

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**STESALIT SYSTEMS LIMITED****Report on the Financial Statements****Opinion**

1. We have audited the accompanying financial statements of **STESALIT SYSTEMS LIMITED** (*'the Company'*) which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (*'Act'*) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

4. As stated in note 32 on the financial statements, the management's representation regarding recovery of the slow-moving items of sundry debtors has been relied upon by us.

Our opinion is not modified in respect of this matter.



**Information other than the Financial Statements and Auditor's Report thereon**

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Responsibilities of Management for the Financial Statements**

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
7. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material



if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

11. 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.

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

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our



knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The financial statements dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 29 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.
  - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether



## Chartered Accountants

recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

**For B Chhawchharia & Co.**  
*Chartered Accountants*  
**Firm's Registration No.: 305123E**

*Priyam Agarwal*  
**Priyam Agarwal**  
Partner

Membership No.: 309045  
**UDIN: 23309045BGQKSW6460**

Kolkata  
7<sup>th</sup> August, 2023



**Annexure A referred to in Paragraph 13 of the Auditor's Report in Independent Auditor's Report of even date to the members of STESALIT SYSTEMS LIMITED, on the financial statements for the year ended 31<sup>st</sup> March 2023**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property (including investment properties). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (and Right of Use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification, which have been properly dealt with in the books of account.  
(b) The Company has not been sanctioned working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment 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 (LLPs), or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.



- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of Dues	Amount (In Rs.)	Assessment Year	Forum where dispute is pending
Income Tax Act	Assessed demand u/s 143(1)	6,26,475	2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act	Assessed demand u/s 143(1)	4,16,460	2022-23	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.



- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the 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. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements, as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

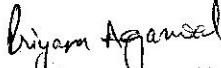


- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Kolkata  
7<sup>th</sup> August, 2023



**For B Chhawchharia & Co**  
*Chartered Accountants*  
**Firm Registration No.: 305123E**

  
**Priyam Agarwal**  
Partner  
Membership No. 309045  
**UDIN: 23309045BGQKSW6460**

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

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

1. In conjunction with our audit of the financial statements of STESALIT SYSTEMS LIMITED ("the Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

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

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

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

6. A company's IFCoFR 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 IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the



company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based 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 ICAI.

Kolkata  
7<sup>th</sup> August, 2023



**For B. Chhawchharia & Co.**  
*Chartered Accountants*  
**Firm Registration No.: 305123E**

*Priyam Agarwal*  
**Priyam Agarwal**  
Partner  
Membership No. 309045  
**UDIN: 23309045BGQKSW6460**

**STESALIT SYSTEMS LIMITED****CIN: U31908WB2010PLC155476****Balance Sheet as at 31st March, 2023**

(All amounts are in rupees hundreds, unless otherwise stated)

	Notes	As at 31st March, 2023		As at 31st March, 2022	
<b>EQUITY &amp; LIABILITIES</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	2	8,36,000		8,36,000	
(b) Reserves & Surplus	3	1,34,423	9,70,423	1,22,353	9,58,353
<b>Non-Current Liabilities</b>					
(a) Long-term Borrowings	4	10,39,145		10,68,996	
(b) Long Term Provisions	8	80,041	11,19,186	77,453	11,46,449
<b>Current Liabilities</b>					
(a) Short-term Borrowings	5	21,50,250		20,99,988	
(b) Trade Payables	6	7,27,783		6,40,577	
(c) Other Current Liabilities	7	7,72,531		4,52,366	
(d) Short Term Provisions	8	7,982	36,58,546	9,563	32,02,494
<b>TOTAL</b>			<b>57,48,155</b>		<b>53,07,296</b>
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment & Intangible Assets	9				
(i) Property, Plant & Equipment		47,598		53,703	
(ii) Intangible Assets		4,63,692		3,53,235	
(iii) Capital Work In Progress		-		2,72,428	
(b) Deferred Tax Asset (net)	10	14,700		16,580	
(c) Long-Term Loans and Advances	11	50		50	
(d) Other Non Current Assets	15	77,778	6,03,818	83,007	7,79,002
<b>Current Assets</b>					
(a) Inventories	12	1,070		1,76,618	
(b) Trade Receivables	13	48,28,956		38,28,999	
(c) Cash and Cash Equivalents	14	221		111	
(d) Short-term Loans and Advances	11	3,01,838		5,15,036	
(e) Other Current Assets	15	12,252	51,44,337	7,530	45,28,294
<b>TOTAL</b>			<b>57,48,155</b>		<b>53,07,296</b>
Significant Accounting Policies	1				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For B Chhawchharia & Co.  
Chartered Accountants  
Firm Registration No.: 305123E

*Priyam Agarwal*  
Priyam Agarwal  
Partner  
M No. 309045  
UDIN: 23309045B4Q8KSW6460

Place: Kolkata  
Date: 07th August, 2023



*Arun Kumar Khemka*

Arun Kumar Khemka

DIN - 00032526

Director

*Hemant Khemka*

Hemant Khemka

DIN - 00032636

Director

*Geetika Chaturvedi*

Geetika Chaturvedi

Company Secretary

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

(All amounts are in rupees hundreds, unless otherwise stated)

