</sup> September, 2022

To,  
**BSE Limited  
Limited**  
Listing Department  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai – 400 001

To,  
**National Stock Exchange India**

Exchange Plaza, 5th Floor,  
Plot No. C-1, Block G,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051

Scrip Code – 512299  
ISIN - INE324C01038

Symbol - STERLINBIO  
ISIN - INE324C01038

**Subject: Submission of Audited Financial Statements for the Financial Year 2021-22.**

Dear Sir/Madam,

With reference to the subject matter, Please find attached herewith Audited Financial Statement for the financial year ended on 31<sup>st</sup> March 2022 of Sterling Biotech Limited (Under Liquidation) along with Auditors' Report.

You are requested to take the same on the records and oblige.

Thanking You,

Yours Faithfully,

**For Sterling Biotech Limited (Under Liquidation)**

**MAMTA** Digitally signed by  
BINANI MAMTA BINANI  
Date: 2022.10.12  
12:11:54 +05'30'

**Dr. (h.c.) Adv Mamta Binani**  
**Liquidator of Sterling Biotech Limited**  
**In the matter of Sterling Biotech Limited (under Liquidation)**  
**Registration No.: IBBI/IPA-002/IP-N00086/2017-18/10227**  
**liquidatorsterlingbiotech@gmail.com (process specific)**  
**mamtabinani@gmail.com (registered with IBBI)**  
**Address of the Liquidator registered with IBBI:**  
**2A, Ganesh Chandra Avenue, Commerce House**  
**Fourth Floor, Room no.6, Kolkata 700013**



To the Liquidator of  
**Sterling Biotech Limited**

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

#### Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of **Sterling Biotech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as '**Standalone Financial Statements**').

We do not express an opinion on the accompanying Standalone Financial Statements of the Company, because of the significance of the matters described in the Basis for Disclaimer of Opinion section of this report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

#### Basis for Disclaimer of Opinion

We are unable to determine the consequential impact of certain specific transactions / matters and disclosures on the Standalone Financial Statements. Such specific transactions / matters include:

##### 1. Material uncertainty relating to Going Concern

We draw attention to **Notes No. 1 and 15** read with **Notes No. 21** of the Standalone financial statements, which indicate that –

- a) As explained in the **Note No. 1** of the Standalone Financial Statements, the Company was admitted to corporate insolvency resolution process ('CIRP') vide order of the National Company Law Tribunal ("NCLT"), Mumbai Bench, dated June 11, 2018. The claims of financial creditors admitted under CIRP were **Rs. 9,03,077 lakhs**.

The promoters made an application for One Time settlement ('OTS') of dues payable to financial creditors of the Company amounting to **Rs. 3,10,920 Lakhs**. Andhra Bank (lead banker for the Consortium for Financial Creditors) has made an application to National Company Law Tribunal, Mumbai Bench (NCLT) to withdraw Corporate Insolvency Resolution Process (CIRP) and accept the One Time Settlement offer made by the promoters and approved by the Committee of creditors. The Hon'ble NCLT, Mumbai Bench, vide Order dated May 8, 2019 rejected the withdrawal of CIRP under section 12A and ordered liquidation of the company on a going concern basis, as per the provisions of the IBC as there was no resolution plan persisting for the company at that point in time.

Being aggrieved and dissatisfied by the said Order, various affected parties approached the Hon'ble National Company Law Appellate Tribunal, New Delhi Bench, against the Order dated May 8, 2019. The Hon'ble NCLAT vide Order dated August 28, 2019 has set aside the Order dated May 8, 2019 passed by the Hon'ble NCLT, Mumbai Bench and approved withdrawal of CIRP subject to the compliance of Terms and Conditions under Section 12A of the Code.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The Hon'ble NCLAT made further clarifications on November 18, 2019 to its order dated August 28, 2019 providing 30 days to give effect to the settlement offer under Sec. 12A by the promoters of the company failing which the order of Hon'ble NCLAT dated August 28, 2019 shall be recalled and the order dated May 8, 2019 by Hon'ble NCLT Mumbai shall stand restored and directed the Resolution Professional to continue till the process is completed under Section 12A.

The 30 days' time limit was extended up to March 31, 2020 by the Supreme Court. Subsequently, the matter was taken up by the Hon'ble Supreme Court on January 11, 2021, wherein the case was directed to be listed in the First week of February, 2021. Consequently, the case was taken up after few adjournments finally on February 22, 2021, wherein the Hon'ble Supreme Court inter-alia dismissed the Miscellaneous Application filed by Richmond Investments Private Limited.

Therefore, the status quo, granted by the Hon'ble Supreme Court also came to an end and pursuant to the order passed by the Hon'ble NCLAT dated November 18, 2019, the order of Hon'ble NCLAT dated August 28, 2019 stands recalled and the order of liquidation dated May 08, 2019 passed by the Adjudicating Authority stands restored and the Liquidator appointed by the Adjudicating Authority stands reinstated on February 22, 2021 and the Liquidation Process under the Insolvency & Bankruptcy Code, 2016 has begun.

Further as per the latest list of stakeholders (Version 2) dated February 14, 2022 issued by the liquidator, the claim of all the creditors amounting to **Rs. 10,08,480.26 Lakhs** has been admitted.

The liquidator had put a newspaper advertisement on July 21, 2021 in local & national newspapers inviting bids for acquisition of the Company as a whole, on a going concern basis, through an E-Auction process at reserve price of Rs. 548.46 crore. The last day for Submission of EOI along with Supporting Documents and EMD by the Bidder was on August 5, 2021. Further last day for Verification of EOI, Supporting Documents and EMD by the Liquidator was August 20, 2021. The detailed process is listed in the original process document dated October 21, 2021 which is being amended from time to time and same has been hosted on company's websites.

Initially, five (5) Bidders were declared as the Qualified Bidders, pursuant to the Process Document Version 1.0 dated 21.07.2021 issued with respect to e-Auction of Sterling Biotech Limited, as a whole, on a Going Concern basis. However, after due diligence conducted by such Bidders, all five Bidders withdrew from the Bidding Process. Subsequently, a Process Document Version 2.0 dated 21.10.2021 was issued for e-auction of Corporate Debtor as a whole, on a going Concern basis. Based on Process Document Version 2.0 dated 21.10.2021, five (5) Bidders were declared as the Qualified Bidders. Out of the said total five (5) Qualified Bidders, only four (4) Qualified Bidders had registered on the e-Auction portal and one (1) Qualified Bidder had withdrawn from the Bidding Process. On 31.01.2022, Hon'ble NCLT passed an Order directing to maintain a Status Quo in the matter of I.A. No. 212 of 2022. Further, on 28.03.2022, Hon'ble NCLT was pleased to vacate such Status Quo, due to which, the e-Auction process was resumed. On 04.04.2022 e-Auction was conducted and the Liquidator declared Perfect Day Inc. as the Successful Bidder on 05.04.2022. The Successful Bidder then filed an application bearing I.A. no. 1585 of 2022 in CP 490 of 2018 inter-alia seeking approval of the Acquisition Plan with Hon'ble NCLT.

- b) Although the company has positive cash profits, the Company has incurred net loss during the current and the previous year and has a negative net worth at the end of March 31, 2022.
- c) The Company's current liabilities exceed the current assets as at the balance sheet date.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- d) The Government of India, Ministry of Corporate affairs vide order F No 3/107/2018-CL II (WR) dated April 10, 2018 has ordered Investigation into the affairs of the Company under Sec 212(1) (c) of the Companies Act, 2013 by Serious Fraud Investigation Office and the Director, SFIO vide order no SFIO 2017-18/V/13513/2018 dated April 13, 2018 and has appointed Shri Dheeraj Kumar (Senior Assistant Director) as Investigation Officer under Sec 212(4) of Companies Act, 2013. Further the Enforcement Directorate has made an allegation against directors for criminal conspiracy with dishonest intention to cheat Andhra Bank and other public sector banks as per applicable provisions of Prevention of Money Laundering Act, 2002 and has attached the assets of the company. This matter is sub-judice and the impact, if any of the enquiry is unascertainable till the date of the adoption of these Standalone Financial Statements.
- e) The company has extended corporate guarantee for borrowings included in claims admitted **Rs. 9,03,077 lakhs** as per point (a) above. However, the matter is sub judice and the outcome is unascertainable till the date of adoption of these Standalone Financial Statements.
- f) The manufacturing activities of the Ooty plant of the Company have been temporarily discontinued with effect from June 28, 2018 due to alleged non-compliance of environmental norms after a change in stipulation of laws in the state of Tamil Nadu. The matter is currently under trial with the Environmental Pollution Control Board of Tamil Nadu and the plant is closed till the date of the adoption of these Standalone Financial Statements.

Pending the outcome of the matters described in the paragraph 1 to 17 and the matters disclosed in (a) to (f) above, and possible impact thereof, we are unable to obtain sufficient appropriate audit evidence as to whether the Company will be able to service its debts, realize its assets and discharge its liabilities as and when they become due over the period of next 12 months. Accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern.

### 2. Corporate Guarantees and claims admitted

We draw attention to **Note No. 21** read with **Note No. 1 and 16**, which indicates that:

- a) The borrowings from Banks and financial Institutions as per Standalone financial statement is **Rs. 6,08,592.05 lakhs** as on March 31, 2022 after considering Foreign Currency Loan/ECB. No Interest provision is made after June 11, 2018 i.e. after commencement of Corporate Insolvency Resolution Process (CIRP).
- b) As mentioned in **paragraph 1 (a)** above and based on the records available in public domain as of February 11, 2019, the claims admitted as per "List of Claims" is **Rs. 9,03,077 lakhs** against total claims received from financial creditors **Rs.15,01,373 lakhs** against outstanding liabilities during the CIRP.
- c) These claims include claims admitted in relation to corporate guarantee provided by the company on behalf of the group companies which are not accounted for in the books of accounts. The matter is still pending.
- d) As mentioned in **paragraph 1 (a)** above and based on the records available in public domain as of February 14, 2022, the claims admitted as per "List of Claims (Version 2)" dated February 14, 2022 is **Rs. 10,08,480.26 lakhs** against total claims received from all the creditors **Rs. 16,06,648.29 lakhs** against outstanding liabilities during the Liquidation Process.





## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 3. Carrying Value of Plant, Property and Equipment ("PPE")

- a) We draw attention to **Note No. 3** that we have not been provided with the fixed assets register disclosing full particulars including quantitative details, asset's physical location, gross value and net block value of the property plant and equipment owned by the Company.
- b) As informed by Company, it had not carried out the assessment of Provision/Impairment of Property Plant and Equipment as required under "**Ind AS 36-Impairment of Assets**" and Accordingly, we are unable to conclude on the carrying value of Property Plant and Equipment and the consequential impact, if any, on the Standalone Financial Statement.
- c) We draw attention to **Note No. 4** of the Standalone Financial Statement that Company has received termination letter dated July 20, 2021 for SEZ Lease agreement for Baruch, Gujarat dated March 26, 2010 and Facility Agreement dated March 29, 2012 from the Resolution Professional of Sterling SEZ Infrastructure Limited. The Company through its Liquidator has challenged the same before the Hon'ble NCLT, Mumbai Bench on August 09, 2021. Subsequently the Company has made the payment of outstanding facility maintenance charges and lease rental along with interest amounting to Rs.851.20 Lakhs.

### 4. Investment of Property

Disclosure of Fair Value of Investment Property is not made as the latest fair value report is not available with the management.

### 5. Investments

We draw attention to **Note No. 6** read with **Note No. 35** of the Standalone Financial Statements, which indicates the investment of **Rs. 1,58,402 lakhs** of the Company in unquoted equity shares of various companies. The company has recorded an impairment adjustment of **Rs. 1,58,402 lakhs** against this amount FY 2018-2019. In absence of documentation, market-based assumptions and adequate valuation, we are unable to comment on the completeness, existence, valuation, rights and obligation and presentation and disclosure of the equity shares (unquoted) and impairment adjustment recorded in the Standalone Financial Statements.

### 6. Deferred Tax Assets

We draw attention to **Note No. 7** of the Standalone Financial Statements, in respect of recognition of deferred tax asset of **Rs. 54,560.02 Lakhs** (March 31, 2021 **Rs. 55,121.05 lakhs**).

During the year company has made reversal of deferred tax asset of **Rs. 561.03 lakhs** from brought forward deferred tax assets of **Rs. 55,121.05 lakhs**. Accuracy of deferred tax assets could not be ascertained due to incomplete details of FAR (as mentioned in paragraph 3 of our report).

At this point of time and in absence of convincing evidence we cannot ascertain that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with **Ind AS 12 "Income Taxes"**. Had the aforesaid deferred tax assets not been recognised, loss after tax for the year ended March 31, 2022 would have been higher by **Rs. 54,560.02 Lakhs** and other equity would have been lower by **Rs. 54,560.02 Lakhs**.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 7. Cash and Bank Balances

During our audit we have sent balance confirmation to banks/financial institutions for March 31, 2022. We have not received response to our request for such balance confirmations towards Bank Balances of **Rs. 183.18 lakhs** (March 31, 2021 **Rs. 191.90 lakhs**) and Fixed Deposit of **Rs. Nil** (March 31, 2021 **Rs. 8.39 lakhs**).

(Rs. In Lakhs)

Sr. No.	Particulars	Confirmation Matching with Books		Confirmation Not Received *		Difference in balance with confirmation **		Total No. of A/c's	Grand Total
		No. of A/c's	Amount	No. of A/c's	Amount	No. of A/c's	Amount		
1	Bank Balances	11	4,584.19	3	0.33	-	-	14	4,584.53
2	Fixed Deposit with maturity of >3 month but <12 month	1	15,255.77	-	-	-	-	1	15,255.77
3	In Fixed Deposits	5	10.47	-	-	1	182.84	6	177.51
	<b>Grand Total #</b>	<b>17</b>	<b>19,850.43</b>	<b>3</b>	<b>0.33</b>	<b>1</b>	<b>182.84</b>	<b>21</b>	<b>20,033.61</b>

\*In absence of confirmations, we are unable to determine whether any adjustments are required to the said balances as on **March 31, 2022** and related disclosures in Standalone Financial Statements.

\*\* In absence of detailed Bank Statement (Only Bank Balance Confirmation received), the Company has not made any adjustments to the Bank Balance and Fixed Deposit as on **March 31, 2022**.

# Includes Bank Balance and Fixed Deposits held outside India of **Rs. 221.02 Lakhs** (March 31, 2021 **Rs. 249.21 Lakhs**).

### 8. Contingent Liabilities

We draw attention to **Note No. 21** of the Standalone Financial Statements, the Government of India, Ministry of Corporate Affairs have instructed Serious Fraud Investigation Office and the Director, SFIO to initiate investigation into the affairs of the company.

First Information Report under Sec 154 of The Code of Criminal Procedure, 1973 suspecting criminal conspiracy and abuse of official position during the period 2005-2011 has been filed against Income Tax officers and Directors of the Company.

Further, Enforcement Directorate have made an allegation against directors for criminal conspiracy with dishonest intention to cheat Andhra Bank and other public sector banks as per applicable provisions of Prevention of Money Laundering Act, 2002 and has attached the assets of the company.

Pending outcome of the investigation, we are unable to determine the potential impact of non-compliance with applicable laws and determine whether any further adjustments that may be necessary to these Standalone Financial Statements.

### 9. Major Regulatory Non-Compliances

We are unable to comment on the impact, if any, on the Standalone Financial Statements for Non compliances relating to Holding of Annual General Meetings, and Secretarial Auditors and regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 10. Borrowings

Due to continuation of liquidation process, we have not received latest Bank Loan Statement and their confirmations from respective Banks and Financial Institution. In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of Standalone Financial Statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Standalone Financial Statements.

### 11. Compliance with IND AS

The Company has generally complied with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, Subject to **IND AS 1, IND AS 12, IND AS 16, IND AS 40 and IND AS 105** as observed in this Report at various places.

