

## **K.C.KHANNA & CO.**

**CHARTERED ACCOUNTANTS**

GSTIN 07AAAFK2984M1ZY

Udyam Regn. No. :UDYAM-DL-01-0005673

Gobind Mansion,  
H-96, Connaught Circus,  
New Delhi – 110 001  
Tel : 2332 1050, 2332 1715,  
2335 0119  
Email: [khannakc@yahoo.com](mailto:khannakc@yahoo.com)

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Metalman Auto Limited  
(formerly known as Metalman Auto Private Limited)

### **Report on the Audit of the Special Purpose Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Special Purpose Consolidated Financial Statements of Metalman Auto Limited ("the Company") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash flows and Consolidated Statement of Changes in Equity for the year then ended, and notes to the Special Purpose Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information ("Special Purpose Consolidated Financial Statements"). The Special Purpose Consolidated Financial Statements have been prepared by the Management of the Company in accordance with the basis set out in "Basis of Accounting and Restriction on Distribution and Use" paragraph below which is approved by Board of Director of the Company dated July 11, 2024.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Consolidated Financial Statements have been prepared in all material aspects in accordance with the basis set out in "Basis of Accounting and Restriction on Distribution and Use" paragraph below, in respect of the financial position of the Company and its associate as at March 31, 2022, and its financial performance and its cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities section of our report for the Audit of the Special Purpose Consolidated Financial Statements. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Consolidated Financial Statements 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.



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**Branches:** \*Archana Apartments, 12, Zone II, M.P. Nagar, Bliupul-462 011• Phones: (0755) 427 1665, 2/6 9080• Fax: (0755) 427 3648-1370, 31<sup>st</sup> Cross, 4<sup>th</sup> T Block, Jayanagar, Bangalore-560 041• Phone: (080) 2244 0020,

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#### Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.1 of the Special Purpose Consolidated Financial Statements for the basis of accounting adopted for the preparation of Special Purpose Consolidated Financial Statements which describes that:

The Special Purpose Consolidated Financial Statements as at and for the year ended March 31, 2022, have been prepared after making suitable adjustments to the audited financial statements prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 (Indian GAAP financial statements) approved by the Board of Directors of the Company in their meeting held on September 2, 2022, for the accounting policies, including the accounting policy choices (both mandatory exceptions and optional exemptions) availed as per Ind AS 101, that have been adopted by the Company at the date of transition to Ind AS i.e. April 01, 2022 for the first statutory Ind AS financial statements prepared by the Company for the financial year ended March 31, 2024 and as per the presentation, and grouping/classifications in accordance with Division II of Schedule III to the Companies Act, 2013, pursuant to the SEBI Communication.

The Special Purpose Consolidated Financial Statements are prepared by the management of the Company and approved by the Board of Directors for the purpose of preparation of restated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, (collectively referred to "Offer Documents") of the Company in relation to its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note"). As a result, the Special Purpose Consolidated Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Company to comply with the requirement of SEBI ICDR Regulations and should not be distributed to or used by any other parties. KC Khanna & Co. shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of above matters

#### Other Matters

1. The Special Purpose Consolidated Financial Statements have been prepared by the management and approved by the Board of Directors of the Company for the purpose of preparation of restated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, (collectively referred to "Offer Documents") in relation to the proposed initial public offering of equity shares of the Company ("the proposed offer") as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended and the Guidance Note on

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Reports in Company Prospectuses (Revised 2019) ("the Guidance Note"). Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Consolidated Financial Statements.

2. We did not audit the special purpose financial statements of the associate namely Metalman Micro Turners, a partnership firm, whose share of profit after tax and share of other comprehensive income, as mentioned below, included in the Special Purpose Consolidated Financial Statements, which have been audited by their Auditors "Dewan P.N. Chopra & Co., Chartered Accountants" and whose report has been furnished to us by the Company's Management. Our opinion in so far as it relates to the

amounts and disclosures included in respect of the associate, is based solely on the report of the said auditor.

Particulars	Amount
Company's share of profit after tax	Rs. 54.28 million
Company's share of other comprehensive income	Rs. (0.35) million

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

### Responsibilities of Management and Those charged with Governance for Special Purpose Consolidated Financial Statements

The Management of the Company is responsible for the preparation of these Special Purpose Consolidated Financial Statements in accordance with the basis set out in "Basis of Accounting and Restriction on Distribution and Use" paragraph above. This includes selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of such internal control, as respective management of company and its associate determines necessary, to enable the preparation of Special Purpose Consolidated Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Consolidated Financial Statements, the respective management of company and its associate, is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Those charged with governance are responsible for overseeing the respective Company's financial reporting process.



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#### Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated 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 Special Purpose Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the special purpose Consolidated 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, but not for expressing our opinion on whether the company has internal financial controls with reference to special purpose Consolidated 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 special purpose Consolidated 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.

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.



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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.

For KC Khanna & Co,  
Chartered Accountants  
ICAI Firm Registration No. 000481N

  
Nitin K Jain

Partner

Membership No.083084

UDIN: 24G83084BKFIWZ2312

Place: Gurugram

Date: July 11, 2024



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**Metalman Auto Limited**  
(Formerly as Metalman Auto Private Limited)  
(CIN: U34103DL1986PLC305213)  
Special Purpose Consolidated Balance Sheet as at March 31, 2022  
(Amount in Rupees million, unless otherwise stated)

Particulars	Notes	As at 31 March 2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3	2,628.76
Right of use assets	4	181.69
Capital work-in-progress	5	25.00
Intangible assets	6	1.95
Financial assets:		
i) Investments in Associate accounted for using equity method	7	456.58
ii) Other financial assets	8	39.81
Other non-current assets	10	21.43
<b>Total non-current assets</b>		<b>3,355.22</b>
<b>Current assets</b>		
Inventories	11	743.37
Financial assets:		
i) Trade receivables	12	1,252.67
ii) Cash and cash equivalents	13	3.55
iii) Bank balances other than cash and cash equivalents	14	6.60
iv) Other financial assets	8	206.99
Other current assets	15	124.40
<b>Total current assets</b>		<b>2,337.58</b>
<b>Total Assets</b>		<b>5,692.80</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	16	27.19
Other equity	17	2,157.37
<b>Total equity</b>		<b>2,184.56</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities:		
i) Borrowings	18	1,431.63
ii) Lease liabilities	19	29.55
Provisions	20	27.70
Deferred tax liabilities (net)	9	302.94
<b>Total non-current liabilities</b>		<b>1,791.84</b>
<b>Current liabilities</b>		
Financial liabilities:		
i) Borrowings	18	422.74
ii) Lease liabilities	19	13.11
iii) Trade payables	21	
- total outstanding dues of micro and small enterprises		28.69
- total outstanding dues of creditors other than micro and small enterprises		996.09
iv) Other financial liabilities	22	114.97
Other current liabilities	23	100.00
Provisions	20	4.12
Current tax liabilities (net)	24	27.93
<b>Total current liabilities</b>		<b>1,716.40</b>
<b>Total Equity and Liabilities</b>		<b>5,692.80</b>

Corporate information, basis of preparation and material accounting policies

Note 1&2

The accompanying notes 1 to 47 form an integral part of these special purpose consolidated financial statements.

In terms of our report of even date

For KC Khanna & Co.