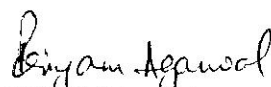
	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>I. Revenue from Operations (Gross)</b>	16	25,22,230	20,58,843
<b>II Other Income</b>	17	29,589	28,801
<b>III Total Income (I + II)</b>		<b>25,51,819</b>	<b>20,87,644</b>
<b>VI Expenses:</b>			
(a) Cost of materials consumed	18	10,999	24,596
(b) Changes in Inventories	19	1,42,518	1,02,439
(c) Purchases of stock-in-trade		71,456	39,408
(d) Employee Benefits Expense	20	5,19,223	3,16,707
(e) Finance Costs	21	2,28,942	2,14,402
(f) Depreciation and amortization expense	9	1,79,222	2,42,074
(g) Other expenses	22	13,86,399	11,38,493
<b>Total Expenses</b>		<b>25,38,759</b>	<b>20,78,119</b>
<b>V Profit before tax (III - IV)</b>		<b>13,060</b>	<b>9,525</b>
<b>VI Tax Expenses</b>			
(a) Current Tax		4,112	5,096
(b) Deferred Tax		1,880	(2,288)
<b>VII Profit/(Loss) for the Period (V - VI)</b>		<b>7,067</b>	<b>6,716</b>
<b>VIII Earning per Equity Share (face value Rs.10) (in Rs.)</b>	24		
(a) Basic		0.85	0.80
(b) Diluted		0.85	0.80

The accompanying notes are an integral part of the financial statements

As per our report of even date


For and on behalf of the Board


For B Chhawchharia & Co.  
Chartered Accountants  
Firm Registration No. 305123E

  
**Priyam Agarwal**  
Partner  
M No. 309045  
UDIN: 23309045B4QKSLW6460

Place: Kolkata  
Date: 07th August, 2023



  
**Arun Kumar Khemka**  
DIN - 00032526  
Director

  
**Hemant Khemka**  
DIN - 00032636  
Director

  
**Geetika Chaturvedi**  
Company Secretary

**STESALIT SYSTEMS LIMITED**

CIN: U31908WB2010PLC155476

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

(All amounts are in rupees hundreds, unless otherwise stated)

	31st March, 2023	31st March, 2022
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax and extraordinary items	13,060	9,525
Adjustments for :		
Depreciation	1,79,222	2,42,074
(Profit)/Loss on Exchange Rate Fluctuation	(5,603)	(4,013)
Interest Expense	1,79,254	1,65,646
Sundry Balances Written off (Net)	(1,93,908)	3,508
<b>Operating Profit before working Capital Changes</b>	<b>1,72,025</b>	<b>4,16,740</b>
Adjustments for :		
(Increase)/Decrease in Loans & Advances	1,55,899	34,942
(Increase)/Decrease in Inventories	1,75,547	1,11,776
(Increase)/Decrease in Trade Receivables	(9,94,354)	30,570
(Increase)/Decrease in Other Assets	508	(50,654)
Increase/(Decrease) in Trade Payables	2,81,114	(1,65,591)
Increase/(Decrease) in Provisions	1,990	(13,907)
Increase/(Decrease) in Other Current Liabilities	3,20,165	(2,33,300)
<b>Cash generated from operations</b>	<b>1,12,894</b>	<b>1,30,576</b>
Direct Taxes (Net of Refunds)	57,205	(93,289)
<b>Net Cash generated from Operating Activities</b>	<b>1,70,099</b>	<b>37,288</b>
<b>B. Cash Flow from Investing Activities :</b>		
Sale/ (Purchase) of Fixed Assets	(11,146)	(2,78,909)
<b>Net Cash generated from Investing Activities</b>	<b>(11,146)</b>	<b>(2,78,909)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Loan Received/(re-paid)	(30,517)	1,782
Proceeds from Cash Credit Account & GECL Loan	(17,545)	(98,748)
Repayment of Loans (including Interest)	(1,10,781)	3,29,100
<b>Net Cash generated from Financing Activities</b>	<b>(1,58,843)</b>	<b>2,32,134</b>
<b>Net change in cash &amp; cash Equivalent ( A+B+C )</b>	<b>110</b>	<b>(9,487)</b>
Cash and Cash equivalent as at the beginning of the year	111	9,597
<b>Cash and Cash equivalent as at the end of the year</b>	<b>221</b>	<b>111</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	107	-
Cash in hand	114	111
<b>Total cash and cash equivalents</b>	<b>221</b>	<b>111</b>

Note : Figures in brackets represent cash outflows.

As per our report of even date

For B. Chhawchharia &amp; Co.

Chartered Accountants

Firm Registration No. 305123E

*Prityam Agarwal*  
Prityam Agarwal  
Partner

M No. 309045

UDIN: 23209045 349KJW 6460

Place: Kolkata

Date: 07th August, 2023

For and on behalf of the Board

*Arun Kumar Khemka*  
Arun Kumar Khemka  
DIN - 00032526  
Director

*Hemant Khemka*  
Hemant Khemka  
DIN - 00032636  
Director



*Geetika Chaturvedi*  
Geetika Chaturvedi  
Company Secretary

**Overview of the Company**

Stesalit Systems Limited ("The Company") is an unlisted public company having its registered office at Stesalit Towers, Plot No. E2-3, Block EP-GP, Sector-V, Salt Lake, Kolkata-700091. The company is registered under MSME bearing UAN number WB14B0000101 and WB14E0000102. The primary business of the Company is related to dealing in software and services.

**1. Significant Accounting Policies**

**1.1 Basis of Preparation of Financial Statements**

The Financial Statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013. Accounting policies not referred to otherwise are consistent and are in consonance with the generally accepted accounting principles in India.

**1.2 Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principle requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialized.