### 12. Non-Moving Inventories

We draw attention to **Note No. 9** of the Standalone Financial Statements which includes non-moving Inventories of **Rs. 91.43 lakhs** (As at March 31, 2021: **Rs. 92.51 lakhs**) at factory located at Ooty, Tamilnadu. There is no movement in the stock since the operations is closed at factory, as mentioned in Paragraph 1 of our report as Management believes that no adjustments to the carrying value of the inventories is required as those are regularly monitored, maintained and in usable/ saleable condition. As per **Ind AS - 2 'Inventories'** are to be Valued at the lower of cost and net realisable value. However, we are unable to comment on the realisable value of these Inventories together with consequential impact.

### 13. Information pertaining to Committee of Creditors

We have been informed by Liquidators that certain information; including the minutes of meetings of the Committee of Creditors and the outcome of valuation exercise carried out under the CIRP and Liquidation part of the Liquidation are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial impact, presentation and disclosures, if any, that may arise.

### 14. Advances for Capital goods & Advance to suppliers

We draw attention to **Note No. 8 & 12** which includes the balance of **Advances for Capital goods** of **Rs. 34.94 Lakhs** (March 31, 2021 **Rs. 33.45 Lakhs**) & **Advance to suppliers** of **Rs. 74.84 Lakhs** (March 31, 2021 **Rs. 74.84 Lakhs**) are receivable for a substantial period. The balances are subject to confirmations and reconciliations. The reported Standalone Financial Statement may have consequential impact upon the receipt of confirmations and reconciliation, if any, is made.

### 15. Assets Held for Sale

We draw attention to **Note no. 13(a)** that the company has reclassified the land situated at Vadodara, Gujarat, from "Property Plant and Equipment" to "Assets held for sale". As per **Ind AS 105 'Non-current assets held for sale and discontinued operations'** an entity shall measure a non-current asset classified as held for sale at the lower of its carrying amount and fair value less costs to sell/costs to distribute.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The Company has not determined the fair value as at the date of reclassification and has classified the land at its carrying value of Rs. 34.64 lakhs (March 31, 2021 Rs. 34.64 Lakhs). The same is not in compliance with Ind AS 105 and we are unable to ascertain on the financial impact of the same if any.

### 16. Advances to staff and Other Payables

We draw attention to Note No. 12 which includes Staff Advance of Rs. 63.37 lakhs (March 31, 2021 Rs. 63.37 lakhs) in absence of complete information of persons from whom it is receivable, management has not ascertained its recoverability. In absence of provision there against, the loss for the year is understated to that extent Standalone Financial Statements.

Further, we draw attention to Note No. 20 which includes other Payable of Rs. 37.29 Lakhs (March 31, 2021 Rs.37.29 Lakhs) in absence of complete information of persons to whom it is payable, we can't ascertain the financial impact if any on the Standalone Financial Statements.

### 17. Unpaid dividend

Unpaid Dividend of Rs. 42,89,045/- pertaining to financial year ended December, 2010 is transferred to Investor Education and Protection Fund by the Company on August 24, 2021. Unclaimed Dividend account is not recorded in the financial statement

As per section 124(6) of the Companies Act, 2013 (Act) provides that all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred to Investor Education and Protection fund, compliance for the same has not been done.

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

In view of ongoing Liquidation process, the Liquidator 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 Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report there on. These reports are not made available to us.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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





## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

The Hon'ble Supreme Court ("SC") has passed its Order dated February 22, 2021 for Liquidation of M/s Sterling Biotech Limited "as going concern". Dr. Mamta Binani who has already been appointed as the liquidator of the company by NCLT order no CP(IB) 490/MB/2018/457 dated May 13, 2019 will continue to be liquidator of the company.

The Liquidator shall exercise the powers and duties as enumerated in sections 35 to 50, 52 to 54 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

In view of ongoing liquidation process, The Liquidator is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters, related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Under sections 35 to 50, 52 to 54 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, it is incumbent upon liquidator to manage the operations of the Company as a going concern and the statements have been prepared on going concern basis.

### Auditors Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 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 IND AS financial statements, including the disclosures, and whether the 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 IND AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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. Since we have not expressed any opinion, no Key Audit Matter have been disclosed in the Audit Report.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016 (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 the paragraph 3 and 4 of the Order, to the extent applicable.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- I. As required by Section 143(3) of the Act, we report that:
- a) Due to the possible effects of the matters described in Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) In our opinion, we conclude that the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
  - e) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether such matters have any adverse effect on the functioning of the Company.
  - f) In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors have been suspended and be exercised by the Liquidator of the Company. Hence, written representation from directors have not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2022 from being appointed as a director in the terms of Section 164 (2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph;
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- II. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us.
- a) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion, we are unable to state whether the Standalone Financial Statements disclose the complete impact of pending litigations on its financial position.
  - b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
  - c) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion (**Paragraph 17**), we are unable to state whether there were any amounts which were required to be transferred during the year to the Investor Education and Protection Fund by the Company apart from the matter disclosed in the Emphasis of Matter paragraph.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

III. As required by **Section 197 (16)** of The Companies Act, 2013, we report that the Company has not paid remuneration to its directors. The compliances under the aforementioned section are not applicable.

- IV.
- a) according to the information and explanations given to us, no funds have been advanced / loaned / invested by the Company to or in any other person(s) or entity(ies), including foreign entities with the understanding, - that the intermediary shall, whether directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) and not provided any guarantee, security or the like on behalf of Ultimate Beneficiaries.
  - b) According to the information and explanations given to us, no funds have been received by the Company from person(s) or entity(ies), including foreign entities on behalf of the Ultimate Beneficiaries. Further the Company has not provided any guarantee or security to person(s) or entity(ies), including foreign entities on behalf of the Ultimate Beneficiaries.
  - c) On the basis of our examination of the books of accounts and following appropriate audit procedures considered reasonable and appropriate to the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of clause contain any material mis-statement.
- V. No dividend is declared or paid during the year by the Company with in the provisions of Section 123 of the Act, except as referred in Note 17 or our audit report.

**For MRB & Associates**

**Chartered Accountants,**

Firm Registration Number: 136306W

  
Manish R Bohra

Partner

M. No.: 058431

Place: Mumbai

Date: August 02, 2022

UDIN: 22058431AOCQXU1692



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

The annexure referred to in our report to the members of Sterling Biotech Limited ("the company") for the year ended March 31, 2022. We report that:

i. In respect of its fixed assets:

a. (A) In absence of sufficient and appropriate audit evidence, we are unable to comment whether the Company has maintained proper records of Property, plant and equipment showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company does not have any intangible assets. Hence, this clause is not applicable to the company.

b. We have not been provided reports of physical verification of fixed assets conducted by the management during the financial year 2021-22 or any of the preceding years. We have not been provided with the Company's policy on physical verification of fixed assets, its frequency and its reasonableness having regard to the size of the Company and nature of its assets. Accordingly, we are unable to comment on this Clause.

c. We have only been provided with title deed of Land held at Ooty, Jambusar & Karakhadi. Title deed provided and verified by us are in the name of the Company. However, in the absence of proper records of the fixed assets available with the Company, it is not possible for us to comment on the completeness of the title deeds for other immovable property, if any.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

e. According to the information and explanations given to us, and as per the disclosure provided in Note 39(B) to the Standalone Financial Statements, no proceeding has been initiated or pending against the company for holding any Benami property under Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of Inventory

a. The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of such verification is reasonable. no material discrepancies 10% or more in the aggregate for each class of inventory were noticed on such verification between physical stock and book records. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operation of the Company and the same have been properly dealt with in the books of account.

b. The Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company. Further the company has not filed any statement with financials banks or financial institution during the year as the same is not applicable.





## INDEPENDENT AUDITOR'S REPORT (CONTIUNED)

iii. **In respect of investments in, 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**

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

iv. **In respect of Loan to Directors and Investments by the Company**

As no information relating to the interests of the Directors in other companies as required under section 185 & 186 of the Act are made available to us, we are unable to comment on the compliance with the provisions of the said section for the loans and investments by the Company.

v. **In respect of Deposits**

According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. **In respect of Cost Records**

We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, 2013 and we comment that prima facie, the prescribed accounts and records have been made and maintained.

vii. **According to the information and explanations given to us, in respect of statutory dues**

- a. According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Cess, Goods and Service Tax, duty of custom, duty of excise, Value Added Tax, and other material statutory dues, as applicable, with the appropriate authorities.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed statutory dues including Provident Fund, Employees State Insurance and Goods & service tax, Income tax and Custom Duty outstanding as at the year-end for a period of more than six months from the date they became payable. Except unpaid dividend of **Rs. 42.89 Lakhs** pertaining to the financial year ended December, 2010 which is transferred to Investor Education and Protection Fund by the Company on August 24, 2021.
- c. According to the information and explanations given to us and as per the records of the Company, the details of disputed dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as at March 31, 2022 are as follows:



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Sr. No.	Name of Statute	Nature of Dues	Rs. in Lakhs	Period to which amount relates	Forum where dispute is pending
1	The Central Excise Act, 1944	Show cause for Outdoor Catering	5.65	2005-2012	CESTAT, Ahmedabad
2	The Central Excise Act, 1944	Show cause for Goods Transport Agency	11.26	2008-2018	CESTAT, Ahmedabad
3	The Central Excise Act, 1944	Show cause for Air Travel-Airport-Fuel	0.28	2015-2018	CESTAT, Ahmedabad
4	The Central Excise Act, 1944	Show cause for Banking services (IDBI)	74.16	2013-2014	CESTAT, Ahmedabad
5	The Central Excise Act, 1944	Clearing of Finished Goods by availing benefits under Notification no. 12/2012-CE Dated 17.03.2012	781.05	2018-2019	CESTAT, Ahmedabad
6	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	120.70	2011-2017	Commissioner, Coimbatore
7	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	132.14	2016-2017	Additional Commissioner, Coimbatore
8	Central Sales Tax, 1956	Demand of purchases tax at the time of assessment with retrospective effect on material purchases against concessional forms	296.72	2001-2004	Joint Commissioner
9	Central Sales Tax, 1956	Interest Charges on demand of purchase tax till Date 11.05.2019.	374.46	2001-2004	Joint Commissioner
10	Central Sales Tax, 1956	Assessment order passed with demand of purchase tax on purchases of "0" rated in SEZ units	103.90	2014-2015	Deputy Commissioner
11	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	687.58	2008-2013	Commissioner Salem
12	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	0.74	2015-2017	Deputy Commissioner Coonoor Division
13	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	1.50	2008-2012	In the Customs, Excise and Service Tax Appellate Tribunal, Chennai
14	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	573.82	2003-2017	In the High Court of Judicature At Madras



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Sr. No.	Name of Statute	Nature of Dues	Rs. in Lakhs	Period to which amount relates	Forum where dispute is pending
15	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products (Industrial Sludge)	0.29	2016-2018	Assistant Commissioner of GST and Central Excise, Coonoor Division
16	The Central Excise Act, 1944	Denial of Credit on common inputs used in both dutiable and exempted products	235.32	2003-2017	Commissioner, Coimbatore
17	Service Tax Rules, 1994	Denial of Cenvat credit availed on ineligible input Services	1.65	2013-2016	Asst Commissioner (Audit Circle-I) Coimbatore
18	Service Tax Rules, 1994	Denial of Service Tax Credit availed on outward freight from factory to dumping yard	4.19	2006-2012	In the Customs, Excise and Service Tax Appellate Tribunal, Chennai
19	Goods and Service Tax Act, 2017	Denial of credit on common inputs used in both dutiable and exempted products – Phosphoryl "A" and Phosphoryl "B"	34.60	2017-2018	Assistant Commissioner of GST & Central Excise, Coonoor Division
20	Service Tax Rules, 1994	Wrong availment of PLA balance on Trans-1	0.10	2017-2018	Superintendent of GST & Central Excise, Ooty
21	The Central Excise Act, 1944	Cenvat Duty on DCP Clearance Value	2,325.95	2008-2017	CESTAT, Ahmedabad
22	Goods and Service Tax Act, 2017	Input Credit of HO transferred to plants against cross charge	100.48	2017-2019	CESTAT, Ahmedabad
23	Income Tax	Additions to Income in assessment proceedings	3,188.89	AY 2006-2007 to 2012-2013	ITAT, Mumbai
24	Income tax	Penalty	2,420.93	AY 2006-2007 to 2012-2013	CIT (A), Mumbai
25	Income Tax	Additions to Income in assessment proceedings	70,893.25	AY 2013-2014 to 2018-2019	CIT (A), Mumbai
26	Income Tax	Interest on 143(3)	20,513.13	AY 2013-2014 to 2016-2017	CIT (A), Mumbai
27	Income Tax	Demand raised intimation 143(1)(a)	75.31	AY 2010-2011	Central Circle 2(4), Mumbai
28	Income Tax	Interest on 143(1)(a)	166.26	AY 2010-2011	Central Circle 2(4), Mumbai
29	Income Tax	Demand raised intimation 143(1)(a)	192.92	AY 2011-2012	Central Circle 2(4), Mumbai
30	Income Tax	Demand raised Interest on 143(1)(a)	199.87	AY 2011-2012	Central Circle 2(4), Mumbai
31	Custom Duty Act, 1962	Advance Licence	960.60	F.Y.2009-10 to F.Y.2010-11	Deputy Comm. Of Custom, Nahava Sheva-II, Raigad



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Sr. No.	Name of Statute	Nature of Dues	Rs. in Lakhs	Period to which amount relates	Forum where dispute is pending
32	Custom Duty Act, 1962	EPCG Licence	189.77	F.Y.2008-09 & F.Y.2009-10	Dy. Commissioner of Custom Vadodara

Against the Sr. No. 23 the company has already paid Rs. 3,130.15 Lakhs to Income Tax Department under Protest and for Balance of Rs. 58.74 lakhs, company has already provided Liability for the same in the Standalone Financial Statements.

Against the Sr. No. 23 and 24 the company has already paid Rs. 824.27 Lakhs to Income Tax Departments under Protest.

Against the Sr. No. 10 the Company has received the notice U/S 32/34/35 of Gujarat Value Added Tax dated March 27, 2019 of Rs. 103.90 Lakhs for the Assessment Year 2014-2015, against which the department on sue moto recovered Rs. 123.93 Lakhs from the Company's Bank Account on June 15, 2020. Against the recovery, the company has filed an appeal with Hon'ble National Company Law Tribunal (Mumbai Bench) as the recovery is in violation of Sec 14 of Insolvency and Bankruptcy Code.

Further, Hon'ble NCLT by order dated September 22, 2020 has directed the Assistant Commissioner of State Tax to refund the sum of Rs. 123.93 Lakhs to the company. Further company has received mail dated February 5, 2021 from the department stating that they are going to file Appeal against the Order of Hon'ble NCLT dated Sept 22, 2020. The Assistant Commissioner of State Tax has filed Memorandum of Appeal on February 16, 2021 before Hon'ble NCLAT and the said matter is still pending with Hon'ble NCLAT.

\*\* The above figures exclude interest and penalty liability up to the reporting date under various statutes.

### viii. Previously unrecorded Income

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

### ix. According to the information and explanations given to us and on the basis of our examination of the records of the Company and audit procedure performed:

- a. As matters described in Note No. 16 to the Standalone Financial Statements and pursuance of repayment schedule stipulated in the sanction letter, the entire amount of borrowing including interest are overdue and continuing default as on March 31, 2022, therefore, we are unable to provided periods of default.