Chartered Accountants

FRN 000481N

  
Nitin K. Jain

Partner

Membership No.: 083084

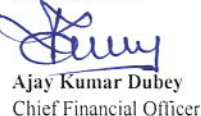
Place: Delhi

Date: July 11, 2024



For and on behalf of the Board of Directors of  
Metalman Auto Limited

  
Navneet Jaisrath  
Managing Director  
DIN: 01620652

  
Ajay Kumar Dubey  
Chief Financial Officer

  
Bikramjit Bemi  
Chairman  
DIN: 01677152

  
Tarun Kumar  
Company Secretary  
M.NO:F9256





Metalman Auto Limited  
(Formerly as Metalman Auto Private Limited)  
(CIN: U34103DL1986PLC305213)

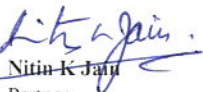
Special Purpose Consolidated Statement of Profit and Loss for the Year ended March 31, 2022  
(Amount in Rupees million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022
<b>I Income</b>		
Revenue from operations	25	10,307.58
Other income	26	58.35
<b>Total Income</b>		<b>10,365.93</b>
<b>II Expenses</b>		
Cost of materials consumed	27	7,938.23
Changes in inventories of finished goods and work-in-progress	28	(72.49)
Employee benefits expense	29	495.77
Finance costs	30	145.07
Depreciation and amortisation expense	31	291.07
Other expenses	32	1,184.00
<b>Total expenses</b>		<b>9,981.65</b>
<b>III Profit before share of net profits of associate and tax (I-II)</b>		<b>384.28</b>
<b>IV Share of net profit of associate</b>		<b>54.28</b>
<b>V Profit before tax (III+IV)</b>		<b>438.56</b>
<b>VI Tax expense:</b>	9	
Current tax		80.00
Taxation related to earlier years		(7.17)
Deferred tax charge/(benefits)		16.09
<b>Total tax expense/ (benefit) (IV)</b>		<b>88.92</b>
<b>VII Profit for the year (V-VI)</b>		<b>349.64</b>
<b>VIII Other Comprehensive Income</b>		
Items that will not be reclassified to profit or loss in subsequent period		
Re-measurement (loss)/gain on defined benefit plans		(3.13)
Income tax effect		1.09
Share of other comprehensive income in associate		(0.35)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(2.39)</b>
<b>IX Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>347.25</b>
<b>X Earnings per equity share</b>		
Basic and Diluted (in Rs.)	33	4.29

The accompanying notes 1 to 47 form an integral part of these special purpose consolidated financial statements.


In terms of our report of even date  
For KC Khanna & Co.  
Chartered Accountants  
FRN 000481N

For and on behalf of the Board of Directors of  
Metalman Auto Limited

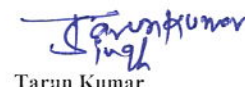
  
Nitin K. Jain  
Partner  
Membership No.: 083084  
Place: Delhi  
Date: July 11, 2024



  
Nishant Javath  
Managing Director  
DIN: 01620652

  
Ajay Kumar Dubey  
Chief Financial Officer

  
Bikramjit Bembi  
Chairman  
DIN: 01677152

  
Tarun Kumar  
Company Secretary  
M.NO:F9256



Metalman Auto Limited  
(Formerly as Metalman Auto Private Limited)  
(CIN: U34103DL1986PLC305213)

Special Purpose Consolidated Statement of Cash Flows for the Year ended March 31, 2022  
(Amount in Rupees million, unless otherwise stated)

Particulars	Year ended
	31 March 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Profit before tax	438.56
<i>Adjusted for :</i>	
Depreciation and amortisation expense	291.07
Net gain on sale of property, plant and equipment (net)	(13.43)
Finance costs	145.07
Share of net profit of associate	(54.28)
Expected credit loss	4.75
Balance written off	3.69
Net loss on foreign currency fluctuation	2.68
Interest income	(3.04)
Operating Profit before Working Capital Changes	815.05
<i>Working capital adjustments:</i>	
Decrease/ (Increase) in loans	1.14
Decrease/ (Increase) in other financial assets	(28.15)
Decrease/ (Increase) in inventories	(123.64)
Decrease/ (Increase) in trade receivables and contract assets	(131.05)
Decrease/ (Increase) in other assets	119.71
(Decrease)/ Increase in other financial liabilities	(6.03)
(Decrease)/ Increase in provisions	2.21
(Decrease)/ Increase in other liabilities	56.98
(Decrease)/ Increase in trade payables	(180.10)
Cash generated from operations	526.11
Direct taxes refund/ (paid)	(40.05)
<b>Net Cash from Operating activities (A)</b>	<b>486.06</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment and intangible assets (including capital advances and capital creditors)	(246.73)
Sale of property, plant and equipment	71.59
Investment in/ proceeds from fixed deposits (net)	(4.17)
Interest received	3.00
<b>Net Cash used in Investing Activities (B)</b>	<b>(176.31)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal and interest payment of lease liabilities	(16.96)
Interest paid other than on lease liabilities	(136.99)
Proceeds/ (Repayment) of long term borrowings (net)	205.25
Proceeds/ (Repayment) of short term borrowings (net)	(367.55)
<b>Net Cash flows from (used)/in Financing Activities (C)</b>	<b>(316.25)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(6.50)</b>





**Metalman Auto Limited**

(Formerly as Metalman Auto Private Limited)

(CIN: U34103DL1986PLC305213)

Special Purpose Consolidated Statement of Cash Flows for the Year ended March 31, 2022

(Amount in Rupees million, unless otherwise stated)

Cash and cash equivalents at beginning of year	10.05
Cash and cash equivalents at end of the year	<u>3.55</u>
<b>Components of cash and cash equivalents</b>	
Cash on hand	1.56
Balance with banks:	
In current accounts	1.99
	<u>3.55</u>

The accompanying notes 1 to 47 form an integral part of these special purpose consolidated financial statements.

**Note:**

The Statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash

In terms of our report of even date

For KC Khanna & Co.

Chartered Accountants

FRN 000481N

For and on behalf of the Board of Directors of

**Metalman Auto Limited**

  
Nitin K. Jain

Partner

Membership No.: 083084

Place: Delhi

Date: July 11, 2024





Navneet Jain

Managing Director

DIN: 01620652



Ajay Kumar Dubey

Chief Financial Officer



Bikramjit Bemb

Chairman

DIN: 01677152



Tarun Kumar

Company Secretary

M.NO:F9256



Metalman Auto Limited  
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Special Purpose Consolidated Statement of Change in Equity for the Year ended March 31, 2022  
(Amount in Rupees million, unless otherwise stated)

A. Equity share capital (refer note 16)

Equity shares of Rs. 10 each issued, subscribed and fully paid

As at 1 April 2021

Issue of share capital

As at 31 March 2022

	Number	Amount
As at 1 April 2021	2,719,174	27.19
Issue of share capital	-	-
As at 31 March 2022	2,719,174	27.19

B. Other equity (refer note 17)

Particulars	Reserves and Surplus			Total equity
	Securities Premium	General Reserve	Retained Earnings	
As at 1 April 2021	23.75	38.32	1,748.05	1,810.12
Addition during the year	-	-	-	-
Net Profit for the year	-	-	349.64	349.64
Other comprehensive income	-	-	(2.39)	(2.39)
Total comprehensive income	-	-	347.25	347.25
As at 31 March 2022	23.75	38.32	2,095.30	2,157.37

The accompanying notes 1 to 47 form an integral part of these special purpose consolidated financial statements.

In terms of our report of even date  
For KC Khanna & Co.  
Chartered Accountants  
FRN 000481N

For and on behalf of the Board of Directors of  
Metalman Auto Limited



*Nitin K Jain*  
Nitin K Jain

Partner  
Membership No.: 083084  
Place: Delhi  
Date: July 11, 2024



*Navneet Parath*  
Navneet Parath  
Managing Director  
DIN: 01620652

*Ajay Kumar Dubey*  
Ajay Kumar Dubey  
Chief Financial Officer

*Bikramjit Bemb*  
Bikramjit Bemb  
Chairman  
DIN: 01677152

*Tarun Kumar*  
Tarun Kumar  
Company Secretary  
M.NO:F9256



## 1. Group information

Metalman Auto Limited ('the holding Company') is engaged in the manufacturing and selling of Auto Parts.