**1.3 Property Plant & Equipment**

- (a) Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of acquisition includes inward freight, duties and taxes (net of cenvat availed), dismantling cost and installation expenses etc incurred up to the installation of the assets.
- (b) Capital work-in-progress under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.
- (c) Depreciation on tangible asset is provided on written down value method on the basis of useful life of the assets and in the manner as prescribed in Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date. Based on above, the estimated useful lives of assets for the current period are as follows:

Category	Useful life
Plant and machinery	
- Continuous Process Plant	15 Years
- Sinter Plant, Blast Furnace, Coke Oven, Rolling Mill and Basic Oxygen Furnace Converter	20 Years
- Others	25 Years
Computer equipment	
- Servers and networks	6 Years
- Others	3 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10 Years
Office equipment	5 Years
Vehicles	
- Motor cycles, scooters and other mopeds	10 Years
- Others	8 Years

**1.4 Intangible Assets**

Cost of Intangible assets, likely to generate probable future economic benefits and being internally generated, are measured at the directly attributable expenditure allocated on a reasonable basis to create, produce and make it ready for its intended use. Intangible assets acquired separately are measured at cost on initial recognition.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. Such assets are amortised on written down value method for Computer Software and straight Line method for Goodwill over the useful economic life of the respective assets and in the manner prescribed in Schedule II to the Companies Act, 2013. As decided by the management, the estimated useful lives of the assets for the current period are as follows:

Category	Useful life
Computer Software	6 Years

**1.5 Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**1.6 Impairment of Assets**

The carrying amounts of the assets are reviewed at each balance sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged when the asset is identified as impaired.



**1.7 Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual wise investment basis. Long-term investments are carried at cost. Provision for diminution in the value of long term investments is made on individual investment basis only if such a decline is other than temporary in nature in the opinion of the management.

**1.8 Employee Retirement Benefits**

- (i) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.
- (ii) Liability on account of leave entitlement of employees is provided for in accordance with the rules of the Company at current encashable salary rates as at the balance sheet date.
- (iii) Gratuity is accounted for on the basis of current encashable salary rates for every completed year of service in respect of all employees.

**1.9 Inventories**

Inventories are valued at lower of the cost or net realizable value.

**1.10 Taxes on Income**

- (i) Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.
- (ii) Deferred tax assets are recognised when the Company carries forward unused tax losses/expenses and unabsorbed depreciation. Deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.  
The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of aggregate deferred tax assets to be utilised.

**1.11 Provisions, Contingent Liabilities and Contingent Assets**

- (i) A provision is recognised if, as a result of past event, the Company has a present legal obligation that is reasonably estimate, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the reporting date.
- (ii) Contingent Liability disclosure is made where no reliable estimate can be made. A disclosure for Contingent liability is also made when there is a possible obligation or present obligation, arising from past events, that may, but probably will not, require an outflow of resources.
- (iii) Contingent Assets are not recognized in the financial statement and if material, are disclosed by way of notes to accounts when an inflow of economic benefits is probable.

**1.12 Foreign Currency Transactions**

- (i) Income & Expenditure in foreign currency is converted into Rupee at the rate of exchange prevailing on the date of transaction except in the cases of forward contract where it is taken at the contracted rate. Realized gains and losses on foreign exchange transactions in the year are recognized in the Profit and Loss Account.
- (ii) Foreign currency monetary assets and liabilities in foreign currency at year end are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet and the resultant exchange difference is recognized in the Profit & Loss Account.

**1.13 Revenue Recognition**

- (i) All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Revenue from sale of IT Solutions & services rendered, are recognized:
  - (a) in case of contract for development of software on time basis, their billing is based on specified terms of the contract; and
  - (b) in case of fixed price contracts, on the achievement of the milestone set out in the contract.
- (iii) Revenues from Sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
- (iv) The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sale.



1.14 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The net profit or loss for the period attributable to ordinary shareholders is the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of ordinary shares is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by the time-weighting factor.

1.15 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

2. Share Capital

a) Capital Structure

	31 March 2023	31 March 2022
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,000	10,00,000
(Previous year - 1,00,00,000 Equity Shares of Rs. 10/- each)		
	<u>10,00,000</u>	<u>10,00,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>		
83,60,000 Equity Shares of Rs. 10/- each	8,36,000	8,36,000
(Previous year - 83,60,000 Equity Shares of Rs. 10/- each)		
	<u>8,36,000</u>	<u>8,36,000</u>

b) Share Capital Reconciliation

Equity Shares	31 March 2023		31 March 2022	
	Nos.	Amount	Nos.	Amount
Opening balance	83,60,000	8,36,000	83,60,000	8,36,000
Issued during the period	-	-	-	-
Closing Balance	<u>83,60,000</u>	<u>8,36,000</u>	<u>83,60,000</u>	<u>8,36,000</u>

c) Terms/rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.  
Every shareholder is entitled to the dividend distributed by the Company in proportion to the number of equity shares held by the shareholder.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

d) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date

	31 March 2023		31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Arun Kumar Khemka	14,50,000	17.34%	14,50,000	17.34%
Arun Kumar Khemka as Karta of A K Khemka(HUF)	23,64,000	28.28%	23,64,000	28.28%
Hemant Khemka	14,60,000	17.46%	14,60,000	17.46%
Maruna Exports Private Limited	19,20,000	22.97%	19,20,000	22.97%
Kusum Khemka	11,40,000	13.64%	11,40,000	13.64%

The above shareholding represents both legal and beneficial ownership of shares.

- e) No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as at Balance Sheet.
- f) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.
- g) No convertible securities have been issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.
- i) The Company has not forfeited any shares.
- j) Shares held by promoters

Sr. No.	Promoters Name	No. of Shares	% of Total Shares	% Change during the year
i	Arun Kumar Khemka	14,50,000	17.34%	-
ii	Arun Kumar Khemka as Karta of A K Khemka(HUF)	23,64,000	28.28%	-
iii	Hemant Khemka	14,60,000	17.46%	-
iv	Maruna Exports Private Limited	19,20,000	22.97%	-
v	Kusum Khemka	11,40,000	13.64%	-
vi	Gitanjali Khemka	16,000	0.19%	-
vii	Rohan Khemka	10,000	0.12%	-



**STESALIT SYSTEMS LIMITED**
**CIN: U31908WB2010PLC155476**
**Notes to the Financial Statements for the year ended 31st March, 2023**
**(All amounts are in rupees hundreds, unless otherwise stated)**
**3. Reserves & Surplus**