The details of outstanding amounts as on March 31, 2022 (inclusive of interest) as per books of account, are as given below:

Sr. No.	Bank Name	Type of Facility	Rs. In Lakhs
1	Union Bank of India (erstwhile Andhra Bank)	Cash Credit	20,706.80
2	Bank of Baroda	Cash Credit	5,893.98
3	Bank of India	Cash Credit	822.50
4	Indian Overseas Bank	Cash Credit	3,317.83

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Sr. No.	Bank Name	Type of Facility	Rs. In Lakhs
5	J M Financial Asset Reconstruction Co Ltd.	Cash Credit	8,889.93
6	Oriental Bank of Commerce	Cash Credit	4,545.84
7	Punjab National Bank	Cash Credit	12,191.01
8	State Bank of India	Cash Credit	4,225.57
9	Syndicate Bank	Cash Credit	14,560.04
10	The Catholic Syrian Bank Ltd	Cash Credit	2,570.67
11	UCO Bank	Cash Credit	1,902.61
12	Vijaya Bank	Cash Credit	3,297.00
13	Allahabad Bank	Cash Credit	4,522.46
14	HDFC Bank Derivative Loss	Derivative Loss	1,655.72
15	JP Morgan Chess Derivative Loss	Derivative Loss	6,446.71
16	State Bank of India-HK	ECB-2009	34,806.46
17	Bank of Baroda (P)	ECB-2010	14,968.32
18	Bank of India Jersey	ECB-2010	12,560.61
19	Indian Overseas Bank HK	ECB-2010	8,856.09
20	Punjab National Bank HK	ECB-2010	7,575.23
21	Punjab National Bank London	ECB-2010	5,021.67
22	Syndicate Bank London	ECB-2010	22,653.19
23	Uco Bank HK	ECB-2010	10,725.80
24	Uco Bank Singapore	ECB-2010	5,381.96
25	Allahabad Bank Hongkong	ECB-2010	583.24
26	Foreign Currency Convertible Bonds(FCCB)	FCCB	152434.43
27	LIC-NCD	NCD	75,348.47
28	J M Financial Asset Reconstruction Co Ltd	Packing Credit	1,161.59
29	Allahabad Bank	Rupee Term Loan	3,468.61
30	Allahabad Bank	Rupee Term Loan	1,213.12
31	Allahabad Bank	Rupee Term Loan	3,565.48
32	Allahabad Bank	Rupee Term Loan	1,496.33
33	Allahabad Bank	Rupee Term Loan	6,612.86
34	Union Bank of India (erstwhile Andhra Bank)	Rupee Term Loan	4,771.87
35	Union Bank of India (erstwhile Andhra Bank)	Rupee Term Loan	713.41
36	Bank of Baroda	Rupee Term Loan	7,083.37
37	Bank of Baroda	Rupee Term Loan	1,205.51
38	Bank of Baroda	Rupee Term Loan	4,246.26
39	Bank of India	Rupee Term Loan	8,564.59
40	Bank of India	Rupee Term Loan	6,815.29
41	Indian Overseas Bank	Rupee Term Loan	37,015.94
42	Indian Overseas Bank	Rupee Term Loan	5,080.23
43	Indian Overseas Bank	Rupee Term Loan	783.35
44	Punjab National Bank	Rupee Term Loan	2,943.36
45	Punjab National Bank	Rupee Term Loan	9,838.47
46	Punjab National Bank	Rupee Term Loan	6,316.06
47	Vijaya Bank	Rupee Term Loan	693.22
48	UCO Bank	Short Term Loan	27,554.89
49	Bank of Maharashtra	Term Loan	3,798.62





## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Sr. No.	Bank Name	Type of Facility	Rs. In Lakhs
50	IDBI Bank Ltd.	Term Loan	6,524.28
51	J M Financial Asset Reconstruction Co Ltd.	Term Loan	813.31
52	The Lakshmi Vilas Bank Ltd.	Term Loan	1,582.43
53	UCO Bank	Working Capital Demand Loan	8,771.68
54	Undistributed Cut Back Amount to Consortium Bankers		-506.21
	Total As Per Financial Statement		6,08,592.05

We have not been provided latest bank balance statement to verify the o/s balance of the loans as listed above as on March 31, 2022. As per Management, the company is continuously following up with the Banks for the latest balance confirmation and statement of loan.

With Respect to Sr. No. 54 the amount of Rs. 506.21 Lakhs which is Debit balance with the Banks, the details with respect distribution of this amount to consortium Partners is subject to confirmation.

- b. The Company has been declared as wilful defaulter by some of the bank or financial institution or government or government authority.
  - c. As matters described in Note No. 16 to the Standalone Financial Statements, we are unable to comment on the application of term loans availed.
  - d. On an overall examination of the standalone financial statements of the Company, no funds have been raised on short-term basis during the year.
  - e. We report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
  - f. We report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. **In respect of moneys raised**
- a. According to information and explanations given to us, the company did not raise any money through initial public offer or further public offer (including debt instruments) during the year.
  - b. According to information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year.

In view of the above reporting under clause 3 (x) (a) and (b) of the order is not applicable.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### xi. In respect of fraud noticed or reported

- a. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

Further, the Government of India, Ministry of Corporate affairs has ordered Investigation into the affairs of the Company by Serious Fraud Investigation Office and the Director, SFIO. First Information Report under Sec 154 of The Code of Criminal Procedure, 1973 suspecting criminal conspiracy and abuse of official position during the period 2005-2011 has been filed against Income Tax officers and Directors of the Company. Consequent to investigations by Directorate of Enforcement, a Supplementary Prosecution Complaint has been filed on October 23, 2018 by Assistant Director, Directorate of Enforcement against the Company, its Promoters and others. As the final outcome of all these investigations are pending with various agencies, we are unable to comment on the implication of these frauds on the Standalone Financial Statements of the Company.

- 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.

In view of the above reporting under clause 3 (xi) (b) of the order is not applicable.

- c. To the best of our knowledge and according to the information and explanations given to us, the company has not received whistle-blower complaints, during the year.

### xii. Nidhi Company

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, hence reporting under clause 3 (xii) of the Order is not applicable to the Company

### xiii. In respect of transaction with related parties

In our opinion and according to the information and explanations given to us, we are unable to obtain sufficient and appropriate audit evidence to comment whether all transactions with the related parties as disclosed in **Note No. 34** to the Standalone Financial Statements are in compliance with section 177 and 188 of Companies Act, 2013. Further, where applicable the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### xiv. Internal Audit

- a. In our opinion and according to the information and explanations given to us the company has an internal audit system commensurate with the size and nature of its business.
- b. On the basis of the report provided by the management, we have considered the report of the Internal Auditors for the period of the audit.

### xv. In respect of non-cash transactions

According to the information and explanation given to us, and to best of our knowledge and belief, the company is under liquidation and is being managed by the liquidator and Board is suspended since commencement of CIRP and later on liquidation proceeding, company had not entered any non-cash transactions with the directors.

### xvi. In our opinion and according to the information and explanations given to us:

- a. According to the information and explanation given to us, and to best of our knowledge and belief, the company is not required to obtain any registration under Section 45-IA of the Reserve Bank of India Act, 1934.
- b. The company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act 1934;
- c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d. The group does not have a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

In view of the above, Clause (xvi) (a) (b), (c) and (d) of the Order is not applicable to the Company

### xvii. Cash Losses

In our opinion company has not incurred cash losses in the financial year and in the immediately preceding financial year.

### xviii. Resignation of statutory auditors

During the year, there has been no resignation of the statutory auditors and accordingly this clause is not applicable.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### xix. Going Concern

In our opinion and according to the information and explanations given to us, on the basis of the financial ratios, ageing, expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, and Note 1 on Material uncertainty relating to Going Concern of our Basis for Disclaimer of Opinion, we are unable to comment on whether the Company will be able to continue as Going Concern.

### xx. In respect of Corporate Social Responsibility

In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

### xxi. Consolidated Financials Statement

The Company has made investment in unlisted equity shares of group and other companies in and the same has also been impaired in earlier years. In the absence of shareholding details and impairments of investments by the company. We are unable to report on applicability of clauses 3(xxi) of the Order.

For MRB & Associates

Chartered Accountants,

Firm Registration Number: 136306W



Manish R Bohra

Partner

M. No.: 058431

Place: Mumbai

Date: August 02, 2022

UDIN: 22058431AOCQXU1692



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Annexure - B to the Independent Auditors' Report

#### INDEPENDENT AUDITORS REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE ACT).

We were engaged to audit the internal financial controls over financial reporting of **Sterling Biotech Limited** ("the Company") as at and for the year ended March 31, 2022, in conjunction with our audit of Standalone Financial Statements of the Company for the year ended on that date.

#### Managements 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. 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.

#### Auditors 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, to the extent applicable to an audit of internal financial controls, 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 qualified 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 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





## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the IND AS financial statements of the Company for the year ended March 31, 2022, and the disclaimer does not affect our opinion on the said IND AS financial statements of the Company.

**For MRB & Associates**

**Chartered Accountants,**

Firm Registration Number: 136306W



**Manish R Bohra**  
Partner

M. No.: 058431

Place: Mumbai

Date: August 02, 2022

UDIN: 22058431AOCQXU1692



Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	1,45,928.39	1,69,875.96
Capital Work-in-Progress			
Right to Use Assets	4	5,895.57	5,963.32
Investment Property	5	135.70	135.70
<b>Financial Assets</b>			
Investments	6	337.30	261.31
Deferred Tax Assets (net)	7	54,560.02	55,121.05
Other Non-Current Assets	8	1,000.16	911.82
		<u>2,07,857.14</u>	<u>2,32,269.17</u>
<b>Current Assets</b>			
Inventories	9	9,242.62	8,563.35
<b>Financial Assets</b>			
Trade Receivables	10	3,589.92	4,839.40
Cash and Cash Equivalents	11	19,841.70	10,997.51
Other Current Assets	12	2,668.20	2,439.67
		<u>35,342.44</u>	<u>26,839.93</u>
Assets Classified as Held For Sale	13 (a)	34.64	34.64
<b>Total Assets</b>		<u><b>2,43,234.23</b></u>	<u><b>2,59,143.75</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	14	2,721.70	2,721.70
Other Equity	15	(5,75,975.37)	(5,46,582.66)
<b>Total Equity</b>		<u><b>(5,73,253.67)</b></u>	<u><b>(5,43,860.96)</b></u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,97,873.50	1,97,873.50
Lease Obligations	17	36.34	36.34
Provisions	18	157.62	431.63
		<u>1,98,067.46</u>	<u>1,98,341.46</u>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,24,428.19	1,24,428.19
Lease Obligations	17	4.36	4.36
Trade Payables	19		
Total outstanding dues of micro enterprises and small enterprises		402.89	439.64
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,818.08	1,897.84
Other Financial Liabilities	16	4,89,647.86	4,75,581.11
Other Current Liabilities	20	1,799.59	1,989.05
Provisions	18	69.65	73.24
		<u>6,18,170.62</u>	<u>6,04,413.43</u>
Liabilities directly associated with assets classified as Held for Sale	13 (b)	249.82	249.82
<b>Total Liabilities</b>		<u><b>8,16,487.90</b></u>	<u><b>8,03,004.71</b></u>
<b>Total Equity and Liabilities</b>		<u><b>2,43,234.23</b></u>	<u><b>2,59,143.75</b></u>
Summary of Significant Accounting Policies	2		

Accompanying notes are integral part of the financial statements.

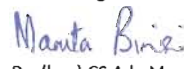
As per our Report of even date attached  
 For MRB & Associates  
 Chartered Accountants  
 Firm Registration Number -136306W



Manish R Bohra  
 Partner  
 Membership No. 058431  
 Place: Mumbai  
 Date: 2nd August, 2022



For Sterling Biotech Limited

  
 Dr. (h.c.) CS Adv Mamta Binani  
 Liquidator



In the matter of Sterling Biotech Limited  
 Registration No.: IBBI/IPA-002/IP-N00086/2017-18/10227  
 AFA valid till 06.12.2022

[liquidatorsterlingbiotech@gmail.com](mailto:liquidatorsterlingbiotech@gmail.com) (process specific)  
[mamtabinani@gmail.com](mailto:mamtabinani@gmail.com) (registered with IBBI)

Address of the Liquidator registered with IBBI:  
 Second Floor, Nicco House, 2 Hare Street  
 Kolkata 700001, West Bengal  
 Signed without any liability for administrative purpose only  
 (See Note No. 37 and 38)  
 Place: Mumbai  
 Date: 2nd August, 2022

STERLING BIOTECH LIMITED  
CIN NO. L51900MH1985PLC035738  
Statement of Profit and Loss for the Year ended 31st March 2022

Particulars	Note	(Rs. In Lakhs)	
		Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	22	40,811.13	34,263.02
Other Income	23	807.86	7,491.56
<b>Total income (I)</b>		<b>41,618.99</b>	<b>41,754.58</b>
<b>Expenses</b>			
Cost of Raw Material and Components Consumed	24	29,459.59	24,151.36
Change in Inventories of Finished Goods and Work-in-	25	(680.41)	(768.78)
Employee Benefits Expenses	26	4,058.78	4,108.40
Finance Costs	27	206.07	16.39
Depreciation & Amortisation	28	24,283.75	24,501.50
Other Expenses	29	13,283.17	3,011.67
<b>Total Expenses (II)</b>		<b>70,610.95</b>	<b>55,020.55</b>
<b>Profit/(Loss) before exceptional item and tax (I-II)</b>		<b>(28,991.96)</b>	<b>(13,265.95)</b>
Less : Exceptional Item		-	-
<b>Profit/(Loss) Before Tax</b>		<b>(28,991.96)</b>	<b>(13,265.95)</b>
Tax Expense			
- Current Tax		-	-
- Deferred Tax		531.12	71,100.13
<b>Total Tax Expenses</b>		<b>531.12</b>	<b>71,100.13</b>
<b>Profit/(Loss) for the Year</b>		<b>(29,523.09)</b>	<b>(84,366.09)</b>
<b>Other Comprehensive Income</b>			
Items that will not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligations		84.30	62.76
Tax Effect on above		(21.22)	(15.79)
Net (loss)/gain on FVTOCI of equity securities		75.99	92.92
Tax Effect on above		(8.69)	(10.63)
<b>Net other comprehensive income not to be reclassified to profit or loss</b>		<b>130.38</b>	<b>129.25</b>
<b>Total comprehensive income for the Year, net of tax</b>		<b>(29,392.70)</b>	<b>(84,236.84)</b>
<b>Earning per equity share [Face value of Rs.1/- each]</b>	30		
- Basic		(10.85)	(31.00)
- Diluted		(10.85)	(31.00)

Accompanying notes are integral part of the financial statements.

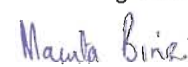
As per our Report of even date attached  
For MRB & Associates  
Chartered Accountants  
Firm Registration Number -136306W



Manish R Bohra  
Partner  
Membership No. 058431  
Place: Mumbai  
Date: 2nd August, 2022



For Sterling Biotech Limited

  
Dr. (h.c.) CS Adv Mamta Binani  
Liquidator



In the matter of Sterling Biotech Limited  
Registration No.: IBBI/IPA-002/IP-N00086/2017-18/10227  
AFA valid till 06.12.2022  
[liquidatorsterlingbiotech@gmail.com](mailto:liquidatorsterlingbiotech@gmail.com) (process specific)  
[mamtabinani@gmail.com](mailto:mamtabinani@gmail.com) (registered with IBBI)

Address of the Liquidator registered with IBBI:  
Second Floor, Nicco House, 2 Hare Street

Signed without any liability for administrative purpose only  
(See Note No. 37 and 38)

Place: Mumbai  
Date: 2nd August, 2022

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A) Cash Flow From Operating Activities:</b>		
Net Profit Before Taxation and Exceptional Items	(28,991.96)	(13,265.96)
Adjustments for		
- Depreciation/Amortisation	24,283.75	24,501.50
Exchange Fluctuation on Foreign Currency Borrowings	8,582.75	(7,031.08)
Re-measurement gains/ (losses) on defined benefit obligations	84.30	62.76
Dividend Income	-	(2.30)
Interest Income	(383.32)	(261.24)
<b>Operating Profit Before Working Capital Changes</b>	<b>3,575.52</b>	<b>4,003.67</b>
Movement in Working Capital :		
(Increase)/Decrease in Trade Receivables	1,249.48	(583.93)
(Increase)/Decrease in Inventory	(679.27)	(2,142.80)
(Increase)/Decrease in Other Receivables	(228.53)	1,002.57
(Increase)/Decrease in Other Non-Current Assets	(88.34)	(2.51)
Increase/(Decrease) in Trade Payable	(116.51)	746.47
Increase/(Decrease) in Other Current Liabilities	(189.46)	267.16
Increase/(Decrease) in Other Current Financial Liabilities	5,484.00	-
Increase/(Decrease) in Provisions	(277.60)	(124.57)
	<b>8,729.28</b>	<b>3,166.06</b>
<b>Net Cash Flow (used in)/From Operating Activities (A)</b>	<b>8,729.28</b>	<b>3,166.06</b>
<b>B) Cash Flows From Investing Activities</b>		
Purchase of Fixed Assets	(268.42)	(648.69)
Interest Earned on Fixed Deposits	383.32	261.24
Dividend Income	-	2.30
<b>Net Cash Flow Used in Investing Activities (B)</b>	<b>114.91</b>	<b>(385.15)</b>
<b>C) Cash Flows From Financing Activities</b>		
Proceeds From Issue of Shares	-	-
Proceeds/(Repayment) of Borrowings	-	-
<b>Net Cash (Used in)/From Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>8,844.19</b>	<b>2,780.92</b>
Cash and Cash Equivalents at the beginning of the Year	10,997.51	8,216.59
<b>Cash and Cash Equivalents at the end of the Year*</b>	<b>19,841.70</b>	<b>10,997.51</b>
<b>Cash and cash equivalents at the end of the year *</b>		
* Comprises:		
(a) Cash on hand	1.40	4.09
(b) Balances with banks	4,584.53	3,798.28
(c) Fixed deposit with bank ( maturity less than 3 months)	15,255.77	7,195.15
	<b>19,841.70</b>	<b>10,997.51</b>

Notes:

- The Cash Flow has been prepared under the indirect method as set out in Ind-AS-7 on Statement of Cash Flows.
- Figures in bracket represents Cash Outflow.