The Holding Company incorporated under the provisions of the Companies Act, 1956 and was incorporated on 16<sup>th</sup> May 1986. The registered office of the Holding Company is located at JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi, Delhi, India, 110037.

The Holding Company was converted into a public limited company under the Companies Act, 2013 on 3<sup>rd</sup> July 2024 and consequently, the name was changed to "Metalman Auto Limited".

The Associate entity i.e. Metalman Micro Turners, a partnership firm, in which the Holding Company holds 50% share, domiciled in India was incorporated on 3<sup>rd</sup> March 2010 and is engaged in the manufacturing and selling of Auto Parts.

## 2. Basis for preparation and measurement

### 2.1 Basis of preparation

The Special Purpose Consolidated Financial Statements as at and for the year ended March 31, 2022, have been prepared after making suitable adjustments to the audited financial statements prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 (Indian GAAP financial statements) approved by the Board of Directors of the Company in their meeting held on September 2, 2022, for the accounting policies, including the accounting policy choices (both mandatory exceptions and optional exemptions) availed as per Ind AS 101, that have been adopted by the Company at the date of transition to Ind AS i.e. April 01, 2022 for the first statutory Ind AS financial statements prepared by the Company for the financial year ended March 31, 2024 and as per the presentation, and Companying/classifications in accordance with Division II of Schedule III to the Companies Act, 2013, pursuant to the SEBI Communication

The Special Purpose consolidated financial statements are prepared for the purpose of preparation of restated financial information of the Holding Company to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, (collectively referred to "Offer Documents") of the Company in relation to its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note").

These Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in offer documents in relation to the proposed IPO accordingly, the management has not presented the corresponding comparative figures in these special purpose Consolidated Financial Statements. As such this Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not Financial Statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The special purpose consolidated financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.



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between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

The Special Purpose Consolidated Financial Statements are presented in Indian Rupees "INR" or "Rs." and all values are rounded off the nearest. Million with two decimals, unless indicated otherwise.



## 2.2 Principles of Consolidation

The Special Purpose Consolidated Financial Statements comprise the Consolidated Financial Statements of the Company and the following associate:

Name of the entity	Relationship	Date of incorporation	Country of incorporation	Effective % of capital holding as at 31 March 2022
Metalman Micro Turners (a partnership firm)	Associate	3 March 2010	India	50.00%

Associate is entity over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

### Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit or loss.

The Company discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate held for sale at the lower of its carrying amount and fair value less cost to sell.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statement of profit and loss.





**2.3 Summary of material accounting policies**

**a. Property, plant and equipment (“PPE”)**

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation, net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss.

Property, plant and equipment are eliminated from the Special Purpose Consolidated Financial Statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 as described below:

Class of asset	Useful life (in years)
Office Building	60
Factory Building	30
Plant and machinery	15
Electrical installations and equipment	10
Furniture and fittings	10
Vehicles	8
Office equipment	5
Computers	3

The associate entity has used written down value (WDV) method as per the estimated useful life of the property, plant and equipment for depreciation charge.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**b. Capital work in progress**

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**c. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.



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Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of three years.

**d. Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**e. Inventories**

**Raw materials, stores and spares and packing materials:**

At lower of cost and net realizable value. However, 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 is determined on weighted average basis.

**Work in progress:**

At lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the basis of stage of completion.

**Finished goods and by product:**

At lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

**f. Borrowing costs**

Borrowings cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred. Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation. Qualifying assets are assets that necessarily take a substantive period of time to get ready for their use or sale.





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**g. Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Such revenue is recognised upon the Company's performance of its contractual obligations and on satisfying all the following conditions:

- (1) Parties to the contract have approved the contract and undertaken to perform their respective obligations;
- (2) Such contract has specified the respective rights and obligations of the parties in connection with the transfer of goods or rendering of services (hereinafter the "Transfer");
- (3) Such contract contains specific payment terms in relation to the Transfer;
- (4) Such contract has a commercial nature, namely, it will change the risk, time distribution or amount of the Company's future cash flow;
- (5) The Company is likely to recover the consideration it is entitled to for the Transfer to customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract with the customer. Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

**(i) Sales of goods:**

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

**(ii) Revenue from services is recognised in the accounting period in which the services are rendered.**

**(iii) Dividend income is recognized when the right to receive payment is established.**

**(iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.**

**h. Foreign currency transactions**

The Special Purpose Consolidated Financial Statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction. At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.





i. Taxes on income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company companies operate and generates taxable income.

Deferred tax

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternative Tax

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Current and deferred tax for the year

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

j. Employee benefits

(i.) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii.) Defined benefit plans

Liability in respect of Defined benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the Statement of Profit & Loss in the period of plan amendment.



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**(iii.) Short-term employee benefits**

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

**(iv.) Other long-term employee benefits**

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year-end. Re measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

**k. Leases**

**Company as a Lessee:**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Company 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.

For operating leases, lease payments received are recognized on systematic basis over the term of the relevant lease as a part of other income.





**l. Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the the Special Purpose Consolidated Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**m. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**n. Cash and cash equivalents**

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

**o. 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.

**(a) Financial assets**

**Classification**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Trade receivable that do not contain a significant financing component are measured at transaction price.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

**Subsequent measurement**

For purposes of subsequent measurement, the financial assets are classified in the following categories considering the nature of the financial assets of the company:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss





#### Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the profit or loss.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss.

This category includes derivative instruments

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either:

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received/receivable is recognized in the profit or loss.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, , trade receivables, other contractual rights to receive cash or other financial asset,

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- a. 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.



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Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

**(b) Financial liabilities**

**Classification**

The Company initially measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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 FIR. The FIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Derecognition of Financial Liabilities**

A Financial Liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

On de-recognition of a financial liability, the difference between the carrying amount of the financial liability de-recognised and the consideration paid/payable is recognised in profit or loss.

**(c) Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks, . Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**(d) Equity Instrument**





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An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

**(e) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**p. Fair value measurement**

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

In the principal market for the asset or liability, or

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the the Special Purpose Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

**q. Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be





received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Company with no related costs is recognised in the Statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'Other income' based on the nature of grant.

In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss

**r. Statement of Cash flows**

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit for the period is adjusted for the effects of transaction of non-cash nature, 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.

**2.4 Significant accounting judgements, estimates and assumptions**

In the application of the Company accounting policies, which are described as below, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the the Special Purpose Consolidated Financial Statements:-

**Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting date. As at the current period end, management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

**Defined benefit plans**

The cost of the defined benefit plan and other postemployment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Provision and contingent liability**

On an ongoing basis, Company reviews pending cases, claims by third parties and other



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contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in the Special Purpose Consolidated Financial Statements. Contingent losses that are considered possible are not provided for but disclosed as Contingent liabilities in the the Special Purpose Consolidated Financial Statements. Contingencies the likelihood of which is remote are not disclosed in the the Special Purpose Consolidated Financial Statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

#### Impairment of financial and non-financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Impairment of Non - Financial Assets exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's-length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.