Surplus/(Deficit) in the Statement of Profit &amp; Loss

Opening balance

Add: Profit/(Loss) for the year

Add: Income Tax for earlier year

Net Surplus/(Deficit) at the end of the year

**Total Reserves & Surplus**

31 March 2023	31 March 2022
1,22,353	1,15,141
7,067	6,716
5,003	495
<b>1,34,423</b>	<b>1,22,353</b>
<b>1,34,423</b>	<b>1,22,353</b>

**4. Long Term Borrowings**
**Secured Loans**

From Banks

Vehicle Loans (\*)

Working Capital Term Loan (under GECL Scheme) (\*\*)

Non-Current Maturities		Current Maturities	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
276	6,775	1,730	1,730
38,869	62,221	23,334	23,334
<b>10,39,145</b>	<b>10,68,996</b>	<b>25,064</b>	<b>25,064</b>

**Unsecured Loans**

100 Optionally Convertible Debentures (#)

(\*) Note

(i) Secured by hypothecation of vehicle financed there against.

(ii) Vehicle Loans-

of Rs. 15.00 lakhs, carrying interest @13.90% p.a. respectively, are repayable in 60 months respectively.

(\*\*) Note

(i) Secured by extension of charge over the existing Primary &amp; Collateral securities including mortgages created in favour of the Bank, as stated in 5(A) below.

(ii) Principal moratorium 24 months; Repayable in 36 monthly installments after moratorium.

(iii) Rate of interest- 0.75% above EBLR. Interest to be serviced as and when applicable

(#) Note

(i) The Optionally Convertible Debentures ("OCD's") are convertible into equity shares of Rs. 10 each at the option of the holder at any time after expiry of 5 years from the date of allotment i.e. 08.07.2020. The maturity date shall be 30.06.2027

(ii) The OCD's shall not carry any interest.

**5. Short-term Borrowings**
**(A) Bank Overdraft (Secured)**

Cash Credit Account (\$)

31 March 2023	31 March 2022
2,58,825	2,76,370
<b>2,58,825</b>	<b>2,76,370</b>

(\$) Note

These cash credit facilities from State Bank of India are secured by

(a) first charge on entire present and future fixed assets of the company;

(b) hypothecation of stock of raw materials, work in process, finished goods, books debts and all the current assets, present &amp; Future, of the company, and

(c) guaranteed by one director of the Company.

The above credit facilities are further secured by equitable mortgage of Industrial Premises at Kolkata owned by, a group company, M/s Maruna Exports Pvt. Ltd. along with their limited corporate guarantee.

Interest is charged @ 5.1% plus one year MCLR.

**(B) Unsecured Loan Repayable on Demand**

- from related parties

- from others

**(C) Current maturities of long-term borrowings**

31 March 2023	31 March 2022
14,66,361	14,98,553
4,00,000	3,00,000
25,064	25,064
<b>18,91,425</b>	<b>18,23,617</b>



Notes to the Financial Statements for the year ended 31st March, 2023

(All amounts are in rupees hundreds, unless otherwise stated)

QTR	Name of the Bank	Particulars of Securities Provided	Amount as per books of account In Lacs	Amount as reported in the quarterly return/ statement in Lacs	Amount of difference
30-06-2022	State Bank of India	Goods	175.64	175.64	-
		Debtors	283.62	283.62	-
30-09-2022	State Bank of India	Goods	163.01	163.01	-
		Debtors	122.05	122.05	-
31-12-2022	State Bank of India	Goods	162.30	162.30	-
		Debtors	189.41	189.41	-
30-Mar-2023	State Bank of India (*)	Goods	151.43	177.05	-25.62
		Debtors	1,460.58	1,460.58	-

Reason for material discrepancies

\* Some material were consumed internally by the Company but was mistakenly not considered in the stock statement submitted to bank as on 30.03.2023. However, the same stands rectified as on 31.03.2023 and in the Statement of Stock as on 30.04.2023 submitted to the bank.

6. Trade Payables

- Total outstanding dues of micro enterprises & small enterprises
- Others

31 March 2023	31 March 2022
4,878	-
7,22,904	6,40,577
<b>7,27,783</b>	<b>6,40,577</b>

Trade Payable ageing Schedule :-

As on 31.03.2023

Particulars	Outstanding for following periods from due date of payments #			
	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years
MSME	4,685	194	-	-
Others	3,45,816	15,299	2,56,516	1,05,274
Disputed dues- MSME	-	-	-	-
Disputed dues- Others	-	-	-	-

Total **7,27,783**

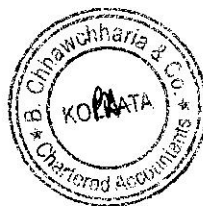
As on 31.03.2022

Particulars	Outstanding for following periods from due date of payments #			
	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years
MSME	-	-	-	-
Others	2,48,898	2,81,424	5,793	1,04,462
Disputed dues- MSME	-	-	-	-
Disputed dues- Others	-	-	-	-

Total **6,40,577**

Note: Unbilled dues to be disclosed separately.

# where no due of payment is specified- date of transaction is to be considered



<b>12. Inventories (Valued at lower of cost or net realisable value)</b>		
Stock-in-trade	1,070	1,58,403
Raw material	-	7,360
Stores & spares	-	40
Finished goods	-	4,761
Semi finished goods	-	6,053
	<b>1,070</b>	<b>1,76,618</b>



**STESALIT SYSTEMS LIMITED**
**CIN: U31908WB2010PLC155476**
**Notes to the Financial Statements for the year ended 31st March, 2023**

(All amounts are in rupees hundreds, unless otherwise stated)