Accompanying notes are integral part of the financial statements.

As per our Report of even date attached  
For MRB & Associates  
Chartered Accountants  
Firm Registration Number -136306W




Manish R Bohra  
Partner

Membership No. 058431  
Place: Mumbai  
Date: 2nd August, 2022



For Sterling Biotech Limited

  
Dr. (h.c.) CS Adv Mamta Binani  
Liquidator



In the matter of Sterling Biotech Limited  
Registration No.: IBBI/IPA-002/IP-N00086/2017-18/10227  
AFA valid till 06.12.2022

[liquidatorsterlingbiotech@gmail.com](mailto:liquidatorsterlingbiotech@gmail.com) (process specific)  
[mamtabinani@gmail.com](mailto:mamtabinani@gmail.com) (registered with IBBI)

Address of the Liquidator registered with IBBI:  
Second Floor, Nicco House, 2 Hare Street  
Kolkata 700001, West Bengal

Signed without any liability for administrative purpose only  
(See Note No. 37 and 38)  
Place: Mumbai  
Date: 2nd August, 2022

Statement of Changes in Equity for the Year ended 31st March, 2022

a. Equity Share Capital

Equity shares of Rs.1/- each	No. in Lakhs	Rs. in Lakhs
Authorised		
At 31 March, 2021	5,000.00	5,000.00
At 31 March, 2022	5,000.00	5,000.00
Issued and Subscribed		
At 31 March, 2021	2,758.94	2,758.94
At 31 March, 2022	2,758.94	2,758.94
Paid up (fully paid)		
At 31 March, 2021	2,721.70	2,721.70
At 31 March, 2022	2,721.70	2,721.70
Details of Paid up (Fully Paid)		
Balance as at April 1, 2020	2,721.70	2,721.70
Changes in Equity Share Capital due to Prior period errors	-	-
Restated Balance at the beginning of the year	2,721.70	2,721.70
Changes in Equity Share Capital during the previous year	-	-
Balance as at March 31, 2021	2,721.70	2,721.70
Changes in Equity Share Capital due to Prior period errors	-	-
Restated Balance at the beginning of the year	2,721.70	2,721.70
Changes in Equity Share Capital during the current year	-	-
Balance as at March 31, 2022	2,721.70	2,721.70

b. Other Equity

(Rs. Lakhs)

Particulars	Reserves and Surplus			Items of OCI	Total Other Equity
	Securities Premium	Debenture Redemption Reserve	Retained Earnings	FVTOCI Reserve	
As at 1st April, 2020	1,00,133.08	4,982.14	(5,67,194.78)	(266.27)	(4,62,345.83)
Changes due to accounting policies/prior errors	-	-	-	-	-
Restated Balance at the beginning of the Year	1,00,133.08	4,982.14	(5,67,194.78)	(266.27)	(4,62,345.83)
Profit for the year	-	-	(84,366.09)	-	(84,366.09)
Other comprehensive income	-	-	-	129.25	129.25
Total comprehensive income	-	-	(84,366.09)	129.25	(84,236.84)
As at 31st March, 2021	1,00,133.08	4,982.14	(6,51,560.87)	(137.02)	(5,46,582.66)
Changes due to accounting policies/prior errors	-	-	-	-	-
Restated Balance at the beginning of the Year	1,00,133.08	4,982.14	(6,51,560.87)	(137.02)	(5,46,582.66)
Profit for the year	-	-	(29,523.09)	-	(29,523.09)
Other comprehensive income	-	-	-	130.38	130.38
Total comprehensive income	-	-	(29,523.09)	130.38	(29,392.70)
As at 31st March, 2022	1,00,133.08	4,982.14	(6,81,083.96)	(6.65)	(5,75,975.37)

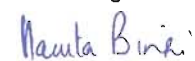
As per our Report of even date attached  
For MRB & Associates  
Chartered Accountants  
Firm Registration Number -136306W



Manish R Bohra  
Partner  
Membership No. 058431  
Place: Mumbai  
Date: 2nd August, 2022



For Sterling Biotech Limited

  
Dr. (h.c.) CS Adv Mamta Binani  
Liquidator



In the matter of Sterling Biotech Limited  
Registration No.: IBBI/PA-002/IP-N00086/2017-18/10227  
AFA valid till 06.12.2022

[liquidatorsterlingbiotech@gmail.com](mailto:liquidatorsterlingbiotech@gmail.com) (process specific)  
[mamtabinani@gmail.com](mailto:mamtabinani@gmail.com) (registered with IBBI)

Address of the Liquidator registered with IBBI:  
Second Floor, Nicco House, 2 Hare Street

Signed without any liability for administrative purpose only  
(See Note No. 37 and 38)

Place: Mumbai  
Date: 2nd August, 2022



## Notes to the Financial Statements for the Year ended 31st March, 2022

### 1. Corporate Information

Sterling Biotech Limited ('The Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 applicable in India. The Equity shares of the Company are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at 43, Atlanta Building, Nariman Point, Mumbai - 400 021, Maharashtra, India.

The Company is engaged in the manufacturing of Pharma Grade Gelatine & Di-Calcium Phosphate and other Pharma products. The Company has presence in both domestic and international markets.

The Company was admitted to corporate insolvency resolution process ("CIRP") vide order of the National Company Law Tribunal ("NCLT"), Mumbai Bench, dated June 11, 2018 ("Insolvency Commencement Date") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). [NCLT order dated June 26, 2018 and taken over by RP on June 27, 2018].

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code Mr. Sundaresh Bhat having Registration No.IBBI/IPA-001/IPPOOO77/2017-2018/10162 was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Sundaresh Bhat was confirmed as the Resolution Professional ("RP") by the committee of creditors ("CoC"). On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

The committee of Creditors had approved the withdrawal of CIRP of the Company under section 12A of IBC with requisite majority in the meeting dated 7th March, 2019. However Hon'ble NCLT, Mumbai Bench, vide Order dated 08/05/2019 rejected the withdrawal of CIRP of the company and ordered liquidation of the company as going concern and appointed Ms. Mamta Binani as Liquidator.

The Hon'ble NCLAT made further clarifications on November 18, 2019 to its order dated August 28, 2019 providing 30 days to give effect to the settlement offer under Sec.12A by the promoters of the company failing which the order of Hon'ble NCLAT dated August 28, 2019 shall be recalled and the order dated May 8, 2019 by Hon'ble NCLT Mumbai shall stand restored and directed the Resolution Professional Mr. Sundaresh Bhat to run the company as going concern till the process is completed under Section 12A. The 30 days' time limit was extended up to March 31, 2020 by the Hon'ble Supreme court.

Hon'ble Supreme Court Vide order date 22nd February, 2021 has ordered for liquidation of the company on going concern basis.

As per the latest list of stakeholders (Updated Version 2) dated 14th February, 2022 issued by the liquidator, the claim of all the creditors amounting to Rs. 10,08,480.26 Lakhs has been admitted.

The liquidator had put a newspaper advertisement on July 21, 2021 in local & national newspapers inviting bids for acquisition of the Company as a whole, on a going concern basis, through an E-Auction process at reserve price of Rs. 548.46 crore. The last day for Submission of EOI along with Supporting Documents and EMD by the Bidder was on August 5, 2021. Further last day for Verification of EOI, Supporting Documents and EMD by the Liquidator was August 20, 2021. The detailed process is listed in the original process document dated October 21, 2021 which is being amended from time to time and same has been hosted on company's websites.

Initially, five (5) Bidders were declared as the Qualified Bidders, pursuant to the Process Document Version 1.0 dated 21.07.2021 issued with respect to e-Auction of Sterling Biotech Limited, as a whole, on a Going Concern basis. However, after due diligence conducted by such Bidders, all five Bidders withdrew from the Bidding Process. Subsequently, a Process Document Version 2.0 dated 21.10.2021 was issued for e-auction of Corporate Debtor as a whole, on a going Concern basis. Based on Process document Version 2.0 dated 21.10.2021, five (5) Bidders were declared as the Qualified Bidders. Out of the said total five (5) Qualified Bidders, only four (4) Qualified Bidders had registered on the e-Auction portal and one (1) Qualified Bidder had withdrawn from the Bidding Process. On 31.01.2022, Hon'ble NCLT passed an Order directing to maintain a Status Quo in the matter of I.A. No. 212 of 2022. Further, on 28.03.2022, Hon'ble NCLT was pleased to vacate such Status Quo, due to which, the e-Auction process was resumed. On 04.04.2022 e-Auction was conducted and the Liquidator declared Perfect Day Inc. as the Successful Bidder on 05.04.2022. The Successful Bidder then filed an application bearing I.A. no. 1585 of 2022 in CP 490 of 2018 inter-alia seeking approval of the Acquisition Plan with Hon'ble NCLT.

#### 1.1 Statement of Compliance

The financial statements of the company has been prepared in accordance with Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

#### 1.2 Functional and Presentation Currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation

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



The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value: Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

## 2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the amount of revenues and expenses during the reporting period end. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.

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

### Critical Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

### Discount rate used to determine the carrying amount of the Company's defined benefit obligation:

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

### Contingences and commitments:

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

### Key sources of estimation uncertainty:

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

### Income taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

### Useful lives of property, plant and equipment:

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

### Allowances for doubtful debts:

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates.

### Deferred tax assets:

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.



#### Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

#### 2.3 Property, Plant and Equipment

All the property, plant and equipment and Capital Work in progress are stated at acquisition cost, net of accumulated depreciation and net of impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Freehold land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

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

#### 2.4 Depreciation / Amortisation

Depreciation is provided on pro-rata basis on the Straight Line Method (SLM) over the estimated useful lives of property, plant and equipment's considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technology changes, etc. Considering these factors, the Company has decided to retain the useful life adopted for various categories of property, plant and equipment's, which are different from those prescribed in Schedule II of the Companies Act, 2013. Depreciation is not charged on capital work-in-progress until construction and installation are complete and is ready to be put to use.

*Asset	Estimated Useful Life (years)
Buildings	30
Plant and Machinery	8
Furniture, Fixtures and office equipment	5
Computer	3
Computer Software	8
Right to Use Assets	90

\* for these class of assets useful lives are different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. (wherever Different useful life than schedule II is considered). Based on technical evaluation carried by a chartered engineer and internal assessments made, the company believes that useful lives mentioned above are best representative of the period over which the company expects to use the assets.)

#### 2.5 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

#### 2.6 Impairment of non-financial assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net-selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.





## 2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(a) Raw materials and packing material:

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(b) Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

(c) Traded goods and spare parts:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

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

## 2.8 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from manufacture and sale of Active Pharma Ingredients (API) Gelatine (together called as "Pharmaceuticals")

The following is summary of significant accounting policies relating to revenue recognition.

(a) Sale of products

The Company recognises revenue for supply of goods to customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(b) Sale of services

Revenue from contract research operations is recognised based on services performed till date as a percentage of total services. The agreed milestones are specified in the contracts with customers which determine the total services to be performed.

(c) Export Benefits:

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## 2.9 Other Income

(a) Interest:

Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Dividends:

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Insurance claims:

Insurance claims are recognised when the Company has reasonable certainty of recovery.



## 2.10 Foreign Currency Translations

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Company's functional currency is Indian Rupee and accordingly, the financial statements are presented in Indian Rupee

Transactions in foreign currencies are initially recorded by the company in functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. 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 determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of that item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## 2.11 Employee Benefits

### (a) Short Term Employee benefits

All Short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit & Loss.

### (b) Defined Contribution Plan

The company has a statutory scheme of Provident Fund with the Regional Provident Fund Commissioner and contribution of the company is charged to the Statement of Profit & Loss on accrual basis.

### (c) Defined Benefit Plan

The Company's liability towards gratuity to its employees is covered by a group gratuity policy with LIC of India to extent of fund value deposited by company. The contribution paid / payable to LIC of India is debited to the statement of Profit & Loss on accrual basis. Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation. The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Liability towards leave salary is provided on actuarial basis.





## 2.12 Current and deferred tax

### (a) Current Tax

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

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

### (b) Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## 2.13 Research and Development expenditure

Research and development expenditure incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes, which are recognized as an intangible asset to the extent that it is technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of assets and depreciated on the same basis as other assets.

## 2.14 Provisions, Contingent Liabilities and Contingent Assets

### (a) Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle present obligation at the Balance Sheet date and are not discounted to its present value.

### (b) Contingent Liabilities:

Contingent Liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### (c) Contingent asset:

Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



## 2.15 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits, which are subject to an insignificant risk of changes in value

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management process

## 2.16 Earning Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

## 2.17 Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Liquidator that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

## 2.18 Investment Properties

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the period of de-recognition.

## 2.19 Exceptional items

Items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit and Loss.

## 2.20 Non-current assets held for sale

Non-current assets classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in statement of Profit and Loss. Once classified as held-for-sale they are no longer depreciated.



## 2.21 Leases

### As lessee

#### Initial measurement

Lease Liability: At the commencement date, a Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

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

#### Subsequent measurement

Lease Liability: Company measure the lease liability by

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

#### Right-of-use assets:

Subsequently measured at cost less accumulated depreciation and impairment losses. 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.

#### Impairment:

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.

#### Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

### As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

The Company as a lessor need to classify each of its leases either as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

#### Finance lease

At the commencement date, the lessor will recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Net investment is the discount value of lease receipts net of initial direct costs using the interest rate implicit in the lease. For subsequent measurement of finance leased assets, the Company will recognise interest income over the lease period, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease.

The Company recognises lease receipts from operating leases as income on either a straight-line basis or another systematic basis. The Company will recognise costs, including depreciation incurred in earning the lease income as expense.

#### Amendments to Ind AS 116 : Covid - 19 - Related Rent Concessions

The amendment provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions as a direct consequence of Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee who makes this election accounts for any change in lease payments resulting from Covid-19 rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.



## 2.22 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) Financial Assets

#### a) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

#### b) Subsequent Measurement

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

#### c) Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

#### d) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'Simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. net cash shortfalls), discounted at the original EIR.

Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

### (ii) Financial Liabilities

#### a) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.





b) **Subsequent Measurement**

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

**Loans & Borrowings** - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

c) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

d) **Offsetting of Financial Instruments**

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

2.23 **Fair Value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.24 **Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company. These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.





2.25 Amendment to Ind AS 103 Business Combination:

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs. The Company has considered the above amendment in assessing the business combination transaction entered during the year and it had no impact on the financial statements of the Company.

2.26 Standards notified but not yet effective:

There were no standard notified but not yet effective upto the date of issuance of the Company's financial statements.