Notes to Special Purpose Consolidated Financial Statements for the Year ended March 31, 2022  
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3. Property, plant and equipment\*

Particulars	Freehold land	Building	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Computers	Total
Gross Carrying Value								
As at 1 April 2021 (refer note I below)	94.30	862.74	1,621.78	27.48	24.06	15.37	11.16	2,656.87
Additions	-	65.86	202.10	1.44	27.63	2.50	4.27	303.80
Disposals	-	(12.28)	(50.27)	-	(1.62)	-	-	(64.17)
As at 31 March 2022	94.30	916.30	1,773.61	28.92	50.07	17.87	15.43	2,896.50
Accumulated Depreciation								
As at 1 April 2021 (refer note I below)	-	-	-	-	-	-	-	-
Depreciation charge for the year 2021-22	-	31.24	223.00	4.02	5.81	5.24	4.46	273.77
Disposals/ adjustments	-	(0.10)	(5.93)	-	-	-	-	(6.03)
As at 31 March 2022	-	31.14	217.07	4.02	5.81	5.24	4.46	267.74
Net carrying value :								
As at 31 March 2022	94.30	885.16	1,556.54	24.90	44.26	12.63	10.97	2,628.76

\*First pari-passu charge against term loan from Bank and NBFC and second pari-passu charge against working capital loan from banks (Refer Note 18)

Note I: Deemed cost of property, plant and equipment as on 1 April 2021

Particulars	Freehold land	Building	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Computers	Total
Gross carrying amount as per previous GAAP								
As at 1 April 2021	94.30	1,007.86	2,552.48	48.11	50.23	40.40	38.45	3,831.83
Accumulated depreciation as per previous GAAP								
As at 1 April 2021	-	145.14	930.70	20.63	26.17	25.03	27.29	1,174.96
Net carrying amount (deemed cost) as at 1 April 2021	94.30	862.72	1,621.78	27.48	24.06	15.37	11.16	2,656.87



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4. Right of use assets

Particulars	Leasehold land	Leasehold building	Total
<b>Gross Carrying Value</b>			
As at 1 April 2021 (refer note I below)	150.74	46.14	196.88
Additions	0.54	-	0.54
Disposals	-	-	-
<b>As at 31 March 2022</b>	<b>151.28</b>	<b>46.14</b>	<b>197.42</b>
<b>Accumulated Depreciation</b>			
As at 1 April 2021 (refer note I below)	-	-	-
Depreciation charge for the year 2021-22	1.76	13.97	15.73
Disposals/ adjustments	-	-	-
<b>As at 31 March 2022</b>	<b>1.76</b>	<b>13.97</b>	<b>15.73</b>
<b>Net carrying value :</b>			
<b>As at 31 March 2022</b>	<b>149.52</b>	<b>32.17</b>	<b>181.69</b>

Note I: Deemed cost of Right of use assets as at 1 April 2021

Particulars	Leasehold land	Total
<b>Gross carrying amount</b>		
As at 1 April 2021	161.90	161.90
<b>Accumulated depreciation</b>		
As at 1 April 2021	(11.17)	(11.17)
<b>Net carrying amount (deemed cost) as at 1 April 2021</b>	<b>150.73</b>	<b>150.73</b>

Notes:

- Leasehold land (in respect of holding company) includes land taken on long term lease from government authorities.
- Leasehold building (in respect of holding and company) represents property taken on lease for its corporate office and plant situation at Aurangabad accounted for in accordance with principle of Ind AS 116 'Leases'.





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5 Capital work-in-progress (CWIP)

Particulars	Amount
As at 1 April 2021	37.63
Additions	17.88
Disposals/ capitalisations	(50.51)
As at 31 March 2022	25.00

Capital Work in progress ageing schedule

As at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1	1-2 years	2-3 years	More than 3	
Projects in progress	17.89	2.07	5.04	-	25.00
Total	17.89	2.07	5.04	-	25.00

Note I:

There are no projects as on the reporting period which have materially exceeded cost as compared to its original plan or where completion is overdue

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6. Intangible assets

Particulars	Software	Total
<b>Gross Carrying Value</b>		
As at 1 April 2021 (refer note I below)	2.72	2.72
Additions	0.80	0.80
Disposals	-	-
<b>As at 31 March 2022</b>	<b>3.52</b>	<b>3.52</b>
<b>Accumulated Amortisation</b>		
As at 31 March 2022	-	-
Amortisation charge for the year 2021-22	1.57	1.57
Disposals/ adjustments	-	-
<b>As at 31 March 2022</b>	<b>1.57</b>	<b>1.57</b>
<b>Net carrying value :</b>		
<b>As at 31 March 2022</b>	<b>1.95</b>	<b>1.95</b>

Note I: Deemed cost of Intangible assets as at 1 April 2021

Particulars	Software	Total
<b>Gross carrying amount as per previous GAAP</b>		
As at 1 April 2021	24.11	24.11
<b>Accumulated depreciation as per previous GAAP</b>		
As at 1 April 2021	(21.39)	(21.39)
<b>Net carrying amount (deemed cost) as at 1 April 2021</b>	<b>2.72</b>	<b>2.72</b>





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7. Investments

	<u>As at</u> <u>31 March 2022</u>
Investments in Associate accounted for using equity method	
Unquoted investment in the capital of partnership firm	
Investment in associate	
M/s Metalman Micro Turners *	456.58
Total investments	<u>456.58</u>
Aggregate value of unquoted investments	456.58

8. Other financial assets

(Unsecured, considered good unless otherwise stated)

	<u>As at</u> <u>31 March 2022</u>
<b>Non-current</b>	
<b>At amortised cost</b>	
Security deposits, considered good	39.09
Bank deposits *	0.25
Advance to employees	0.47
	<u>39.81</u>
<b>Current</b>	
<b>At amortised cost</b>	
Interest receivables	0.26
Subsidy receivable	140.59
Other receivable	62.23
<b>Derivative instruments at fair value through profit or loss:</b>	
Foreign exchange forward contracts receivables	3.91
	<u>206.99</u>

\* Bank deposits represent margin money for bank guarantee



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9. Income Taxes

A. The major components of income tax expense are as under:

Statement of profit and loss:

(i) Profit and loss section

	Year ended 31 March 2022
Current tax	80.00
Taxation related to earlier years	(7.17)
Deferred tax charge/ (credit)	16.09
<b>Income tax expense reported in the statement of profit and loss</b>	<b>88.92</b>

(ii) Other comprehensive income (OCI)

	Year ended 31 March 2022
Deferred tax (charge)/ credit on remeasurements of defined benefit plans	1.09
<b>Income tax charge /(credit) to OCI</b>	<b>1.09</b>

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2022
Accounting profit before income tax	384.28
At India's statutory income tax rate of 34.944%	134.28
Adjustments in respect of current income tax due to:	
Expenses not deductible for tax purposes	2.44
Tax impact of expenses/additional deductions allowable under Income Tax Act	(20.41)
Gain on remeasurement of previously held interest in acquiree as per Ind AS 103	-
MAT Credit entitlement recognized during the year	(13.33)
Taxation related to earlier years	(7.17)
Others	(6.90)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>88.92</b>

C. Deferred tax

Deferred tax relates to the following:

	Balance sheet As at 31 March 2022
A. <i>Deferred tax assets on:</i>	
-Expenses allowable on payment basis*	11.95
- Provision for Expected credit loss on trade receivables	20.75
-Others	3.89
B. <i>Deferred tax liabilities on:</i>	
- differences in carrying value of property, plant and equipment and intangible assets between books of account and for tax	(338.81)
-Government grant as per Ind AS 20	(41.88)
C. MAT credit entitlement	41.16
<b>Net deferred tax assets/ (liabilities) (A+B+C)</b>	<b>(302.94)</b>

\*Includes Income tax on remeasurement of defined benefit plans (OCI).