**9. PROPERTY, PLANT, EQUIPMENT & INTANGIBLE ASSETS**

Description	Gross Block				Accumulated depreciation/ amortisation				Net book value	
	As on 1st April 2022	Additions	Disposals/Sale s/adjustments	As at 31 March, 2023	As on 1st April 2022	For the Period	Deductions / Adjustments	Upto 31 March, 2023	As at 31 March, 2023	As at 31 March, 2022
<b>Property, Plant &amp; Equipment ( A )</b>										
Factory Shed	25,721	-	25,721	-	8,273	1,658	9,932	-	-	17,448
Plant & Machinery	22,759	-	5,419	17,340	14,581	1,370	3,707	12,243	5,097	8,178
Vehicle Tracking Device	26,074	-	26,074	-	24,770	-	24,770	-	-	1,304
Testing Equipment	2,466	-	2,466	-	1,528	170	1,698	-	-	937
Furniture & Fixtures	6,843	307	4,769	2,380	5,609	282	4,181	1,710	670	1,234
Air Conditioner	5,260	-	2,310	2,950	4,113	297	1,977	2,433	517	1,147
Office Equipment	15,340	593	8,826	7,107	12,147	1,418	8,383	5,181	1,926	3,193
Vehicles	46,605	-	31,605	15,000	35,530	3,424	26,703	12,252	2,748	11,075
Computer & Accessories	79,417	1,478	33,894	47,001	70,739	3,400	31,552	42,587	4,414	8,678
Mould & Dies	1,525	-	1,525	-	1,016	84	1,099	-	-	509
Drone	-	40,500	-	40,500	-	8,274	-	8,274	32,226	-
<b>Sub-total (A)</b>	<b>2,32,008</b>	<b>42,877</b>	<b>1,42,608</b>	<b>1,32,277</b>	<b>1,78,306</b>	<b>20,377</b>	<b>1,14,003</b>	<b>84,680</b>	<b>47,598</b>	<b>53,703</b>
<b>Intangible Assets ( B )</b>										
Computer Software	8,01,358	2,72,428	62,511	10,11,275	4,48,123	1,58,845	59,385	5,47,583	4,63,692	3,53,235
<b>Sub-total (B)</b>	<b>8,01,358</b>	<b>2,72,428</b>	<b>62,511</b>	<b>10,11,275</b>	<b>4,48,123</b>	<b>1,58,845</b>	<b>59,385</b>	<b>5,47,583</b>	<b>4,63,692</b>	<b>3,53,235</b>
<b>Capital Work in Progress</b>	<b>2,72,428</b>	<b>-</b>	<b>2,72,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,72,428</b>
<b>Sub-total (C)</b>	<b>2,72,428</b>	<b>-</b>	<b>2,72,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,72,428</b>
<b>Total (A + B + C)</b>	<b>13,05,794</b>	<b>3,15,305</b>	<b>4,77,547</b>	<b>11,43,552</b>	<b>6,26,429</b>	<b>1,79,222</b>	<b>1,73,388</b>	<b>6,32,263</b>	<b>5,11,290</b>	<b>6,79,365</b>
<b>Previous Year's figures</b>	<b>10,26,885</b>	<b>2,78,909</b>	<b>-</b>	<b>13,05,794</b>	<b>3,84,355</b>	<b>2,42,074</b>	<b>-</b>	<b>6,26,429</b>	<b>6,79,365</b>	

(\*) if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment



Notes to the Financial Statements for the year ended 31st March, 2023

(All amounts are in rupees hundreds, unless otherwise stated)

13. Trade Receivables

(Unsecured, considered good)

Debts due for a period exceeding six months  
Other debts

26,95,267	23,49,669
21,33,689	14,79,330
<b>48,28,957</b>	<b>38,28,999</b>

Trade receivables ageing Schedule:

As on 31.03.2023

Particulars	Outstanding for following periods from due date of payments #			
	Less than 6 months	6months - 1 year	1-2 yrs	2-3 yrs.
Undisputed trade receivables- considered good	21,33,689	2,18,984	6,93,166	4,60,370
Undisputed trade receivables- considered doubtful	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	-	-

Particulars	Outstanding #	Total
	More than 3 years	
Undisputed trade receivables- considered good	10,31,380	45,37,589
Undisputed trade receivables- considered doubtful	-	-
Disputed trade receivables- considered good	2,91,367	2,91,367
Disputed trade receivables- considered doubtful	-	-
		<b>48,28,957</b>

As on 31.03.2022

Particulars	Outstanding for following periods from due date of payments #			
	Less than 6 months	6months - 1 year	1-2 yrs	2-3 yrs.
Undisputed trade receivables- considered good	14,74,176	48,846	6,10,903	4,01,342
Undisputed trade receivables- considered doubtful	-	-	-	-
Disputed trade receivables- considered good	-	-	-	15,775
Disputed trade receivables- considered doubtful	-	-	-	-

Particulars	Outstanding #	Total
	More than 3 years	
Undisputed trade receivables- considered good	10,94,421	36,29,688
Undisputed trade receivables- considered doubtful	-	-
Disputed trade receivables- considered good	1,83,535	1,99,310
Disputed trade receivables- considered doubtful	-	-
		<b>38,28,999</b>

Note: Unbilled dues shall be billed seperately.

# where no due of payment is specified- date of transaction is to be considered

14. Cash and Cash Equivalents

Balances with banks in current accounts  
Cash in hand

31 March 2023	31 March 2022
107	-
114	111
<b>221</b>	<b>111</b>

15. Other Assets

Security Deposit  
Accrued interest on fixed deposits

Long term		Short term	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
77,778	83,007	-	-
-	-	12,252	7,530
<b>77,778</b>	<b>83,007</b>	<b>12,252</b>	<b>7,530</b>



## STESALIT SYSTEMS LIMITED

CIN: U31908WB2010PLC155476

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

(All amounts are in rupees hundreds, unless otherwise stated)