## 3 Property, Plant and Equipment

(Rs. In Lakhs)

Particulars	Land & Development	Leasehold Land	Buildings	Plant & machinery	Office Equipment's & Furniture	Computers & Systems	Vehicles	Total
<b>Gross Carrying Value</b>								
As at 1 April, 2020	3,244.55	-	35,460.82	2,80,245.73	1,980.31	-	2,221.21	3,23,152.62
Additions	-	-	-	638.01	5.51	5.16	-	648.69
Disposals	-	-	-	-	-	-	-	-
As at 1 April, 2021	3,244.55	-	35,460.82	2,80,883.74	1,985.82	5.16	2,221.21	3,23,801.31
Additions	-	-	-	190.01	2.31	0.27	75.83	268.42
Disposals	-	-	-	-	-	-	-	-
As at 31 Mar, 2022	3,244.55	-	35,460.82	2,81,073.75	1,988.13	5.43	2,297.04	3,24,069.72

**Accumulated Depreciation**

As at 1 April, 2020	-	-	8,960.25	1,16,952.12	1,810.15	-	1,769.08	1,29,491.60
Additions	-	-	1,707.48	22,357.44	56.74	0.64	311.44	24,433.74
Disposals	-	-	-	-	-	-	-	-
As at 1 April, 2021	-	-	10,667.73	1,39,309.56	1,866.89	0.64	2,080.52	1,53,925.34
Additions	-	-	1,707.48	22,410.63	17.79	1.68	78.40	24,215.98
Disposals	-	-	-	-	-	-	-	-
As at 31 Mar, 2022	-	-	12,375.21	1,61,720.19	1,884.68	2.32	2,158.92	1,78,141.33

**Net Carrying Value**

As at 31 March, 2021	3,244.55	-	24,793.09	1,41,574.18	118.93	4.52	140.69	1,69,875.96
As at 31 Mar, 2022	3,244.55	-	23,085.61	1,19,353.55	103.44	3.11	138.12	1,45,928.39

**Net Carrying Value**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Property, Plant and Equipment	1,45,928.39	1,69,875.96

SREI Infrastructure Finance Limited has first and exclusive charge by way of Equitable mortgage on the property being all the land measuring about 34.46 acres situated at Karakhadi, Taluka - Padra, District - Vadodara belonging to the Company. However based on the government records / measurement and records of the Company, security interest is to the extent land measuring about 30.42 acres. Out of the same, land measuring about 9.99 acres forms part of the Registered Agreement to sell dated 19.11.2015 between Alembic Pharmaceuticals Ltd and Sterling Biotech Ltd. Further SREI Infrastructure Finance Limited has not relinquished its security interest in the liquidation estate of the company under liquidation.

On 28 June 2018, the Tamilnadu Pollution Control Board has issued closure direction of the Ooty unit of the company with the stipulation to install and implement Zero Liquid Discharge (ZLD) system in the Unit. This requirement is for the reason that the Ooty being eco sensitive area and the permission to discharge treated liquid/ water was in the nearby dam, which has been discontinued. As of December, 2018 temporary power had been granted by the Environment Pollution Control Board of Tamilnadu to enable the plant convert the WIP into finished goods. The company is optimistic for the re-start of the Ooty Plant.



Particulars	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Gross Carrying Value	6,098.85	6,098.85
Additions	-	-
Deletion	-	-
Closing Gross Carrying Value	<u>6,098.85</u>	<u>6,098.85</u>
Accumulated Depreciation		
Opening Accumulated Depreciation	135.53	67.77
Depreciation charged for the year	67.75	67.77
Closing Accumulated Depreciation	<u>203.28</u>	<u>135.53</u>
Net Carrying Value	<u>5,895.57</u>	<u>5,963.32</u>

As Lessee:

A) The following is the movement in lease liabilities

Particulars	As at	
	31st March, 2022	31st March, 2021
Opening Balance	40.70	40.70
Additions	-	-
Finance cost accrued during the period	4.36	4.36
Lease Liability Paid	(4.36)	(4.36)
Closing Balance	<u>40.70</u>	<u>40.70</u>

B) Maturity Analysis of Lease Liabilities

Particulars	As at	
	31st March, 2022	31st March, 2021
Maturity Analysis - Contractual undiscounted Cash Flows		
Less than one year	4.36	4.36
One to five years	21.80	21.80
More than five years	361.92	357.56
Total Undiscounted Lease Liabilities	<u>388.08</u>	<u>383.72</u>

Lease Liabilities included in the Statement of Financial Position

Non Current	36.34	36.34
Current	4.36	4.36
Total	<u>40.70</u>	<u>40.70</u>

C) Amount Recognized in the Statement of Profit &amp; Loss

Particulars	As at	
	31st March, 2022	31st March, 2021
Interest on Lease Liabilities	4.36	4.36
Depreciation on Lease Asset	67.75	67.77

## 5 Investment Property

Particulars	As at	
	31st March, 2022	31st March, 2021
Opening Gross Carrying Value	135.70	135.70
Additions	-	-
Deletion	-	-
Closing Gross Carrying Value	<u>135.70</u>	<u>135.70</u>
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Depreciation charged for the year	-	-
Closing Accumulated Depreciation	<u>-</u>	<u>-</u>
Net Carrying Value	<u>135.70</u>	<u>135.70</u>

a) Investment Property consist of Land situated at Village Urse, Malav, Talegaon, Pune, Maharashtra. The said property is given on Lease to one of the related party.

b) Net revenue recognised in the statement of profit and loss for the above investment properties

Particulars	As at	
	31st March, 2022	31st March, 2021
Lease Rental Income	60.00	60.00

c) The Company does not have any contractual obligations to purchase, construct or develop, for maintenance or enhancements of investment property.



6 Non-Current Investments	(Rs. In Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Particulars		
Investments at FVTOCI		
Investments in Mutual Funds	293.05	247.45
Investments in Shares (Quoted)	43.69	13.30
Investments in Shares (Un-quoted)		
National Savings Certificate	0.56	0.56
Total	<u>337.30</u>	<u>261.31</u>

6.1 Schedule of Investment	As at	
	31st March, 2022	31st March, 2021
Particulars		
Investment in Mutual Funds		
JM Basic Fund-Growth Plan - 89,984 March 31, 2022 (March 31, 2021 : 89,984) units	45.83	37.76
JM Core 11 Fund-Series I - 10,00,000 March 31, 2022 (March 31, 2021 : 10,00,000) units	116.11	100.32
JM Multi Strategy Fund-Growth Plan - 1,77,734 March 31, 2022 (March 31, 2021 : 1,77,734) units	91.41	75.53
L&T India Large Cap Fund-Growth - 98,685 March 31, 2022 (March 31, 2021 : 98,685) units.	39.70	33.84
Total	<u>293.05</u>	<u>247.45</u>
Investment in Equity Shares - (Quoted)		
Reliance Power Limited - 8,720 March 31, 2022 (March 31, 2021 : 8,720) equity shares of Rs. 10 each fully paid up - quoted	1.18	0.38
Transwarranty Finance Limited - 5,38,124 March 31, 2022 (March 31, 2021 : 5,38,124) equity shares of Rs. 10 each fully paid up - quoted	42.51	12.92
Total	<u>43.69</u>	<u>13.30</u>
Investments in Shares (Un-quoted)		
Share-Atlantic Bluewater Services Ltd. -11,000 March 31, 2022 (March 31, 2021 : 11,000 No. of shares) equity shares of \$ 1(Face Value) each fully paid up - unquoted	8.65	8.65
Share-British Oil & Gas Exploration Ltd.- 20 March 31, 2022 (March 31, 2021 : 20 No. of shares) equity shares of \$ . 1 (Face Value) each fully paid up - unquoted	9.42	9.42
Share - Sterling Oil Resources Limited- 10,00,000 March 31, 2022 (March 31, 2021 : 10,00,000 No. of shares) equity shares of Rs. 10(Face Value) each fully paid up - unquoted	1,392.53	1,392.53
Share - Sterling Port Limited- 9,90,00,000 March 31, 2022 (March 31, 2021 : 9,90,00,000 No. of shares) equity shares of Rs. 10(Face Value) each fully paid up - unquoted	1,39,133.24	1,39,133.24
Share - Sterling SEZ & Infrastructure Ltd- 1,95,00,000 March 31, 2022 (March 31, 2021 : 1,95,00,000 No. of shares) equity shares of Rs. 10(Face Value) each fully paid up - unquoted	15,572.05	15,572.05
Sterling Exploration and Energy production company Ltd. BVI- 10,500 March 31, 2022 (March 31, 2021 : 10,500 No. of shares) equity shares of USD 1 (Face Value) each fully paid up - unquoted.	1,136.11	1,136.11
Shimnit Utsch India P.Ltd.- 11,50,000 March 31, 2022 (March 31, 2021 : 11,50,000 No. of shares) Preference Shares of Rs. 10 (Face Value) each fully paid up - unquoted.	1,150.00	1,150.00
<u>Less- Impaired</u>		
Investment in Shares (Un-quoted)	(1,58,402.00)	(1,58,402.00)
Total	<u>-</u>	<u>-</u>

The Mutual funds and Quoted Equity Shares are traded in active markets and fair value are based on quoted market prices at the 31st March, 2022. The Unquoted Equity Shares are investments made in Companies which are recognised as related parties, except Shimnit Utsch India Private Limited. All Unquoted Shares Investments are Impaired during the earlier years

7 Deferred Tax Asset (net)	As at	
	31st March, 2022	31st March, 2021
Particulars		
Deferred Tax Asset/(Liability)	54,539.33	55,091.67
Deferred Tax Asset/(Liability) recognised in FVTOCI	20.69	29.39
Total	<u>54,560.02</u>	<u>55,121.05</u>
Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities/assets (Net)	54,560.02	55,121.05
Total	<u>54,560.02</u>	<u>55,121.05</u>



Notes to the Financial Statements for the year ended 31st March, 2022  
The temporary differences attributable to:

Deferred Tax Assets		
Business Loss and Unabsorbed Depreciation as per Income tax	45,688.15	50,363.99
Expense Allowable under Assessment Income Tax	922.82	1,450.15
Items allowed on payment basis under Income Tax	34,177.05	34,174.35
Net Fair Value Gain/Loss on Investment through FVTOCI	20.69	29.39
Remeasurement of Defined Benefit Obligation	2.46	76.52
Lease Liability created under Ind AS 116	1,473.55	1,490.61
<b>Total (A)</b>	<b>82,284.73</b>	<b>87,585.00</b>
Less: Deferred Tax Liabilities		
Depreciation/ Amortisation on property, plant and equipment and intangible assets	27,724.71	32,463.95
<b>Total (B)</b>	<b>27,724.71</b>	<b>32,463.95</b>
<b>Deferred tax Liabilities/Asset (net)*</b>	<b>54,560.02</b>	<b>55,121.05</b>
<b>Total (A-B)</b>	<b>54,560.02</b>	<b>55,121.05</b>

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

8 Other Non-Current Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits		
Unsecured, considered good*	965.22	876.11
Unsecured, considered doubtful	-	-
Less: Allowance for expected credit loss	-	-
Advance for Capital Goods	34.94	35.71
<b>Total</b>	<b>1,000.16</b>	<b>911.82</b>

\* Deposit includes Rs. 188.31 lakhs with UCO Bank which has been adjusted by the bank against loan.

9 Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials, Stores & Spares parts	2,961.77	2,962.91
Work-in-progress	3,573.54	3,903.03
Finished goods	1,852.13	1,286.68
Stock in Transit	855.17	410.73
<b>Total</b>	<b>9,242.62</b>	<b>8,563.35</b>

10 Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, Considered Good)		
Undisputed Trade receivables Considered Good	3,589.92	4,839.40
Undisputed Trade receivables Considered Doubtful	-	-
Disputed Trade receivables Considered Good	-	-
Disputed Trade receivables Considered Doubtful	-	-
Less: Allowance for expected credit loss	-	-
<b>Total</b>	<b>3,589.92</b>	<b>4,839.40</b>

Ageing of Trade Receivables as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Note Due	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed- Considered Good	3,419.40	16.20	15.66	60.71	16.30	61.65	3,689.92
Undisputed- Considered Doubtful	-	-	-	-	-	-	-
Disputed- Considered Good	-	-	-	-	-	-	-
Undisputed- Considered Doubtful	-	-	-	-	-	-	-
	<b>3,419.40</b>	<b>16.20</b>	<b>15.66</b>	<b>60.71</b>	<b>16.30</b>	<b>61.65</b>	<b>3,689.92</b>

Ageing of Trade Receivables as on 31st March, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Note Due	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed- Considered Good	3,910.32	787.63	44.10	27.29	59.13	10.93	4,839.40
Undisputed- Considered Doubtful	-	-	-	-	-	-	-
Disputed- Considered Good	-	-	-	-	-	-	-
Undisputed- Considered Doubtful	-	-	-	-	-	-	-
	<b>3,910.32</b>	<b>787.63</b>	<b>44.10</b>	<b>27.29</b>	<b>59.13</b>	<b>10.93</b>	<b>4,839.40</b>

(i) Trade receivables are non-interest bearing and are generally on credit terms not exceeding 12 months.





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

(ii) The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix

(iii) Movement in allowance for credit losses of receivables is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	-	-
Charge in statement of profit & loss	-	-
Release to statement of profit & loss	-	-
Balance at the end of the year	-	-

11 Cash and Cash Equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents		
Cash on hand	1.40	4.09
Balances with banks		
In Current Account	4,584.53	3,798.28
Deposit with original maturity of three months or less	15,255.77	7,195.15
<b>Total</b>	<b>19,841.70</b>	<b>10,997.51</b>

12 Other Current Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
In Fixed Deposits ( Margin Money under lien to bank and Debt service reserve account)	222.22	214.81
Balance with Revenue Authorities	2,036.17	1,856.02
Advance recoverable in cash or kind or for value to be received	4.99	4.99
Staff Advances	92.65	94.24
Advance to Others	875.92	875.92
Provision for Impairment of Advances	(874.92)	(874.92)
Advance for Capital Goods	481.12	481.12
Provision for Impairment of Advances	(481.12)	(481.12)
Advance to Supplier	33,206.05	33,163.48
Provision for Impairment of Advances	(32,894.88)	(32,894.88)
<b>Total</b>	<b>2,668.20</b>	<b>2,439.67</b>

Advance recoverable in cash or kind for Rs. 34,249.46 lakhs is impaired during the financial year 2018-19 on the basis of valuation report issued by the valuers appointed under the CIRP and charged as Exceptional Item. Advance recoverable in cash or kind impaired also includes balance receivable from related party PMT Machines Ltd. Rs. 130 lakhs

13 (a) Assets Held For Sale

Particulars	As at 31st March, 2022	As at 31st March, 2021
Property, Plant and Equipment (at Cost)	34.64	34.64
<b>Net Carrying Value</b>	<b>34.64</b>	<b>34.64</b>

13 (b) Liabilities directly associated with assets classified as held for sale

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance received for sale of Land	249.82	249.82
<b>Total</b>	<b>249.82</b>	<b>249.82</b>

On November 19, 2015, the Company has entered into Agreement to Sale with Alembic Pharmaceuticals Ltd for sale of Land measuring 9.99 acres consisting Unit No. 782, 789, 791, 800, 801, 802, 818/8, 830/8/1, 830/E3/2, 831/A, 831/8 and 832 defined specifically in annexure of the agreement to sale located at Vadodara, Gujarat subject to the terms and conditions specified in the Agreement to Sale. The Company has received an advance of Rs. 247.32 Lakhs after deduction of TDS Rs. 2.50 Lakhs from the purchaser in relation to this sale. Sale process is not completed as the Company goes into CIRP and thereafter into liquidation during the FY 2019-2020.

SREI Infrastructure Finance Limited has first and exclusive charge by way of Equitable mortgage on the property being all the land measuring about 34.46 acres situated at Karakhadi, Taluka - Padra, District - Vadodara belonging to the Company. However based on the government records / measurement and records of the Company, security interest is to the extent land measuring about 30.42 acres. Out of the same, land measuring about 9.99 acres forms part of the Registered Agreement to sell dated 19.11.2015 between Alembic Pharmaceuticals Ltd and Sterling Biotech Ltd, Further SREI Infrastructure Finance Limited has not relinquished its security interest in the liquidation estate of the company under liquidation.