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**Movement in deferred tax assets/ (liabilities)**

Particulars	As at the beginning of the year	Recognised in statement of profit and loss	Recognised in Other comprehensive Income	As at the end of the year
<b>A. Deferred tax assets on:</b>				
-Brought forward losses and unabsorbed depreciation	16.45	(16.45)	-	-
-Expenses allowable on payment basis*	9.65	1.21	1.09	11.95
- Provision for Expected credit loss on trade receivables	19.70	1.05	-	20.75
-Others	3.64	0.25	-	3.89
<b>B. Deferred tax liabilities on:</b>				
- differences in carrying value of property, plant and equipment and intangible assets between books of account and for tax purposes	(310.18)	(28.63)	-	(338.81)
-Government grant as per Ind AS 20	(55.05)	13.17	-	(41.88)
<b>C. MAT credit entitlement</b>	27.85	13.31	-	41.16
<b>Net deferred tax assets/ (liabilities) (A+B+C)</b>	<b>(287.94)</b>	<b>(16.09)</b>	<b>1.09</b>	<b>(302.94)</b>

**10. Other non-current assets**  
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022
Capital advances	19.88
Prepaid expenses	1.55
	<u>21.43</u>

**11. Inventories<sup>1</sup>**  
(at lower of cost or net realisable value)

	As at 31 March 2022
Raw materials <sup>1</sup>	481.70
Work in progress	47.61
Finished goods**	156.72
Consumables and stores and spares including packing materials	32.50
Dies and Tools	24.84
	<u>743.37</u>

<sup>1</sup> Raw material include stock in transit amounting to Rs. 13.82 million.

<sup>2</sup> Hypothecated as charge against working capital loan from banks shown under "short term-borrowings" refer note 18

\*\* Finished goods include stock in transit amounting to Rs. 116.37 million.

**12. Trade receivables#**

	As at 31 March 2022
<b>At amortised cost</b>	
Unsecured, considered good	1,313.79
Trade receivables, which have significant increase in credit risk	-
Trade receivables: Credit impaired	-
Less: allowance for credit loss	(61.12)
	<u>1,252.67</u>

# Hypothecated as charge against working capital loan from banks shown under short term borrowing. Refer Note 18  
Refer note 35 for related party balances.

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a shorter period from the date of balance sheet. All of the company's trade receivables have been assessed for indications of impairment

The allowance for expected credit loss as of 31 March 2022 and changes in the allowance for expected credit loss for the year ended as of that are as



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	As at 31 March 2022
Opening balance	56.39
Add: Provided during the year	4.73
Less: Write offs, net of recoveries	-
Closing balance	<u>61.12</u>

Notes:

1. Receivables due from a firm in which director is a partner is Rs. Nil
2. Receivable due from a private company in which director is a director/ member is Rs. Nil.

Trade receivables ageing schedules

Particulars	Outstanding as at 31 March 2022 from the due date of collection						Total
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables, Unsecured, considered good	1,067.81	178.69	46.78	13.73	4.98	1.80	1,313.79
Trade receivables, which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables: Credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	(61.12)
<b>Total</b>	<b>1,067.81</b>	<b>178.69</b>	<b>46.78</b>	<b>13.73</b>	<b>4.98</b>	<b>1.80</b>	<b>1,252.67</b>

13. Cash and cash equivalents :

	As at 31 March 2022
At amortised cost	
Balances with banks	
In current accounts	1.99
Cash on hand	1.56
	<u>3.55</u>

For the purpose of statement of cash flows, cash and cash equivalents comprises balances with banks and cash on hand and balance in digital wallet as specified above.

14. Bank balances other than cash and cash equivalents

	As at 31 March 2022
At amortised cost	
Bank deposits with maturity for 3 to 12 months	0.78
CSR contribution account with HDFC Bank *	5.82
	<u>6.60</u>

\* Earmarked balance with bank.

15. Other current assets  
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022
Advance to suppliers	105.95
Staff advance	1.16
Prepaid expenses	8.57
Balances with government authorities	8.72
	<u>124.40</u>

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16. Equity share capital

Particulars	As at 31 March 2022	
	Number of shares	(Rs. In million)
a) <b>Authorised</b>		
Equity shares of Rs. 10/- each	5,000,000	50.00
	<b>5,000,000</b>	<b>50.00</b>
b) <b>Issued, subscribed and fully paid up shares</b>		
Equity shares of Rs. 10/- each	2,719,174	27.19
	<b>2,719,174</b>	<b>27.19</b>

a. **Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 March 2022	
	Number of shares	(Rs. in million)
<b>Equity Shares</b>		
At the beginning of the reporting year	2,719,174	27.19
<b>Outstanding at the end of the reporting year</b>	<b>2,719,174</b>	<b>27.19</b>

b. **Terms/rights attached to equity shares**

The Holding Company presently has one class of equity shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors 'if any' is subject to the approval of the shareholders in the Annual General Meeting and then the shareholders are entitled for the dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any part of the 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 shareholders.

c. No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the five years immediately preceding the current year end.

d. **Detail of equity shareholders more than 5% aggregate equity shares in the Company**

Particulars	As at 31 March 2022	
	Number of shares held	% share
<b>Name of the shareholder</b>		
a) <b>Equity shares</b>		
i) Nishant Jairath	550,633	20.25%
ii) Sachin Bembli	550,633	20.25%
iii) Navneet Jairath	407,876	15.00%
iv) Bikranjit Bembli	407,876	15.00%
v) Sonia Bembli	258,321	9.50%
vi) Nisha Jairath	258,321	9.50%
vii) Savita Bembli	142,757	5.25%
viii) Navita Jairath	142,757	5.25%
	<b>2,719,174</b>	<b>100.00%</b>

e. The Board has not proposed any dividend during the year ended 31 March 2022 for equity share holders.

f. **Share of promoters**

**Share held by promoters as at 31 March 2022**

Sr No	Promoter Name	As at 31 March 2022	
		Number of Equity shares	% of Total Shares
i)	Nishant Jairath	550,633	20.25%
ii)	Sachin Bembli	550,633	20.25%
iii)	Navneet Jairath	407,876	15.00%
iv)	Bikranjit Bembli	407,876	15.00%
v)	Sonia Bembli	258,321	9.50%
vi)	Nisha Jairath	258,321	9.50%
vii)	Savita Bembli	142,757	5.25%
viii)	Navita Jairath	142,757	5.25%
	<b>Total</b>	<b>2,719,174</b>	<b>100.00%</b>





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17. Other Equity

	<u>As at 31 March 2022</u>
a) Securities Premium	
As at 1 April 2021	23.75
Addition made during the year	-
As at 31 March 2022	<u>23.75</u>
b) General Reserve	
As at 1 April 2021	38.32
Addition made during the year	-
As at 31 March 2022	<u>38.32</u>
c) Retained Earnings	
As at 1 April 2021	1,748.05
Profit for the year	349.64
Other comprehensive income for the year	(2.39)
As at 31 March 2022	<u>2,095.30</u>
<b>Total other equity</b>	
As at 31 March 2022	<b>2,157.37</b>

Nature and purpose of reserves:

**Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the Act).

**Retained Earnings**

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**General reserves**

Free reserves to be utilised as per the provisions of the Act.

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18. Borrowings

	As at 31 March 2022
<b>At amortised cost</b>	
<b>Non-current borrowings</b>	
<b>Secured</b>	
<b>Term loans (refer note (a))</b>	
Term Loan from Banks	1,239.44
Term Loan from NBFCs	465.00
<b>Vehicle loan (refer note (a))</b>	
Vehicle Loan from Bank	21.41
	1,725.85
Less: Current maturities of long term borrowings	(360.01)
	1,365.84
<b>Unsecured</b>	
<b>Term loans</b>	
from related parties (refer note (b))	65.81
	1,431.65
<b>Current Borrowings</b>	
<b>At amortised cost</b>	
<b>Secured</b>	
<b>Working capital loans (refer note (c))</b>	
Loan repayable on demand from Banks	62.73
Current maturities of long-term debt	360.01
	422.74

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**18. Borrowings (contd.)**

**Terms of Non-current borrowings (including respective current maturities)**

Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2022 disclosing undiscounted outstanding balances:

**a Terms of Repayment and detail of security of term loan from Banks and NBFC's**

**For term loans obtained by Company**

- i Term Loan amounting to Rs. 891.22 million from HDFC Bank carrying interest @8.45% - 9.30% per annum., repayable in monthly and quarterly installments is secured by way of (1) first pari passu charge over the industrial property situated at industrial area 3, plot no 116 Pithampur, Dhar, Madhya Pradesh and (2) property bearing Sy.477, 478, 476, 473, 475/1 Mathigiri village kalamangalam krishnagiri Hosur and (3) first pari passu charge on the entire current assets including stock and receivables of the Company both present and future.
- ii Term Loan amounting to Rs. 280.68 million from Axis Bank carrying interest @9.30% per annum, repayable in quarterly installments is secured by way of (1) equitable mortgage on land and building of Hosur and (2) property located at industrial area 3 pithampur Madhya Pradesh. (3) first pari passu charge, by way of hypothecation of all movable fixed assets of the Company except Chennai unit. Any additional collateral security offered by borrower to other term lenders (in case of pari passu charge) shall also be available to bank.
- iii Term Loan amounting to Rs. 465.00 million from Bajaj Finserv Ltd (NBFC) carrying interest @9.65% per annum, repayable in quarterly installments is secured by way of (1) exclusive charge over land and building of Company's unit situated at B12 MIDC, waluj Aurangabad. (2) exclusive charge over residential property situated at Ambience Island , Gurgaon and by way of (3) first pari passu on entire movable fixed assets of the Company.
- iv Term Loan amounting to Rs. 67.54 million from IndusInd Bank carrying floating interest @CD plus 2.58% per annum., repayable in quarterly installments is secured by way of (1) first pari passu charge with other term lender except Bajaj Finance Limited by way of hypothecation of all the movable fixed assets of the Company excluding Chennai unit. (2) exclusive charge by way of mortgage on land and building of Pithampur plant II situated at plot no. 503-503 industrial area 3, Pithampur, Dhar, Madhya Pradesh.
- v Vehicle loans carry interest @7.10%-10.30% per annum and is repayable in equated monthly installments (including interest).

**b Terms of repayment for loans from related parties**

Loan from related parties is as per stipulation of banks. These loans are not repayable during the currency of the credit facilities availed from the banks and carries interest rate @7% per annum

**c Terms of repayment and details of security of short term borrowing from banks**

**For Short-term borrowings obtained by Company**

Secured by way of hypothecation of whole of the current assets of the Company namely stocks of Raw materials, Stock in process, Finished Goods, Stores and spares not relating to Plant & Machinery (consumable stores & spares), Bills Receivable, Book Debts and all other movables at factory premises and godowns or elsewhere in India or in transit together with second charge on the entire Land and Building of the Company's manufacturing units along with Plant and machinery, other Equipments, both present and future, situated there, on pari-passu basis with multiple Banks.

Working capital borrowing from HDFC Bank Limited is repayable on demand and carries interest @ 7.50% and @9.00 % per annum by Company and subsidiary respectively.





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19. Lease liabilities	Non-current	Current
	As at	As at
	31 March 2022	31 March 2022
At Amortised Cost		
Lease liabilities	29.55	13.11
	<u>29.55</u>	<u>13.11</u>

20. Provisions	Non-current	Current
	As at	As at
	31 March 2022	31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 34)	20.37	-
Provision for compensated absences	7.33	4.12
	<u>27.70</u>	<u>4.12</u>

21. Trade payables	As at
	31 March 2022
At amortised cost	
Trade payables	
- total outstanding dues of micro and small enterprises;	28.69
- total outstanding dues of creditors other than micro and small	996.09
	<u>1,024.78</u>

\* Includes payable to Related party (refer note 35)

Trade payables ageing schedule

Particulars	Outstanding as on 31 March 2022 from due date of payment					
	Not due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	26.76	1.93	-	-	-	28.69
(ii) Others	880.79	108.11	3.85	1.06	2.28	996.09
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues of creditors other than MSME	-	-	-	-	-	-
<b>Total</b>	<b>907.55</b>	<b>110.04</b>	<b>3.85</b>	<b>1.06</b>	<b>2.28</b>	<b>1,024.78</b>

22. Other Financial Liabilities	Current
	As at
	31 March 2022
At amortised cost	
Interest accrued but not due on borrowings	7.02
Employee payables	42.15
Amount payable for property, plant and equipment	63.97
Other payable to related parties (Refer note 35)	1.78
	<u>114.92</u>

23. Other liabilities	Current
	As at
	31 March 2022
Advance from customers (contract liability)	55.40
Statutory dues payable	32.66
Deferred grant liability	20.74
	<u>108.80</u>

24. Current tax liabilities (net)	As at
	31 March 2022
Income tax provision (net of payments)	27.93
	<u>27.93</u>



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**25. Revenue from operations**

	<u>Year ended</u> <u>31 March 2022</u>
<b>Revenue from contracts with customers</b>	
Sale of products	9,589.40
Sale of services	516.17
<b>Other operating revenue:</b>	
- Export incentives	12.73
- Revenue from solar power generation	15.10
- Scrap sales	174.17
	<u><u>10,307.58</u></u>

**I Details of revenue from contracts with customers:**

	<u>Year ended</u> <u>31 March 2022</u>
<b>Sale of goods</b>	
Sale of automotive parts	9,589.40
<b>Sale of services</b>	
	516.17
	<u><u>10,105.57</u></u>

**II Reconciliation of Revenue from sale of products with the contracted price**

	<u>Year ended</u> <u>31 March 2022</u>
Contracted Price	9,589.42
Less: Trade discounts, volume rebates, etc.	(0.02)
<b>Sale of products</b>	<u><u>9,589.40</u></u>

**III Disaggregation of revenue from contracts with customers****(a) Geographical**

Particulars	<u>Year ended</u> <u>31 March 2022</u>
Revenue from customers within India	9,895.85
Revenue from customers based outside India	411.73
	<u><u>10,307.58</u></u>

**(b) Timing of revenue recognition**

Particulars	<u>Year ended</u> <u>31 March 2022</u>
Revenue from goods/ services transferred to customers at a point in time	10,307.58
Revenue from goods/ services transferred to customers over time	-
	<u><u>10,307.58</u></u>

**IV Trade receivable and contract balances**

The Company classifies the right to consideration in exchange for deliverables as receivable. The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 12 and 23 respectively. The revenue of Nil has been recognised during the year ended March 31, 2022 against performance obligations satisfied (or partially satisfied) in previous periods.



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**26. Other income**

	<u>Year ended</u> <u>31 March 2022</u>
Interest income	
- from banks	0.02
- from others	2.75
- on financial assets measured at amortised cost	0.27
Net foreign exchange gain	16.03
Rental income	0.10
Subsidy received	18.11
Net gain on sale of property, plant and equipment	14.29
Other income	6.78
	<u>58.35</u>

**27. Cost of materials consumed**

	<u>Year ended</u> <u>31 March 2022</u>
Raw materials at the beginning of the year	411.79
Add: Purchases	8,015.43
Less: Discount received	(7.29)
Less: Raw material at the end of the year	(481.70)
	<u>7,938.23</u>

**Breakup of raw material consumed**

	<u>Year ended</u> <u>31 March 2022</u>
Bought out parts and assorted others	4590.39
Sheet	2115.33
Steel tubes	751.63
MS Round	24.61
Welding Material	140.71
Chemicals	307.56
	<u>7938.23</u>

**28. Changes in inventories of finished goods and work-in-progress**

	<u>Year ended</u> <u>31 March 2022</u>
<u>Inventories at the beginning of the year</u>	
Work-in-progress	27.36
Finished goods	104.48
<b>Total inventories at the beginning of the year</b>	<u>131.84</u>
<u>Inventories at the end of the year</u>	
Work-in-progress	(47.61)
Finished goods	(156.72)
<b>Total inventories at the end of the year</b>	<u>(204.33)</u>
<b>Changes in inventories of finished goods and work-in-progress</b>	<u>(72.49)</u>