	31 March 2023	31 March 2022
<b>16. Revenue for Operation</b>		
<b>(a) Sale of Products</b>		
Sales of Goods	19,041	1,07,626
Sales of IT Solutions	3,33,496	1,84,914
Packing & Forwarding Charges	344	201
	<u>3,52,881</u>	<u>2,92,740</u>
<b>(b) Sale of IT Solution Services</b>		
Services for IT Solutions	20,88,644	16,87,741
Other Services Charges	80,705	78,362
	<u>21,69,349</u>	<u>17,66,102</u>
<b>Total (a+b)</b>	<u>25,22,230</u>	<u>20,58,843</u>
<b>17. Other Income</b>		
Exchange fluctuation	5,603	4,013
Interest on Income Tax Refund	7,904	3,142
Insurance Claim Received	-	1,050
Misc. Income	47	-
Interest on FDR	12,435	16,996
Rent Received	3,600	3,600
	<u>29,589</u>	<u>28,801</u>
<b>18. Cost of Materials Consumed</b>		
Inventory at the beginning of the year	7,360	15,788
Add: Purchases of Raw Material	3,639	16,168
Less: Inventory at the end of the year	-	7,360
	<u>10,999</u>	<u>24,596</u>
<b>19. Changes in Inventory</b>		
<b>Opening Stock</b>		
Finished goods	4,761	23,977
Stock in trade	1,58,403	2,31,765
Semi-Finished goods	6,053	15,914
	<u>1,69,218</u>	<u>2,71,656</u>
Less: Transferred to Store Consumed	25,629	-
	<u>1,43,589</u>	
<b>Closing Stock</b>		
Finished goods	-	4,761
Stock in trade	1,070	1,58,403
Semi-Finished goods	-	6,053
	<u>1,070</u>	<u>1,69,218</u>
	<u>1,42,518</u>	<u>1,02,439</u>
<b>20. Employee Benefits Expense</b>		
Salaries, bonus & allowances	4,89,726	2,73,222
Contribution to Provident & Other Funds	21,037	18,670
Staff welfare expenses	8,209	6,844
Director's Remuneration & Perquisites		
Remuneration Paid	-	12,000
Others Perquisites	-	5,621
Sitting Fees	250	350
	<u>5,19,223</u>	<u>3,16,707</u>



**STESALIT SYSTEMS LIMITED**
**CIN: U31908WB2010PLC155476**
**Notes to the Financial Statements for the year ended 31st March, 2023**
**(All amounts are in rupees hundreds, unless otherwise stated)**

	31 March, 2023	31 March, 2022
<b>21. Finance Cost</b>		
Bank Interest	32,986	39,827
Interest on Secured Loan	666	1,730
Interest on Unsecured Loan	1,78,588	1,63,916
Other Finance Charges	16,702	8,929
	<b>2,28,942</b>	<b>2,14,402</b>
<b>22. Other Expenses</b>		
(i) Manufacturing Expenses		
Carriage Inward	-	214
Packing Charges	249	1,470
Store Material Consumed	40	910
Machine Hire Charges	1,325	160
Manufacturing Expenses	24	2,148
Factory Rent	6,000	6,000
Testing Fees	879	975
(ii) Sub Contracts Charges	8,72,815	8,51,448
(iii) Others		
Advertisement & Business Promotion expenses	5,525	2,734
Brokerage & Commission	-	145
Carriage Outward	593	376
Tender Fees	868	1,632
Office Electricity Charges	15,505	13,257
Bank Charges	8,319	11,241
Legal & Professional Charges	14,315	6,790
Rates & Taxes	1,923	1,178
Repairs & Maintenance	20,028	16,350
Rent paid	25,165	35,242
Membership & Subscription	11,434	10,390
Miscellaneous expenses	4,943	2,266
<u>Payment to Auditors:</u>		
Audit Fees	2,500	1,700
Tax Audit Fees	300	300
Printing & Stationery	13,423	7,238
Insurance Charges	1,230	968
Telephone & Internet charges	42,661	24,302
Postage & Telegram	1,943	2,216
Motor car expenses	12,827	17,171
Liquidated Damages Charges	14,486	11,119
Travelling & Conveyance	94,138	1,04,565
Sundry Balances written back (Net)	1,93,908	3,508
Loss on sale / Discarded Fixed Assets	19,031	-
Items for Earlier Year	-	479
	<b>13,86,399</b>	<b>11,38,493</b>

**23. Earning per share (EPS)**
**The following reflects the profit and share data used in the basic and diluted EPS computations:**

	31 March 2023	31 March 2022
	Rs.	Rs.
Net Profit / (Loss) attributable to equity shareholders	70,67,179	67,16,355
Weighted average number of equity shares in calculating EPS	83,60,000	83,60,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	0.85	0.80



## STESALIT SYSTEMS LIMITED

CIN: U31908WB2010PLC155476

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

(All amounts are in rupees hundreds, unless otherwise stated)

24. On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March 2023.

## 25. Foreign Currency Income/Expenses

	31 March 2023	31 March 2022
Income:		
FOB Value of Exports	80,108	78,142
Expenses:		
Travelling Expenses	3,692	26,591
Training Expenses	-	22,659
Others	6,525	8,083

## 26. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The company has circulated confirmation for the identification of suppliers registered under the micro, small and medium enterprises development act, 2006. On the basis of information available with the company under the aforesaid Act, the required disclosures are given below. This has been relied upon by auditors.