## 14 Equity Share Capital

Rs. in lakhs

Authorised Share Capital 50,00,00,000 Equity Shares of Rs.1/- each At 31st March, 2021	5,000.00
Increase/(decrease) during the year At 31st March, 2022	5,000.00
275,00,00,000 Preference Shares of Rs.10/- each At 31st March, 2021	2,75,000.00
Increase/(decrease) during the year At 31st March, 2022	2,75,000.00
Issued and Subscribed 27,58,94,388 Equity share of Rs.1/- each At 31st March, 2021	2,758.94
Increase/(decrease) during the year At 31st March, 2022	2,758.94
Paid-up (fully paid) 27,21,70,388 Equity shares of Rs.1/- each At 31st March, 2021	2,721.70
Increase/(decrease) during the year At 31st March, 2022	2,721.70

## Reconciliation of number of shares outstanding and the amount of share capital:-

(Rs. In Lakhs)

Particulars	F.Y.2021-22		F.Y.2020-21	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	2721,70,388	2,721.70	2721,70,388	2,721.70
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2721,70,388	2,721.70	2721,70,388	2,721.70

## Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.1/- per share. Each shareholder of equity share is entitled for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. in lakhs	% holding	No. in lakhs	% holding
Equity shares of Rs.1/- each fully paid				
The Bank of New York	252.26	9.27%	252.26	9.27%
Albula Investment Fund Limited	142.85	5.25%	142.85	5.25%
Lotus Global Investments Ltd-Adr/Gdr	139.48	5.12%	139.48	5.12%



Promoter Name	Entity Type	No. of Shares	% of Total Shares	% of Change During the Year
<b>Individuals / Hindu Undivided Family</b>				
Chetan J Sandesara	Promoters	52,00,000	1.91	-
Nitin J Sandesara	Promoters	10,52,000	0.39	-
<b>Bodies Corporate</b>				
Helicopter Service Pvt Ltd	Promoter Group Entity	49,70,220	1.83	-
Jaico Textiles Private Limited	Promoter Group Entity	48,23,620	1.77	-
Prabal Investrade Private Limited	Promoter Group Entity	39,27,146	1.44	-
Anula Properties Private Limited	Promoter Group Entity	32,18,048	1.18	-
Doral Trading Private Ltd	Promoter Group Entity	32,07,570	1.18	-
Natasha Investment Company Pvt Ltd	Promoter Group Entity	31,45,392	1.16	-
Bullworth Investrade Private Limited	Promoter Group Entity	29,71,458	1.09	-
Rollstar Finance And Investment Pvt Ltd	Promoter Group Entity	29,48,500	1.08	-
Sanyukta Investrade Private Ltd	Promoter Group Entity	27,10,000	1.00	-
Richmond Investments Pvt Ltd	Promoter Group Entity	24,35,058	0.89	-
Unique Proteins Private Limited	Promoter Group Entity	23,84,954	0.88	-
Jangpriya Investments Private Limited	Promoter Group Entity	22,42,000	0.82	-
Antariksha Securities Pvt Ltd	Promoter Group Entity	19,50,000	0.72	-
Eminence Trading Private Limited	Promoter Group Entity	19,19,000	0.71	-
Marut Apparels Private Limited	Promoter Group Entity	18,85,000	0.69	-
Sealord Erections Private Limited	Promoter Group Entity	18,70,000	0.69	-
Tarana Exports Private Limited	Promoter Group Entity	16,46,422	0.60	-
Relique Leasfin Private Limited	Promoter Group Entity	16,40,458	0.60	-
Soham Proteins Private Ltd	Promoter Group Entity	15,96,384	0.59	-
Cielport Management Pvt Ltd	Promoter Group Entity	15,67,300	0.58	-
Antariksha Capital And Finance (I) Pvt Ltd	Promoter Group Entity	15,22,451	0.56	-
Swadeshi Finvest Private Ltd	Promoter Group Entity	14,06,000	0.52	-
Titanic Investment And Consultants Pvt Ltd	Promoter Group Entity	12,76,000	0.47	-
Hizin Trading Company Private Ltd	Promoter Group Entity	12,44,450	0.46	-
Coyote Leasing Private Ltd	Promoter Group Entity	10,86,765	0.40	-
Paysan Publishers Private Limited	Promoter Group Entity	5,74,000	0.21	-
Blue Mark Mercantile Private Limited	Promoter Group Entity	3,26,890	0.12	-
Puja Aqua Farms Private Limited	Promoter Group Entity	2,12,778	0.08	-
Shameek Breweries Private Limited	Promoter Group Entity	1,00,000	0.04	-

Details of Share Holding of Promoters as at 31st March, 2021

Promoter Name	Entity Type	No. of Shares	% of Total Shares	% of Change During the Year
<b>Individuals / Hindu Undivided Family</b>				
Chetan J Sandesara	Promoters	52,00,000	1.91	-
Nitin J Sandesara	Promoters	10,52,000	0.39	-
<b>Bodies Corporate</b>				
Helicopter Service Pvt Ltd	Promoter Group Entity	49,70,220	1.83	-
Jaico Textiles Private Limited	Promoter Group Entity	48,23,620	1.77	-
Prabal Investrade Private Limited	Promoter Group Entity	39,27,146	1.44	-
Anula Properties Private Limited	Promoter Group Entity	32,18,048	1.18	-
Doral Trading Private Ltd	Promoter Group Entity	32,07,570	1.18	-
Natasha Investment Company Pvt Ltd	Promoter Group Entity	31,45,392	1.16	-
Bullworth Investrade Private Limited	Promoter Group Entity	29,71,458	1.09	-
Rollstar Finance And Investment Pvt Ltd	Promoter Group Entity	29,48,500	1.08	-
Sanyukta Investrade Private Ltd	Promoter Group Entity	27,10,000	1.00	-
Richmond Investments Pvt Ltd	Promoter Group Entity	24,35,058	0.89	-
Unique Proteins Private Limited	Promoter Group Entity	23,84,954	0.88	-
Jangpriya Investments Private Limited	Promoter Group Entity	22,42,000	0.82	-
Antariksha Securities Pvt Ltd	Promoter Group Entity	19,50,000	0.72	-
Eminence Trading Private Limited	Promoter Group Entity	19,19,000	0.71	-
Marut Apparels Private Limited	Promoter Group Entity	18,85,000	0.69	-
Sealord Erections Private Limited	Promoter Group Entity	18,70,000	0.69	-
Tarana Exports Private Limited	Promoter Group Entity	16,46,422	0.60	-
Relique Leasfin Private Limited	Promoter Group Entity	16,40,458	0.60	-
Soham Proteins Private Ltd	Promoter Group Entity	15,96,384	0.59	-
Cielport Management Pvt Ltd	Promoter Group Entity	15,67,300	0.58	-
Antariksha Capital And Finance (I) Pvt Ltd	Promoter Group Entity	15,22,451	0.56	-
Swadeshi Finvest Private Ltd	Promoter Group Entity	14,06,000	0.52	-
Titanic Investment And Consultants Pvt Ltd	Promoter Group Entity	12,76,000	0.47	-
Hizin Trading Company Private Ltd	Promoter Group Entity	12,44,450	0.46	-
Coyote Leasing Private Ltd	Promoter Group Entity	10,86,765	0.40	-
Paysan Publishers Private Limited	Promoter Group Entity	5,74,000	0.21	-
Blue Mark Mercantile Private Limited	Promoter Group Entity	3,26,890	0.12	-
Puja Aqua Farms Private Limited	Promoter Group Entity	2,12,778	0.08	-
Shameek Breweries Private Limited	Promoter Group Entity	1,00,000	0.04	-

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



## 15 Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium	1,00,133.08	1,00,133.08
Debenture Redemption Reserve	4,982.14	4,982.14
Other Comprehensive Income	(6.65)	(137.02)
Retained Earnings	(6,81,083.95)	(6,51,560.87)
<b>Total</b>	<b>(5,75,975.37)</b>	<b>(5,46,582.66)</b>

(a) Refer statement of change in other equity for movement in components of other equity

(b) Debenture redemption reserve - The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

(c) The Other Equity of the company has been eroded and now stand negative at Rs. 5,75,975.37 lakhs, also the net worth of the company now stands negative at Rs. 5,73,253.67 lakhs as of March 31, 2022 (Rs. 5,43,860.96 lakhs negative as of March 31, 2021) against share capital of Rs. 2,721.70 lakhs (March 31, 2021: Rs. 2,721.70 lakhs) and securities premium of Rs. 1,00,133.08 lakhs (March 31, 2021: Rs. 1,00,133.08 lakhs).

The Current Liabilities of Rs. 6,18,170.62 lakhs exceed the current assets of Rs. 35,342.44 lakhs by Rs. 5,82,828.18 lakhs as of March 31, 2022

The company has incurred a loss of Rs. 29,392.70 lakhs during the year ended March 31, 2022, (Rs. 84,236.84 lakhs for year ended March 31, 2021). Although the earnings before depreciation, finance cost and Foreign Exchange Fluctuation on Foreign Currency Loan is Rs. 4,074.15 lakhs, the reason for negative profitability is depreciation Rs. 24,283.75 lakhs, finance cost Rs. 206.07 lakhs, Foreign Exchange Fluctuation on Foreign Currency Loan Rs. 8,576.29 lakhs, Deferred Tax Expenses Rs. 531.12 lakhs and negative other comprehensive income not to be reclassified to profit or loss for Rs. 130.38 lakhs.

## 16 Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current borrowings</b>		
8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of Rs.10/- each	1,97,873.50	1,97,873.50
<b>Total</b>	<b>1,97,873.50</b>	<b>1,97,873.50</b>

Accumulated dividend on proportionate basis of issued Preference Shares as on balance sheet date amounts to Rs.1,15,080.97 lakhs (Rs. 99,251.09 lakhs as on March 31, 2021) is not provided for.

- Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares on a Private Placement basis were first approved by Board of Directors on 24-05-2014 and in General Meeting on 30-06-2014 for an aggregate of Rs 2,750 Crores redeemable at the end of the 15 years from date of allotment with an option to redeem before tenure as per Provisions of Companies Act, 1956 or Companies Act, 2013.

- Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares on a Private Placement basis were again approved by Board of Directors on 15-05-2015 and in General Meeting on 30-06-2015 for an aggregate of Rs 101.23 Crores redeemable at the end of the 15 years from date of allotment with an option to redeem before tenure as per Provisions of Companies Act, 2013.

- Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares on a Private Placement basis were once again approved by Board of Directors on 02-09-2016 and in General Meeting on 30-09-2016 for an aggregate of Rs 89.60 Crores redeemable at the end of the 15 years from date of allotment with an option to redeem before tenure as per Provisions of Companies Act, 2013.

- All approvals were valid for a period of 1 year from date of approval of shareholders and funds were to be used for General Corporate Purposes, Augment the Long Term Resources for Long Term financial needs including payment of overdues and re-financing of existing debts.

- Issue and redemption at face value i.e. Rs 10 per share.

- Had no voting rights.





Notes to the Financial Statements for the year ended 31st March, 2022  
Shareholdings of 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares

Particulars	As at	As at
	31st March, 2022	31st March, 2021
PMT Machines Ltd	33,507.00	33,507.00
Sterling Port Ltd	1,38,240.00	1,38,240.00
Sterling SEZ & Infrastructure Ltd	26,126.50	26,126.50
	<u>1,97,873.50</u>	<u>1,97,873.50</u>

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Current borrowings		
Working Capital Borrowings from Banks (Secured by way of first charge on Current Assets and second charge on fixed assets of the company, on pari passu basis)	60,089.04	60,089.04
Interest accrued and due on working capital borrowings	35,622.67	35,622.67
Short Term Loans from Banks	28,716.48	28,716.48
	<u>1,24,428.19</u>	<u>1,24,428.19</u>

1. Interest rates on Working capital Borrowings from Banks vary in the range of 13.65% p.a. to 19.00% p.a. (linked with BPLR/MCLR). The said loans are repayable on demand and also secured by way of first charge on current assets of the company and second charge on the fixed assets of the Company, on pari passu basis. Part of the said loans are additionally secured by way of a personal guarantees of the two Promoter Directors of the Company.

2. Interest rate applicable on the Short Term Loans from Banks during the year were in the range of 13.25% to 15.00% p.a.

Other Financial Liabilities

Foreign Currency Convertible Bonds	1,52,434.43	1,47,795.27
Zero Coupon Convertible Bonds due 2019 (Aggregating March 31, 2022 USD 201,082,000 (March 31, 2021: USD 201,082,000))		
Term Loans from Banks	1,25,145.97	1,25,145.97
Redeemable Non-Convertible Debentures	75,348.47	75,348.47
External Commercial Borrowings		
a) ECB 2009 aggregating March 31, 2022 :USD 45,914,509 (March 31, 2021: USD 45,914,509)	34,806.46	33,747.16
b) ECB 2010 aggregating March 31, 2022 :USD 116,514,294 (March 31, 2021: USD 116,514,294)	88,326.11	85,638.01
Derivative Loss payable	8,102.43	7,906.23
Expression of interest Deposit	5,484.00	-
Total	<u>4,89,647.86</u>	<u>4,75,581.11</u>

1. Interest rates on Rupee term loans from banks vary in the range of 11.4% p.a. to 16.35% p.a. (linked with BPLR/MCLR). These loans are secured by first pari passu charge on Fixed Assets of the Company. Part of the said loans are also secured by way of second charge on the current assets of the Company, both present and future, on pari passu basis and/or the personal guarantees of the Promoter Directors of the Company.

2. Interest rate on Redeemable Non-Convertible Debentures is 12% p.a. for defaulting period. The said debentures were redeemable in 20 quarterly instalments starting from November 05, 2010 and last instalment due on August 05, 2015. The said debentures are Secured by first charge on pari passu basis on entire immovable and movable properties of the Company offering minimum Fixed Asset Coverage Ratio of 1.25 times during the tenure of debentures.

3. Interest rates on External Commercial Borrowings 2009 is 6 months LIBOR +375 bps. They are secured by first pari passu charge on all immovable and moveable Fixed Assets of the Company second charge on the current assets of the Company, both present and future, on pari passu basis. The same are repayable in 9 half yearly instalment after moratorium of 30 months from date of disbursement.

4. Interest rates on External Commercial Borrowings 2010 is 6 months LIBOR +475 bps. They are secured by first pari passu charge on all immovable and moveable Fixed Assets of the Company second charge on the current assets of the Company, both present and future, on pari passu basis. The same are repayable in 12 half yearly instalment after moratorium of 23 months from date of disbursement.

5. The company has executed Rupee Term Loan Agreement on January 09, 2015 with certain lenders including ECB lenders under obligor co-obligor structure for facilities granted to domestic group companies of Sandesara Group to which Company belongs. Accordingly, the securities and future cash flows are charged in favour of the lenders participating in Obligor co-obligor structure and the interest rate for facilities extended by these lenders is at 12% p.a.

6. The Company defaulted in repayment of loans and borrowings to the banks and financial institutions in previous years and the Company has also defaulted in repayment of dues to debenture-holders in previous years. Pursuant to the continuing defaults of the Company, a Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Mumbai Bench of the National Company Law Tribunal ("NCLT") dated 11th June, 2018. Owing to the initiation of CIRP, the borrowings are considered currently payable and therefore, classified under other financial liabilities as 'current maturities of long term borrowings'.

7. From 11th June, 2018 onwards interest cost recognition on all types of loans is ceased as Corporate Insolvency Process was initiated.