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29. Employee benefits expense

	<u>Year ended</u> <u>31 March 2022</u>
Salaries and wages	436.74
Contribution to provident and other funds (refer note 34)	26.65
Gratuity expense (refer note 34)	9.72
Staff welfare expenses	22.66
	<u>495.77</u>

30. Finance costs

	<u>Year ended</u> <u>31 March 2022</u>
Interest expense	
- Interest on borrowings	139.13
- Interest on lease liabilities	3.99
Other borrowing costs	1.95
	<u>145.07</u>



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31. Depreciation and amortisation expense

	Year ended 31 March 2022
Depreciation of Property, plant and equipment (refer note 3)	273.77
Depreciation of Right of use assets (refer note 4)	15.73
Amortisation of Intangible assets (refer note 6)	1.57
	<u>291.07</u>

32. Other expenses

	Year ended 31 March 2022
Stores, spares and tools consumed	218.43
Power and fuel	210.40
Freight and cartage	119.88
Rent	0.44
Rates and taxes	8.31
Insurance charges	12.19
Repairs and maintenance	
- Plant and machinery	71.14
- Building	9.51
- Others	30.58
Travelling and conveyance	13.79
Professional fees and charges	11.41
Payment to auditors	0.48
Contribution towards corporate social responsibility	4.09
Allowance for expected credit loss	4.73
Balance written off	3.69
Net loss on sale and discard of property, plant and equipment	0.86
Labour charges	436.12
Donation and charity	1.05
Miscellaneous expenses	26.90
	<u>1,184.00</u>



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### 33. Earnings Per Equity Share (EPS)

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

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31 March 2022
(a) Net profit after tax attributable to the owners of the Company (in Rs. million)	349.64
<b>(b) Calculation of weighted average equity shares of Rs. 2 each</b>	
Weighted average number of equity shares outstanding during the year (Nos)	2,719,174
Split shares subsequent to March 31, 2022 (refer note a below)	13,595,870
Bonus shares issue subsequent to March 31, 2022 (refer note a below)	67,979,350
<b>Weighted average number of equity share for calculating Basic/ diluted EPS (Nos)</b>	<b>81,575,220</b>
(c) Nominal value of equity shares (in Rs.)	2.00
(d) Basic/ diluted* earnings per share (in Rs.)	4.29

\* There are no potential dilutive equity shares.

- a. The members of the Company in its Extraordinary General Meeting (EGM) dated April 24, 2024 has approved the split of its equity share having face value of Rs. 10 each into a revised face value of Rs. 2 each. Further, in the aforesaid mentioned EGM, the members have also approved for issuance of bonus shares in the ratio of 5:1.





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### 34. Employee benefit expense

#### A. Defined contribution plans

Particulars	Year ended 31 March 2022
Provident fund	22.76
Employee state insurance	3.83
Welfare fund	0.06
<b>Total</b>	<b>26.65</b>

#### B. Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year. Future expected payments have been discounted adopting the Projected Unit Credit Method.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment risk

The probability or likelihood of occurrence of losses related to the expected return on investment, if the actual return on plan assets is below the expected return, it will create plan deficit.

(ii) Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

(iii) Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plans liability.

(iv) Salary risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Changes in the present value of the defined benefit obligation (DBO) are, as follows:

	As at 31 March 2022
Defined benefit obligation at the beginning of the year	61.48
Addition on account of business combination	
Current service cost	8.97
Past service cost	-
Interest cost	4.09
Benefits paid	(1.81)
Actuarial (gain)/ loss on obligations	3.03
<b>Defined benefit obligation at the end of the year</b>	<b>75.76</b>

Changes in the fair value of plan assets are, as follows:

	As at 31 March 2022
Fair value of plan assets at the beginning of the year	46.78
Addition on account of business combination	
Expected Interest Income on plan assets	3.34
Contribution by employer	7.18
Benefits paid	(1.81)
Actuarial gain/(loss) on plan asset	(0.10)
<b>Fair value of plan assets at the end of the year</b>	<b>55.38</b>

Net asset/(liability) recognised in the Balance Sheet:



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	As at 31 March 2022
Defined benefit obligation	75.76
Fair value of plan assets	53.38
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>20.37</b>
Non-Current Provision of holding company	10.47
Other Current assets of subsidiary	-
	<b>20.37</b>

34. Employee benefit plans (contd.)

Amount recognised in statement of profit and loss:

	Year ended 31 March 2022
Current service cost	8.97
Past service cost	-
Net Interest expense	0.75
<b>Amount recognised in statement of profit and loss</b>	<b>9.72</b>

Amount recognised in Other Comprehensive Income:

	Year ended 31 March 2022
Actuarial changes arising from changes in demographic assumptions	-
Actuarial changes arising from changes in financial assumptions	(6.40)
Return on plan assets (excluding amounts included in net interest expense)	(0.10)
Actuarial loss arising from experience adjustments	3.37
<b>Amount recognised in Other Comprehensive Income/(Expense)</b>	<b>(3.13)</b>

Gratuity plan assets

The Company has taken company Gratuity Policy with Life Insurance Corporation of India (LIC). The Plan Assets are maintained by LIC. The detail of Plan Assets has not been furnished by LIC. Therefore information with respect to major categories of plan assets and percentage or amount that each category constitutes of the face value of the total plan assets has not been disclosed.

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	As at 31 March 2022
Discount rate	7.24%
Expected rate of return on plan assets	7.05%
Future salary increases	10.00%
Attrition Rate (all ages)	12.00%
Retirement age	58
Inservice mortality	IAM (2012-14)

Salary growth rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation.



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A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

**Gratuity Plan**

	As at 31 March 2022
<b>Assumptions</b>	
<b>a) Impact of change in discount rate</b>	
Impact due to increase of 1% - increase/ (decrease) in obligation	(4.21)
Impact due to decrease of 1% - increase/ (decrease) in obligation	4.72
<b>b) Impact of change in salary</b>	
Impact due to increase of 1% - increase/ (decrease) in obligation	4.19
Impact due to decrease of 1% - increase/ (decrease) in obligation	(3.84)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. Sensitivities due to mortality and withdrawals are insignificant and hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The expected maturity analysis of gratuity at undiscounted basis, is as follows:

	As at 31 March 2022
Within 1 year	13.02
2 to 5 years	33.07
6 to 10 years	29.17
More than 10 years	53.14
<b>Total expected payments</b>	<b>128.39</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8.65 years.





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### 35. Related party disclosures

#### A. List of related parties

##### (a) Associate

Metalman Micro Turner ( a partnership Firm)

##### (b) Entities on which Key Management Personnel (KMP) have significant influence

Navneet Jairath & Sons (HUF)  
Bikramjit Bembi & Sons (HUF)  
National Industries  
MMT Autocomp  
Campbell International  
Avid Ventures  
Insightful Systems Pvt Ltd  
Jade Ventures

##### (c) KMPs are managing trustee of Charitable trust

Metalman Charitable Trust

##### (d) Post Employment Benefit Trust

Metalman Auto Private Limited Employees Group Gratuity Assurance Fund, Ludhiana (PB) - Inoperative  
Metalman Auto Private Limited Employees Group Gratuity cum-life Assurance (Cash accumulation scheme), Pithampur (MP)

##### (e) Key Managerial Personnel

Navneet Jairath  
Bikramjit Bembi  
Sachin Bembi  
Nishant Jairath  
Shrikant Gulabchand Mundada  
Satish Kumar Pandey (upto January 15, 2024)  
Anoop Kumar Gural (upto February 7, 2024)  
Sushil Kumar Singh (w.e.f. January 15, 2024)  
Rajnish Magan (w.e.f. February 23, 2024)  
Ajay Kumar Dubey (w.e.f. June 27, 2024)  
Laxmi Kumar (w.e.f. June 27, 2024)

Managing Director  
Chairman  
Whole time Director  
Whole time Director  
Whole time Director  
Whole time Director  
Independent Director  
Independent Director  
Chief Financial Officer  
Company Secretary

##### (g) Relative of KMP

Navita Jairath  
Savita Bembi  
Nisha Jairath  
Sonia Bembi  
Gunjan Jairath  
Nityasha Bembi  
Reema Chadha

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35. Related party disclosures (contd.)