Particulars	31st March, 2023 (Rs.) (*)	31st March, 2022 (Rs.)
1. The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
- Principal amount	29,526	679
- Interest thereon	NIL	NIL
2. The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
3. The amount of interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act 2006.	NIL	NIL
4. The amount of interest accrued and remaining un paid at the end of each accounting year.	NIL	NIL
5. The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	NIL	NIL

(\*) the amount of Rs. 24,72,981/- ( PY Rs. 67,859/- ) pertains to services rendered by vendors considered under Other payables under head "Other Current Liabilities"

## 27. Value of import calculated on CIF basis

	31 March 2023	31 March 2022
Raw Materials	-	1,554

## 28. Related Parties Disclosures

As per Accounting Standard 18 'Related Party Disclosures' issued by ICAI, the disclosure of transactions with related parties are given below:

## (i) Names of the related parties and description of relationship

## 1. Key Management personnel &amp; their relatives

Mr. Arun Kumar Khemka	Director
Mr. Hemant Khemka	Director
Mr. Parag Keshar Bhattacharjee	Director (resigned wef...29.03.2023)
Mr. Vivek Kumar	Director (appointed wef 26.04.2022)
Mrs. Nilu Kapoor	Company Secretary (resigned wef...07.04.2023)
Mrs. Kusum Khemka	Relative of Director
Mr. Rohan Khemka	Relative of Director
Mrs. Geetika Chaturvedi	Company Secretary (appointed wef 17.04.2023)

## 3. Entity in which KMP/Relative of KMP has significant influence

Stesalit Infotech Private Limited  
Maruna Exports Private Limited  
Stesalit Automation Private Limited  
Modern Railtech Equipment Manufactures Pvt. Ltd.  
Faspol Construction Co Pvt Ltd



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

(All amounts are in rupees hundreds, unless otherwise stated)

## (iii) Details of Related Party Transactions during the year ended 31st March 2023 and balance outstanding as at 31st March 2023

	31 March 2023	31 March 2022
<b>1 Stesalit Infotech Private Limited</b>		
Opening Balance	18,900	14,273
Rent Payable	28,320	49,560
Motor Car sales	3,540	-
Payment of rent	47,220	44,933
Amount received of Motor Car	3,540	-
Trade payables at year end	-	18,900
<b>2 Arun Kumar Khemka</b>		
Opening Balance	7,98,553	5,33,500
Loan taken	96,513	5,02,203
Loan repaid	1,25,000	2,18,500
Interest paid	55,705	18,649
Payable at year end	7,14,361	7,98,553
<b>3 Hemant Khemka</b>		
Opening Balance	-	14,500
Loan taken	82,170	3,06,123
Loan repaid	30,000	3,13,324
Interest paid	170	7,299
Closing Balance	52,000	-
Salary and perquisite	-	-
Rent	-	240
<b>4 Nilu Kapoor</b>		
Salary and perquisite	7,798	6,002
Payable at year end	650	507
<b>5 Maruna Exports Pvt. Ltd.</b>		
Opening Balance	7,00,000	5,00,000
Loan taken over	66,500	8,31,816
Loan repaid	-	5,75,000
Interest paid	66,500	56,816
Factory Rent Paid	6,000	6,000
Year end Loan Outstanding	7,00,000	7,00,000
<b>6 Stesalit Automation Private Limited</b>		
Material sale	10,526	30,326
Material amount transfer	10,526	30,326
Loan taken over	-	9,500
Loan repaid	-	9,500
Assets Sale	8,083	-
Assets amount received	8,083	-
<b>7 Modern Railtech Equipment Manufactures Pvt. Ltd.</b>		
Opening Balance	972	-
Rent Payable	4,248	4,248
Rent Paid	5,220	3,276
Sold of Goods	87,792	-
Receivable	-	-
Year end Receivable	87,718	972
<b>8 Rohan Khemka</b>		
Training Expenses	-	22,659
<b>9 Faspol Construction Co Pvt Ltd</b>		
Rent Payable	-	3,600
Rent Paid	-	3,600



**29. Contingent liabilities**

	31 March, 2023	31 March, 2022
a) Bank Guarantee issue to Customer	4,61,192	4,64,017
b) Disputed Income Tax demand	10,429	6,265
c) Disputed Liabilities to Provident Fund	-	7,380
d) Disputed Liabilities to GST Interest	-	10,187

**30. Value of Import & Indigenous raw material & stores material as % of the consumption**

	31 March, 2023		31 March, 2022	
	Value in Rs	% of Total Consumption	Value in Rs	% of Total Consumption
(a). Raw Materials				
- Indigenous	10,999	100.00%	246	100.00%
- Import	-	0.00%	-	0.00%
	<u>10,999</u>		<u>246</u>	

31. The disclosures required under Accounting Standard 15 (AS15) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, based on actuarial valuation made by a registered valuer, are given below:

**(i) Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognized are charged off for the period (included in Profit & Loss A/c) as under.

Employer's Contribution to Provident Fund	2022-23 14,591
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**Defined Benefit Plan**

The present value of obligation for Employee's Gratuity Scheme is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to paid up the final obligation. The obligation for Leave Encashment is recognized in the same manner as Gratuity.

**a. Reconciliation of opening and closing balance of defined benefit obligation**

	31st March 2023	
	Gratuity (Unfunded)	Leave Encashment (unfunded)
Current Service Cost	7,731	2,538
Interest Cost	4,706	1,274
Actuarial (gains)/ losses	(10,173)	(4,085)
Benefits paid	-	-
Net Benefit Expense	<u>2,264</u>	<u>(273)</u>

**b. Reconciliation of opening and closing balance of fair value of plan assets**

Fair value of plan assets at beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial (gain)/ loss	NIL	NIL
Employer contribution	-	-
Benefits paid	-	-
Closing Fair Value of Plan Assets	<u>-</u>	<u>-</u>

**c. Reconciliation of fair value of assets & obligations**

Fair value of plan assets	-	-
Present value of obligations	66,732	17,179
(Asset)/Liability recognized in the balance sheet	<u>66,732</u>	<u>17,179</u>

**d. Net employee benefit expense recognized during the year**

Current service cost	7,731	2,538
Interest cost	4,706	1,274
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognized in the year	(10,173)	(4,085)
Net benefit expense	<u>2,264</u>	<u>(273)</u>

**e. Investment Details**

NIL NIL

**f. Actuarial Assumptions**

The principle assumptions used in determining defined benefit obligation for the company's plan are shown below:-

Mortality Table (Indian assured lives mortality)	100% of IALM 2012-14	100% of IALM 2012-14
Discount Rate (per annum)	7.23%	7.23%
Expected rate of return on plan assets (per annum)	N.A.	NIL
Rate of escalation in salary (per annum)	8.00%	8.00%

32. The 'Sundry Debtors' include slow-moving/disputed dues identified to the tune of Rs. 13.23 crores (Previous Year Rs. 12.77 crores), major portion of which comprises of dues from Government authorities/Companies.