8. Expression of Interest Deposit includes 5,484 lakhs received as deposit from Bidders as on 31st March, 2022 (FY 20-21- NIL)





## 17 Lease Obligations

Particulars	As at 31st March, 2022	As at 31st March, 2021
A) Non-Current		
Lease Obligations	36.34	36.34
<b>Total</b>	<b>36.34</b>	<b>36.34</b>
B) Current		
Lease Obligations	4.36	4.36
<b>Total</b>	<b>4.36</b>	<b>4.36</b>

## 18 Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
A) Non-Current Provisions		
Provision for gratuity		246.37
Provision for compensated absences	157.62	185.26
<b>Total</b>	<b>157.62</b>	<b>431.63</b>
B) Current Provisions		
Provision for gratuity	9.77	57.66
Provision for compensated absences	59.88	15.59
<b>Total</b>	<b>69.65</b>	<b>73.24</b>

## 19 Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	402.89	439.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,818.08	1,897.84
<b>Total</b>	<b>2,220.97</b>	<b>2,337.48</b>

## Ageing Trade of Payables as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Note Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
MSME	213.48	1.23	0.27	0.42	187.49	402.89
Others	1,134.40	2.33	2.09	20.20	659.07	1,818.08
MSME - Disputed	-	-	-	-	-	-
Others - Disputed	-	-	-	-	-	-
	<b>1,347.88</b>	<b>3.56</b>	<b>2.37</b>	<b>20.61</b>	<b>846.56</b>	<b>2,220.97</b>

## Ageing Trade of Payables as on 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Note Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
MSME	250.08	1.25	0.42	164.04	23.84	439.64
Others	1,191.38	36.46	27.18	343.57	299.25	1,897.84
MSME - Disputed	-	-	-	-	-	-
Others - Disputed	-	-	-	-	-	-
	<b>1,441.46</b>	<b>37.71</b>	<b>27.60</b>	<b>507.61</b>	<b>323.10</b>	<b>2,337.48</b>



## 20 Other Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues Payable	254.59	231.21
Employee Dues Payable	466.13	504.00
Provision for Income Tax	58.74	58.74
Provision for Expenses	331.99	525.74
Advance from Customer	7.13	57.59
Other Payables	505.02	504.72
Other Current Liabilities	175.98	107.05
<b>Total</b>	<b>1,799.59</b>	<b>1,989.05</b>

## 21 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of contracts remaining to be executed on capital account		
Claims against the Company not acknowledged as debts		
(i) Excise Duty & Service Tax	4,990.97	6,063.80
(ii) Sales Tax *	875.56	775.08
(iii) Customs	1,150.37	
(iv) Income Tax**	94,461.66	67,863.91
	<u>1,01,478.55</u>	<u>74,702.79</u>

\* The Company has received the notice U/S 32/34/35 of Gujarat Value Added Tax dated 27th March, 2019 of Rs. 103.90 Lakhs for the Assessment Year 2014-2015, against which the department on suo moto recovered Rs. 123.93 Lakhs from the Company's Bank Account on 15th June, 2020. The company has filed an appeal with Hon'ble National Company Law Tribunal (Mumbai Bench) against the above recovery, as the recovery was in violation of Section 14 of Insolvency and Bankruptcy Code.

Further, Hon'ble NCLT vide order dated 22nd September, 2020, has directed the Assistant Commissioner of State Tax to refund the sum of Rs. 123.93 Lakhs to the company. Company has received mail dated 5th February, 2021 from the department, that they are going to file Appeal with Hon'ble National Company Law Appellate Tribunal against the Order of Hon'ble NCLT dated 22nd September, 2020. No communication has been received for appeal by department till date.

\*\* Out of the amount mentioned above, the company has already paid Rs. 824.27 Lakhs to Income Tax departments under protest.

(a) The Government of India, Ministry of Corporate Affairs vide order F No 3/107/2018-CL II (WR) dated April 10, 2018 has ordered Investigation into the affairs of the Company under Sec 212(1) (c) of the Companies Act, 2013 by Serious Fraud Investigation Office and the Director, SFIO vide order no SFIO 2017-18/V/13513/2018 dated 13-Apr-2018 and has appointed Shri Dheeraj Kumar (Senior Assistant Director) as Investigation Officer under Sec 212(4) of Companies Act, 2013.

First Information Report under Sec 154 of The Code of Criminal Procedure, 1973 suspecting criminal conspiracy and abuse of official position during the period 2005-2011 has been filed against Income Tax officers and Directors of the Company.

Further, Enforcement Directorate have made an allegation against directors for criminal conspiracy with dishonest intention to cheat Andhra Bank and other public sector banks as per applicable provisions of Prevention of Money Laundering Act, 2002. This matter is sub-judice and the impact, if any of the enquiry is unascertainable at this stage.

(b) The company has executed ANZ SBLC Facility Agreement on September 30, 2015 with certain lenders as co-obligor under the ANZ SBLC Facility of USD 560 Mn. granted to Sterling Global Oil Resources Private Limited, Mauritius to avail ANZ FC facility of USD 544 Mn. by Sterling Exploration and Energy Production Company Limited, BVI. Accordingly, all tangible and intangible movable and immovable assets of the Company, both present and future, are charged in favour of the lenders participating in ANZ SBLC Facility, on pari-passu basis with existing charge holders.

(c) The claims admitted as per "List of Claims (Updated Version 1)" dated 7th June, 2021 is Rs. 9,82,089.36 lakhs against total claims received from all the creditors Rs. 16,03,883.76 Lakhs against outstanding liabilities during the Liquidation Process. This includes Corporate Guarantee provided by company.

(d) The company has executed Rupee Term Loan Agreement on 9th January, 2015 with certain lenders including ECB lenders under obligor co-obligor structure for facilities granted to domestic group companies PMT Machines Ltd., Sterling SEZ & Infrastructure Ltd and Sterling Port Ltd.



## 22 Revenue from Operations

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Finished Goods	40,620.51	34,038.24
Export Incentive and Duty Draw back	190.62	224.78
<b>Total</b>	<b>40,811.13</b>	<b>34,263.02</b>

The risk and reward of goods transferred during the Financial Year 2021-22 of Rs 1164.74 Lakhs (FY 2020-21 Rs 555.91 Lakhs) was completed during the Financial Year 2022-23. This has been considered as sale in the Financial Year 2022-23.

## 23 Other Income

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Sales Miscellaneous	177.35	57.03
Interest Income	383.32	263.54
Other Income	1.56	1.48
Foreign Exchange Gain/(Loss)	184.28	83.07
Exchange Fluctuation on Foreign Currency Borrowings		7,025.68
Insurance Claim Received	1.35	0.74
Lease Rental Income	60.00	60.00
<b>Total</b>	<b>807.86</b>	<b>7,491.56</b>

## 24 Cost of Material Consumed

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Stock	2,962.91	1,588.89
Add: Purchases	29,458.44	25,525.38
	32,421.36	27,114.28
Less: Closing Stock	2,961.77	2,962.91
<b>Total</b>	<b>29,459.59</b>	<b>24,151.36</b>

## 25 Changes in Inventory of Finished Goods and Work-In-Progress

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Inventory at the end of the period		
Finished goods	1,852.13	1,286.68
Work-in-progress	3,573.54	3,903.03
Stock in Transit	855.17	410.73
	6,280.85	5,600.44
Inventory at the beginning of the period		
Finished goods	1,286.68	1,798.00
Work-in-progress	3,903.03	3,033.67
Stock in Transit	410.73	
	5,600.44	4,831.66
<b>(Increase)/decrease in Inventory</b>	<b>(680.41)</b>	<b>(768.78)</b>

## 26 Employee Benefits Expense

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, Wages & Bonus	3,574.04	3,797.10
Contribution to Provident Fund & Other Funds	368.49	198.30
Staff Welfare Expenses	116.25	113.00
<b>Total</b>	<b>4,058.78</b>	<b>4,108.40</b>

## 27 Finance Cost

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Cost	181.51	-
Finance Cost on Lease Obligation	4.36	4.36
Other Charges	20.21	12.03
<b>Total</b>	<b>206.07</b>	<b>16.39</b>

## 28 Depreciation and Amortisation

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on Property, Plant & Equipment's	24,213.99	24,433.74
Depreciation on Right to Use Assets	67.77	67.77
<b>Total</b>	<b>24,283.75</b>	<b>24,501.50</b>

Depreciation on Property, Plant & Equipment's  
Depreciation on Right to Use Assets  
Total



## 29 Other Expenses

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021
Exchange Fluctuation on Foreign Currency Borrowings	8,576.29	
Repair & Maintenance: Buildings	13.40	42.50
Repair & Maintenance: Plant & Machinery	876.42	827.01
Travelling & Conveyance	185.92	172.29
Telephone & Telex	12.44	14.17
Printing & Stationery	15.42	14.41
Postage, Telegram & Courier	13.34	13.27
Office Expenses	1,513.35	653.62
Rent, Rates and Taxes	72.57	51.91
Insolvency Liquidator Cost	434.22	40.21
Auditors Remuneration	9.75	8.25
Selling & Distribution Expenses	512.38	256.24
CSR Expenses		1.42
Labour Charges & Other Expenses	1,047.67	916.36
<b>Total</b>	<b>13,283.17</b>	<b>3,011.67</b>
<b>Auditors Remuneration</b>		
Audit Fees	7.00	7.00
Tax Audit Fees	1.25	1.25
Other Services	1.50	-
<b>Total</b>	<b>9.75</b>	<b>8.25</b>

## 30 Earnings Per Share (EPS)

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share.

a. Total Loss for the period	(29,523.09)	(84,366.09)
b. Nominal value of each Equity share (Rs.)	1.00	1.00
c. Weighted average No. of Equity Shares for Basic EPS	2,721.70	2,721.70
d. Basic Earnings per Share (Rs.) (a/c)	(10.85)	(31.00)
e. Weighted average No. of Equity Shares for Diluted EPS	2,721.70	2,721.70
f. Diluted Earnings per Share (Rs.) (a/e)	(10.85)	(31.00)
g. No (in lakhs) of FCCB not included in (e), being antidilutive in nature	1,609.00	1,609.00

## 31 Foreign Currency Earnings and Expenditure

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021

a. FOB value of Exports	10,888.60	8,446.93
b. CIF Value of Imports	13.22	16.87
c. Other Expenditure	55.64	18.66

## 32 Operating Segment

The Company has only one reportable segment i.e. Pharmaceuticals

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021

## Information about products and services turnover

a) API	9,083.91	9,147.16
b) Gelatin	31,155.30	24,678.37
c) Others	381.30	212.72
<b>Total</b>	<b>40,620.51</b>	<b>34,038.24</b>

## Information about Geographical Areas

## Revenue from External Customers

In India	29,731.91	25,591.31
Outside India	10,888.60	8,446.93
<b>Total</b>	<b>40,620.51</b>	<b>34,038.24</b>

## Non-Current Assets

In India	2,07,857.14	2,32,269.17
Outside India		

## Information about major customers

Exceeding 10% from each single external customer	14,370.27	14,772.17
--	-----------	-----------



## 33.1 Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirement of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to share holders or issue new shares.

## a) Debt Equity Ratio

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021
Net debts	8,11,990.26	7,97,923.49
Total equity	(5,73,253.67)	(5,43,860.96)
Net debt to equity ratio	(1.42)	(1.47)

(b) Dividend - During the F.Y. 2021-2022, no dividend has been recognized as distributions to equity shareholders (March 31, 2021: NIL)

Ratio	Year ended 31st March, 2022	Year ended 31st March, 2021	Change in Percentage	Remarks
Current ratio (In times) (Total Current assets) / (Total Current Liabilities)	0.06	0.04	51.27	Increase in current assets.
Debt-Equity ratio (In Times) (Debt Consist of borrowings and lease liabilities.) / (Total Equity)	-1.41	-1.47	(4.11)	Not Applicable
Debt service coverage ratio (In times) (Earning for Debt Service = Net Profit after taxes & Non-cash operating expenses & interest & Other non-cash adjustments) / (Debt service = Interest and lease payments & Principal repayments)	-0.04	-0.02	116.22	Increase in Loss Before Tax
Return on equity ratio (In %) (Profit for the year) / (Average total equity)	0.05	0.17	(68.57)	Decrease in Loss for the year
Inventory Turn Over Ratio (Revenue from Operations/ Average Inventory)	4.58	4.57	0.23	Not Applicable
Trade receivables turnover ratio (In times) (Revenue from operations) / (Average trade receivables)	9.68	7.53	28.52	Increase in Revenue from operations
Trade payables turnover ratio (In times) (Cost of Goods sold) / (Average trade payables)	12.92	13.00	(0.62)	Not Applicable
Net Capital turnover ratio (In times) (Revenue from operations) / (Average working capital (i.e. Total Current assets less Total current liabilities))	-0.07	-0.06	18.04	Not Applicable
Net profit ratio (In %) (Profit for the Period) / (Revenue from Operations)	-72.34	-246.23	(70.62)	Decrease in Loss for the year
Return on capital employed (In %) (Profit before tax and finance costs) / (Capital employed = Net worth & Lease liabilities & Deferred tax liabilities)	-5.02	-2.44	106.12	Increase in Loss Before Tax
Return on investment (In %) (Income generated from invested funds) / (Average invested funds in treasury investment)	NA	NA	NA	Not Applicable

## 33.2 Category of Financial Instrument

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021
(i) Financial Assets		
(a) Investments at FVTOCI (Level 1 Input)	337.30	261.31
(b) Measured at Amortised Cost		
Trade receivables	3,589.92	4,839.40
Cash and cash equivalents	19,841.70	10,997.51
Other current assets	2,668.20	2,439.67
	<u>26,437.12</u>	<u>18,537.89</u>
(ii) Financial Liabilities		
Measured at Amortised Cost		
Borrowings (Non-current)	1,97,873.50	1,97,873.50
Borrowings (Current)	1,24,428.19	1,24,428.19
Other Financial Liabilities	4,89,647.86	4,75,581.11
Lease Obligations (Non-current)	36.34	36.34
Lease Obligations (Current)	4.36	4.36
Trade Payables	2,220.97	2,337.48
Other Current Liabilities	1,799.59	1,989.05
	<u>8,16,010.82</u>	<u>8,02,250.02</u>





The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of the financial markets and seek to minimize the potential adverse effects on its financial performance.

(i) Market Risk

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

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has long-term debt obligations and is highly affected by interest rate fluctuations. The mark-to-market valuation of its portfolio is impacted by fluctuations in interest rates.

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company has an

(iv) Commodity Price Risk

The Company is affected by the price volatility of its key raw materials. Its operating activities require a continuous supply of key material for manufacturing of Gelatine and pharma products. The Company's procurement department continuously monitors the fluctuation in price and takes necessary action to minimize its price risk exposure.

(v) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its treasury operation. The Company majorly sells its goods on advance payment basis and hence is not subject to credit risk for its receivables.

(vi) Liquidity Risk

As of March 31, 2022, the Company has negative working capital of Rs. 5,82,870.19 lakhs (current assets of Rs. 35,300.43 lakhs including cash and cash equivalents of Rs. 19,841.70 lakhs). The Company has outstanding bank borrowings of Rs. 6,08,592.05 lakhs as working capital borrowings, short-term loans and current maturities of long-term loans. Accordingly, the high liquidity risk is perceived.

(vii) Price risk

Price risk is related to the change in market price of the investments in quoted equity securities and investment in mutual funds. The company's exposure to price risk arises from investment in mutual funds and equity securities held by the Company and classified in the Balance Sheet as Other. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Sensitivity on Mutual Funds:</b>		
The sensitivity of profit or loss to change in Net assets value (NAV)		*
NAV increases by 5%	14.65	12.37
NAV decreases by 5%	14.65	12.37
<b>Sensitivity on Equity Shares:</b>		
The sensitivity of profit or loss to change in Share Price		
Share Price increases by 5%	2.18	0.66
Share Price decreases by 5%	2.18	0.66

34 Related Party Disclosure

A. Names of Related Parties and Relationship

i) Details of Key Management Personnel suspended due to Liquidation Process

Mr. Nitin J. Sandesara	Managing Director
Mr. Chetan J. Sandesara	Joint Managing Director

ii) Details of Directors suspended due to Liquidation Process

Rajbhushan O. Dixit	Independent Director
Ms. Mayuriben H. Patel	Director

iii) Enterprises in which significant influence is exercised by Key Management Personnel

Sterling SEZ and Infrastructure Limited  
Sterling Oil Resources Limited  
Sterling Port Limited  
Sterling International Enterprises Limited  
PMT Machines Limited  
Atlantic Bluewater Services Limited  
British Oil & Gas Exploration Limited  
Sterling Exploration & Energy Production Co. Limited  
Sterling Oil Exploration & Energy Production Co. Limited  
Sterling Healthcare Limited  
Sterling Energy Limited  
Sterling Gelatin Limited



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

B The aggregate amount of transaction with the related parties is as below

Particulars	(Rs. In Lakhs)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Sterling Healthcare Limited (Lease Rentals)	60.00	60.00
Sterling SEZ and Infrastructure Limited (Interest Cost)	181.51	
Sterling SEZ and Infrastructure Limited (Maintenance charges and Annual Lease rentals)	669.69	8.72

C The balance outstanding with the related parties are as below :

Particulars	(Rs. In Lakhs)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
<u>Lease Rent Payable</u>		
Sterling SEZ and Infrastructure Limited	126.17	61.80
<u>Lease Rent Receivable</u>		
Sterling Healthcare Limited	119.93	93.05
<u>Loans &amp; Advances Payable</u>		
Sterling Energy Limited	8.50	8.50
PMT Machines Limited	17.35	17.35
<u>Loans &amp; Advances Receivable</u>		
Sterling Gelatin Limited	1.00	1.00
Mr. Chetan J. Sandesara	1.83	1.83
<u>8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares</u>		
Sterling SEZ and Infrastructure Limited	26,126.50	26,126.50
Sterling Port Limited	1,38,240.00	1,38,240.00
PMT Machines Limited	33,507.00	33,507.00
	<u>1,97,873.50</u>	<u>1,97,873.50</u>
<u>Loans &amp; Advances - Impaired</u>		
PMT Machines Limited	130.00	130.00
Sterling Port Limited	40.00	40.00
Sterling Gelatin Limited	2.20	2.20
Sterling Healthcare Limited	0.04	0.04
Less- Loans & Advances - Impaired	<u>(172.25)</u>	<u>(172.25)</u>
	-	-
<u>Investment - Impaired</u>		
Sterling SEZ and Infrastructure Limited	4,875.00	4,875.00
Sterling Oil Resources Limited	500.00	500.00
Sterling Port Limited	9,900.00	9,900.00
Atlantic Bluewater Services Private Limited	4.97	4.97
British Oil & Gas Exploration Private Limited	5.46	5.46
Sterling Exploration & Energy Production Co. Limited	6.97	6.97
Less- Investments Impaired	<u>(15,292.40)</u>	<u>(15,292.40)</u>
	-	-

35 Dues to micro and small enterprises

Based on the information received by the Company from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (The Act) amount of Rs. 402.89 lakhs (Rs. 439.64 lakhs as on March 31, 2021) is due to such vendors as at the year end. Interest is not provided on the amount due to Vendors as company is under liquidation process.