The management has represented that due efforts for recovery are being made and are expecting satisfactory results, and that whenever any of these is found to be doubtful/bad of recovery, due accounting effect shall be given. Accordingly, no provision thereto has been made in the books of accounts.

This representation has been relied upon by auditors.

**33. Segment Reporting**

Since the criteria of reportable segment as required under AS 17, Segment Reporting, issued by ICAI, are not met, the only reportable segment is 'IT Division'.



## STESALIT SYSTEMS LIMITED

CIN: U31908WB2010PLC155476

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

(All amounts are in rupees hundreds, unless otherwise stated)

## 34. Analytical Ratios

	<u>Numerator</u>	<u>Denominator</u>	<u>31.03.2023</u>	<u>Numerator</u>	<u>Denominator</u>	<u>31.03.2022</u>	<u>% change</u>	<u>Reasons of variance</u>
a Current Ratio (Current Assets/Current Liabilities)	51,44,337	36,58,546	1.41	45,28,294	32,02,494	1.41	-0.56%	
b Debt-Equity Ratio (Total Debt/Shareholder's Equity)	31,89,395	9,70,423	3.29	31,68,984	9,58,353	3.31	-0.61%	
c Debt Service Coverage Ratio (Profit before tax+ Depreciation+ Interest /Interest+Principal repayments)	4,21,224	16,00,409	0.26	4,66,001	25,60,019	0.18	44.59%	Due to debt being serviced
d Return on Equity Ratio (Profit after tax/Average Shareholder's Equity)	7,067	9,64,388	0.01	6,716	9,37,862	0.01	2.33%	Due to income being lower than last year
e Inventory Turnover Ratio (Sales/Average inventory)	25,22,230	88,844	28.39	20,58,843	1,23,239	16.71	69.93%	Due to better inventory control
f Trade Receivables Turnover Ratio (Total Sales/Average trade receivables)	25,22,230	43,28,977	0.58	20,58,843	38,39,378	0.54	8.65%	
g Trade Payables Turnover Ratio (Total Purchases/Average Trade payables)	75,095	6,84,180	0.11	55,577	7,15,115	0.08	41.23%	Due to better inventory control
h Net Capital Turnover Ratio (Sales/Average Working capital) Working Capital= Current Assets-Current Liabilities	25,22,230	14,05,796	1.79	20,58,843	7,88,418	2.61	-31.29%	Due to income being lower than last year
i Net Profit Ratio (Profit after tax/Sales)	7,067	25,22,230	0.00	6,716	20,58,843	0.00	-14.11%	Due to income being lower than last year
j Return on Capital employed (Profit before tax and interest/Capital employed) Capital employed= Tangible Net-worth + Total Debt + Deferred Tax liability)	2,42,002	41,59,818	0.06	2,23,926	41,27,337	0.05	7.23%	Due to income being lower than last year
k Return on Investment (Income from investments/Average Investments)								



**35. Valuation of Current Assets, Loans & Advances, Trade Receivables and Trade Payables**

- (i) In the opinion of the management, current assets, loans and advances and trade receivables have the value at which they are stated in the Balance Sheet, unless otherwise stated, and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.
- (ii) Vendor balances appearing under Other Liabilities and balances of Trade receivables are subject to reconciliation/confirmation and adjustments in this respect are carried out as and when the amount thereof, if any, are ascertained.

36. The Company has obtained Corporate Guarantee against credit facilities not exceeding Rs. 805 Lakhs availed from a bank, by its Associate Company- M/s Maruna Exports Private Limited.

**37. Additional Disclosures**

- (a) During the year, the Company has not granted any Loans or Advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment to promoters, directors and KMPs either severally or jointly with any other person.
- (b) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company for the financial year 2022-23.
- (c) The Company has borrowings from banks on the basis of security of current assets during the financial year ended 31.03.2023.
- (d) The Company is not declared as wilful defaulter by any Bank or Financial Institution or other lender.
- (e) The company has not entered into any transactions with companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year ended on 31.03.2023.
- (f) During the year Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
  - (i) 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
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (g) 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 company shall:
  - (i) 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
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (h) The Company does not have any transaction relating to earlier years that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 and also there are no such previously unrecorded income and related assets relating to earlier years which have been recorded in the books of account during the year.
- (i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (j) Section 135 of the Companies Act, 2013 read with respective rules in relation to Corporate Social Responsibility is not applicable to the Company under the said Section/Rule.

39. Out of the pending order of certain equipments/accessories related to IOT division transferred on Slump Sales basis to Black Box Ltd in the year 2020, certain expenses incurred towards import of some materials received during the year, were transferred to the said entity as re-imbursement of cost of Custom Duty, Clearing Charges, Delivery Charges, along with GST, etc incurred by the Company.

40. Previous year figures have been reclassified/regrouped wherever appropriate to confirm to current year's presentation.

As per our report of even date

For B Chhawchharia & Co.  
Chartered Accountants  
Firm Registration No.: 305123E

*Priyam Agarwal*  
Priyam Agarwal  
Partner  
M No. 309045  
UDIN: 23309045 B48KS26460

Place: Kolkata  
Date: 07th August, 2023

For and on behalf of the Board

*Arun Kumar Khemka*  
Arun Kumar Khemka  
DIN - 00032526  
Director  
*Hemant Khemka*  
Hemant Khemka  
DIN - 00032636  
Director

*Geetika Chaturvedi*  
Geetika Chaturvedi  
Company Secretary