36 Employee Benefits

The Company has classified the various benefits provided to employees as under:

1. Defined Contribution Plans

- Employers' Contribution to Provident Fund and Employee's Pension Scheme
- Employers' Contribution to Employee's State Insurance

During the year, the Company has Incurred and recognised the following amounts in the Statement of Profit and Loss:

Particulars	(Rs. In Lakhs)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Employers' Contribution to Provident Fund and Employee's Pension Scheme	183.12	185.67
Employers' Contribution to Employee's State Insurance	13.19	12.64
Total expenses recognised in the Statement of P&L	<u>196.31</u>	<u>198.31</u>



## Notes to the Financial Statements for the year ended 31st March, 2022

## II. Defined Benefit Plan

## Gratuity Fund

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021
<b>I Changes in present value of obligations</b>		
PVO at beginning of period	852.57	852.75
Interest cost	58.33	55.38
Current Service Cost	60.95	62.13
Past Service Cost- (non vested benefits)	0.62	-
Past Service Cost -(vested benefits)	68.28	-
Benefits Paid	(120.82)	(55.74)
Benefits Paid By The Company	-	-
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	(73.36)	(61.96)
PVO at end of period	846.58	852.57
<b>II Net Interest</b>		
Interest Expenses	58.33	55.38
Interest Income	37.41	28.29
Net Interest	20.92	27.09
<b>III Actual return on plan assets</b>		
Less Interest income included above	37.41	28.29
Return on plan assets excluding interest income	10.94	0.80
<b>IV Actuarial Gain or loss on obligation</b>		
Due to Demographic Assumption	-	-
Due to Financial Assumption	(34.75)	(2.09)
Due to Experience	(38.61)	(59.86)
Total Actuarial (Gain)/Loss	(73.36)	(61.96)
<b>V Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	548.55	421.54
Adjustment to Opening Fair Value of Plan Asset	-	-
Return on Plan Assets excl. interest income	10.94	0.80
Interest Income	37.41	28.29
Contributions by Employer	360.72	153.66
Contributions by Employee	-	-
Benefits Paid	(120.82)	(55.74)
Fair Value of Plan Assets at end	836.81	548.55
<b>VI Past Service Cost Recognised</b>		
Past Service Cost- (non vested benefits)	0.62	-
Past Service Cost -(vested benefits)	68.28	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past service Cost- non vested benefits	0.62	-
Recognised Past service Cost- vested benefits	68.28	-
Unrecognised Past Service Cost- non vested benefits	-	-
<b>VII Amounts to be Recognized in the Balance Sheet and Statement of Profit &amp; Loss Account</b>		
PVO at end of period	846.58	852.57
Fair Value of Plan Assets at end of period	836.81	548.55
Funded Status	(9.77)	(304.02)
Net Assets (Liability) recognized in the balance sheet	(9.77)	(304.02)
<b>VIII Expense recognized in the Statement of Profit &amp; Loss Account</b>		
Current Service Cost	60.95	62.13
Net Interest	20.92	27.09
Past Service Cost- (non vested benefits)	-0.62	-
Past Service Cost -(vested benefits)	68.28	-
Curtailment Effect	-	-
Settlement Effect	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Expense recognized in the statement of P & L A/C	150.77	89.22
<b>IX Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for the period	(73.36)	(61.96)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	(10.94)	(0.80)
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(84.30)	(62.76)
<b>X Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	304.02	431.22
Adjustment to opening balance	-	-
Expenses as above	150.77	89.22
Re-Measurement	-	-
Benefits Paid By The Company	-	-
Contribution paid	(360.72)	(153.66)
Other Comprehensive Income(OCI)	(84.30)	(62.76)
Closing Net Liability	9.77	304.02



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

XI	Schedule III of The Companies Act 2013		
	Current Liability	128.53	57.66
	Non-Current Liability	718.05	794.92
	Total	846.58	852.57
XII	Assumptions		
	Mortality	IALM (2012-14) ULT	IALM (2012-14) ULT
	Interest Discount Rate	6.80%	6.80%
	<u>Rate of Increase in compensation</u>		
	Karakhadi	10.00%	10.00%
	Masar	6.00%	6.00%
	Ooty	2.00%	2.00%
	Annual increase in healthcare costs		
	Future Changes in maximum state healthcare benefits		
	Expected average remaining service	15.64	15.95
	<u>Employee Attrition Rate</u>		
	Karakhadi	PS: 0 to 42: 1.16%	PS: 0 to 42: 1.16%
	Masar	PS: 0 to 42: 1.80%	PS: 0 to 42: 1.80%
	Ooty	PS: 0 to 42: 1.00%	PS: 0 to 42: 1.00%
XIII	Sensitivity Analysis		
	Discount Rate	PVO DR+1%	PVO DR+1%
	PVO	789.17	787.56
	Escalation rate	PVO ER+1%	PVO ER+1%
	PVO	881.76	914.71
XIV	Expected payout		
	Outgo First	90.51	57.66
	Outgo Second	38.49	118.00
	Outgo Third	58.95	32.08
	Outgo Fourth	58.92	58.74
	Outgo Fifth	50.45	53.00
	Outgo Six to Ten	358.66	336.19

Leave Encashment

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2022	31st March, 2021
I	Changes In present value of obligations	
	PVO at beginning of period	203.09
	Interest cost	13.28
	Current Service Cost	21.65
	Past Service Cost- (non vested benefits)	-
	Past Service Cost -(vested benefits)	-
	Benefits Paid	(2.80)
	Benefits Paid By The Company	(65.70)
	Contributions by plan participants	-
	Business Combinations	-
	Curtailments	-
	Settlements	-
	Actuarial (Gain)/Loss on obligation	11.60
	PVO at end of period	181.13
	Short Term Liability	38.44
II	Net Interest	
	Interest Expenses	13.28
	Interest Income	0.36
	Net Interest	12.92
III	Actual return on plan assets	
	Less Interest income included above	-
	Return on plan assets excluding interest income,	0.36
		(0.61)
IV	Actuarial Gain or loss on obligation	
	Due to Demographic Assumption	-
	Due to Financial Assumption	(9.73)
	Due to Experience	21.33
	Total Actuarial (Gain)/Loss	11.61
V	Fair Value of Plan Assets	
	Opening Fair Value of Plan Asset	2.25
	Adjustment to Opening Fair Value of Plan Asset	-
	Return on Plan Assets excl. interest income	(0.61)
	Interest Income	0.36
	Contributions by Employer	2.88
	Contributions by Employee	-
	Benefits Paid	(2.80)
	Fair Value of Plan Assets at end	2.07



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

VI	Past Service Cost Recognised		
	Past Service Cost- (non vested benefits)		
	Past Service Cost -(vested benefits)		
	Average remaining future service till vesting of the benefit		
	Recognised Past service Cost- non vested benefits		
	Recognised Past service Cost- vested benefits		
	Unrecognised Past Service Cost- non vested benefits		
VII	Amounts to be Recognized in the Balance Sheet and Statement of Profit & Loss Account		
	PVO at end of period	181.13	203.09
	Short Term Liability	38.44	
	Fair Value of Plan Assets at end of period	2.07	2.25
	Funded Status	(179.06)	(200.85)
	Net Assets (Liability) recognized in the balance sheet	(179.06)	(200.85)
	Net Assets (Short Term Liability) recognized in the balance sheet	(38.44)	
VIII	Expense recognized in the Statement of Profit & Loss Account		
	Current Service Cost	21.65	30.11
	Net Interest	12.92	12.81
	Past Service Cost- (non vested benefits)		
	Past Service Cost -(vested benefits)		
	Curtailment Effect		
	Settlement Effect		
	Unrecognised Past Service Cost- non vested benefits		
	Actuarial (Gain)/Loss recognized for the period	11.61	(37.33)
	Expense recognized in the statement of P & I, AJC	46.79	5.58
	Short Term Liability Recognised in P & I	38.44	-
IX	Other Comprehensive Income (OCI)		
	Actuarial (Gain) / loss recognized for the period	-	-
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	-	-
X	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	200.85	198.22
	Adjustment to opening balance	-	-
	Expenses as above	46.79	5.63
	Benefits Paid By The company	(65.70)	-
	Contribution paid	2.88	(3.00)
	Other Comprehensive Income(OCI)	-	-
	Closing Net Liability	179.06	200.80
	Short Term Liability	38.44	-
XI	Schedule III of The Companies Act 2013		
	Current Liability	21.44	15.59
	Non-Current Liability	159.70	187.51
	Short Term Liability	38.44	-
XII	Assumptions		
	Mortality	IALM (2012-14) ULT	IALM (2012-14) ULT
	Interest Discount Rate	7.35%	6.80%
	<u>Rate of increase in compensation</u>		
	Karakhadi	10.00%	10.00%
	Masar	6.00%	6.00%
	Ooty	2.00%	2.00%
	Annual increase in healthcare costs	-	-
	Future Changes in maximum state healthcare benefits	-	-
	Expected average remaining service	15.70	15.90
	<u>Employee Attrition Rate</u>		
	Karakhadi	PS: 0 to 42: 1.16%	PS: 0 to 42: 1.16%
	Masar	PS: 0 to 42: 1.80%	PS: 0 to 42: 1.80%
	Ooty	PS: 0 to 42: 1.00%	PS: 0 to 42: 1.00%
XIII	Sensitivity Analysis		
	Discount Rate	PVO DR+1%	PVO DR+1%
	PVO	165.50	183.63
	Escalation rate	PVO ER+1%	PVO ER+1%
	PVO	199.04	225.48
XVI	Expected payout		
	Outgo First	21.44	15.59
	Outgo Second	3.87	12.71
	Outgo Third	8.73	4.87
	Outgo Fourth	9.84	9.43
	Outgo Fifth	8.59	9.86
	Outgo Six to Ten	81.65	81.49





## 37 Key Roles and Responsibilities &amp; Data Sources during the F.Y. 1st April, 2021 to 31st March, 2022:

Area of Work			
Overall Accounts and Finance & decisions	Promoters and Directors till August 2017		
Director on Record	Mr. Rajbhushan Dixit		
Legal and Secretarial	Kirtidev Khatri (V.P. Legal), Adv. Prem Jha and Sunil Joshi		
Finance & treasury	Chandra Prakash Poddar		
CEO/Plant Heads	Karakhadi	Masar	Ooty
	Pawan Bhatnagar (CEO) /P.D. Singh(Plant Head)	Satish Shah (CEO)/ Vishnu Gupta (Plant Head)	D. Chandrasekaran (Office Incharge)
Accounts & Consolidation	HO	Karakhadi	Masar
	Manish Shah		
	Girish Jethmalani	Riya Chaudhary	Rakesh Modi
			Ooty
			D. Chandrasekaran

Mr. Manish Shah is a consultant-commercial functions for the company from the past 16 years.

Mr. R.B.Dixit is an Independent Director and Resigned on 8th September, 2021.

Ms. Riya Chaudhary has been Account head of Karkhadi division since: October 2010

Mr. Rakesh Modi has been Account head of Masar division since: December 2012

Mr. D. Chandrasekaran has been Account head of Ooty division since: April 2002

Adv. Prem Jha has resigned w.e.f. March-2021

38 It is pertinent to note that the Liquidator has made all practical and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the financial statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the financial statements of the Company. The Liquidator has relied upon and assumed the accuracy/ veracity of data/information provided by the officials of the Company, and long term consultants and the records of the Company made available to the Liquidator, which the Liquidator has assumed are in conformity with the applicable law and present a true and fair view of the position of the Company as of the dates and for the period indicated therein. The Liquidator has not personally verified the information provided by the officials of the Company and has placed confidence in the data/ information provided to him. The financial statements have been signed by the Liquidator as no promoter director are present in India and. Accordingly, the Liquidator should be absolved from the accuracy, veracity and sufficiency or completeness of such information. The Liquidator has signed the Financial Statements to facilitate the liquidation process and to facilitate the statutory requirements without any liability of the same. Hon'ble Supreme Court vide order date 22nd February, 2021 appointed Liquidator to run the company as Going Concern.

## 39 Other Statutory Disclosures

A. Investment or Trading in Crypto or Virtual currency in F.Y.2021-22 is NIL (F.Y. 2020-21 is NIL)

B. No proceeding has been initiated or pending against the company for holding any Benami property under Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

C. The Company do not have any transactions with companies struck off during the year.

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

E. The Company has not disclosed any income in terms of any transaction which is not recorded in books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

F. The Company has not granted any loans and advances in the nature of loans to promoters, directors, key management personnel (KMP) and the related parties as repayable on demand or guaranteed without specifying terms during the year.

G. The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Act read with The Companies (Restriction on number of layer) Rules, 2017.

H. Title deeds of all the immovable properties are held in the name of the company.

I. The Company has not revalued its Property, Plant and Equipment during the year.

J. Section 135 of the the Companies Act, 2013 relating to CSR is not applicable to company.

K. The Company has not borrowed any fund from bank or financial institutions on the basis of current assets during the year or otherwise.

L. During the year the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

M. The company have been declared as wilful defaulter by some of the banks, financial institutions or other lenders.



40 Impact of COVID-19

As assessed by the management, Impact of Covid -19 on the financial statements of the Company is likely to be modest and for short term. Management does not foresee any medium to long term risk in company 's ability to continue as going concern.

41 Previous Period Figures

Previous period figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure

Accompanying Notes are integral part of the financial statements.

As per our Report of even date attached  
For MRB & Associates  
Chartered Accountants  
Firm Registration Number -136306W



Manishi R Bohra  
Partner  
Membership No. 058431  
Place: Mumbai  
Date: 2nd August, 2022



For Sterling Biotech Limited



Dr. (h.c.) CS Adv Mamta Binani  
Liquidator

In the matter of Sterling Biotech Limited  
Registration No.: IBBI/PA-002/IP-N00086/2017-18/10227  
AFA valid till 06.12.2022

[liquidatorsterlingbiotech@gmail.com](mailto:liquidatorsterlingbiotech@gmail.com) (process specific);  
[mamtabinani@gmail.com](mailto:mamtabinani@gmail.com) (registered with IBBI)

Address of the Liquidator registered with IBBI:  
Second Floor, Nicco House, 2 Hare Street

Signed without any liability for administrative purpose only  
(See Note No. 37 and 38)

Place: Mumbai

Date: 2nd August, 2022