B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Post Employment Benefit Trust	KMPs are managing trustee of Charitable
<b>Sale of goods</b>						
Metalman Micro Turners	0.10	-	-	-	-	-
National Industries	-	2.23	-	-	-	-
MMT Autocomp	-	0.10	-	-	-	-
<b>Purchase of goods</b>						
Metalman Micro Turners	0.46	-	-	-	-	-
MMT Autocomp	-	10.93	-	-	-	-
National Industries	-	323.73	-	-	-	-
<b>Sale of Property, Plant &amp; Equipments</b>						
National Industries	-	0.13	-	-	-	-
Avid Ventures	-	2.89	-	-	-	-
<b>Services given</b>						
Metalman Micro Turners	1.10	-	-	-	-	-
National Industries	-	1.42	-	-	-	-
<b>Purchase of Capital goods</b>						
National Industries	-	1.05	-	-	-	-
<b>Rent Paid</b>						
National Industries	-	3.72	-	-	-	-
<b>Rent Received</b>						
Metalman Micro Turners	0.35	-	-	-	-	-
<b>Reimbursement of exps*</b>						
Metalman Micro Turners	0.02	-	-	-	-	-
Campbell International	-	1.65	-	-	-	-
National Industries	-	7.59	-	-	-	-
Avid Ventures	-	3.36	-	-	-	-
<b>Director Remuneration including reimbursement</b>						
Navneet Jairath	-	-	7.04	-	-	-
Bikramjeet Bemb	-	-	7.10	-	-	-
Nishant Jairath	-	-	8.61	-	-	-
Sachin Bemb	-	-	8.65	-	-	-
Anoop Kumar Gwal	-	-	3.34	-	-	-
Satish Pandey	-	-	2.23	-	-	-
Shrikant Gulabchand Mundada	-	-	9.05	-	-	-



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<b>Unsecured loan received including net interest accrued but not paid</b>						
Navneet Jairath	-	-	5.42	-	-	-
Bikramjeet Bembi	-	-	4.82	-	-	-
Nishant Jairath	-	-	1.79	-	-	-
Sachin Bembi	-	-	3.23	-	-	-
Gunjan Jairath	-	-	-	0.42	-	-
Navita Jairath	-	-	-	0.73	-	-
Nisha Jairath	-	-	-	1.60	-	-
Nitasha Bembi	-	-	-	0.88	-	-
Savita Bembi	-	-	-	0.04	-	-
Sonia Bembi	-	-	-	2.59	-	-
NAVNEET JAIRATHI & SONS - HUF	-	0.25	-	-	-	-
BIKRAMJIT BEMBI & SONS -HUF	-	0.30	-	-	-	-
<b>Unsecured loan repaid</b>						
Navneet Jairath	-	-	-	-	-	-
Bikramjeet Bembi	-	-	-	-	-	-
Nishant Jairath	-	-	1.01	-	-	-
Sachin Bembi	-	-	2.99	-	-	-
Gunjan Jairath	-	-	-	0.15	-	-
Navita Jairath	-	-	-	0.15	-	-
Nisha Jairath	-	-	-	0.20	-	-
Nitasha Bembi	-	-	-	0.15	-	-
Savita Bembi	-	-	-	0.15	-	-
Sonia Bembi	-	-	-	0.15	-	-
Navneet Jairath & Sons - HUF	-	3.28	-	-	-	-
Bikramjit Bembi & Sons -HUF	-	3.60	-	-	-	-
<b>Interest expense</b>						
Navneet Jairath	-	-	0.55	-	-	-
Bikramjeet Bembi	-	-	0.41	-	-	-
Nishant Jairath	-	-	0.14	-	-	-
Sachin Bembi	-	-	0.57	-	-	-
Gunjan Jairath	-	-	-	0.22	-	-
Navita Jairath	-	-	-	0.39	-	-
Nisha Jairath	-	-	-	0.44	-	-
Nitasha Bembi	-	-	-	0.47	-	-
Savita Bembi	-	-	-	0.01	-	-
Sonia Bembi	-	-	-	0.57	-	-
Reema Chadha	-	-	-	0.08	-	-
Navneet Jairath & Sons - HUF	-	0.15	-	-	-	-
Bikramjit Bembi & Sons -HUF	-	0.16	-	-	-	-
<b>Contribution to trust towards post employment benefits</b>	-	-	-	-	7.18	-
<b>Donation</b>	-	-	-	-	-	1.00

\* Managerial remuneration does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and individual amount cannot be determined.





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35. Related party disclosures (contd.)

C. Balances receivable from/ payable to related parties:

Nature of balance outstanding and name of related party	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP
<b>Trade payable</b>				
Metalman Auto Comp		5.39		
National Industries	-	80.09	-	-
<b>Trade receivables</b>				
Metalman Micro Tuners	0.04	-	-	-
<b>Loans outstanding</b>				
Navneet Jairath	-	-	11.66	-
Bikramjeet Bembi	-	-	9.66	-
Nishant Jairath	-	-	2.98	-
Sachin Bembi	-	-	8.04	-
Gunjan Jairath	-	-	-	3.23
Navita Jairath	-	-	-	5.75
Nisha Jairath	-	-	-	7.04
Nitasha Bembi	-	-	-	7.06
Savita Bembi	-	-	-	0.10
Sonia Bembi	-	-	-	9.59
Reema Chadha	-	-	-	0.71
<b>Director Remuneration Payable</b>				
Navneet Jairath	-	-	0.56	-
Bikramjeet Bembi	-	-	0.31	-
Sachin Bembi	-	-	0.72	-
Nishant Jairath	-	-	0.19	-
Satish Pandey	-	-	0.12	-
Anoop Kumar Gwal	-	-	0.17	-
Shrikant Gulabchand Mundada	-	-	0.18	-

D. Terms

All transactions and outstanding balances with these related parties are disclosed at undiscounted values, are priced on at arm's length basis and are to be settled within the credit period allowed as per the policy. All related parties balances are unsecured and considered good.



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**36. Segment information**

The company deals in only one business segment of manufacturing and sale of autoparts and ancillary equipments and the chief operating decision maker (CODM) reviews the operations of the company as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". The management considers that the various goods and services provided by the company constitutes single business segment, since the risk and rewards from these services are not different from one another. Most of the activities are revolving around this business and accordingly has only one reportable segment.

Entity wide disclosure details as per Ind AS 108 on operating segments are given below-

**a) Revenue from external customers based on the geographical locations of the customers**

Particulars	Year ended 31 March 2022
Within India	9,895.85
Outside India	411.73
<b>Total Revenue</b>	<b>10,307.58</b>

There are no material non-current assets domiciled outside India.

Revenue from two customers individually accounted for more than 10% of the total revenue.

**b) Revenue from Countries having 10% and more share in total export revenue**

Romania	53%
Italy	11%
Germany	12%
United State of America - USA	13%
Rest of the world	10%
<b>Total Export Turnover</b>	<b>100%</b>

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**37. Leases:**

**Company as lessee**

The following is the break-up of current and non-current lease liabilities

Particulars	As at 31 March 2022
Non-current lease liabilities	29.55
Current lease liabilities	13.11
<b>Total</b>	<b>42.67</b>

The following is the movement in lease liabilities during the year:

Particulars	As at 31 March 2022
Balance at the beginning of the year	55.64
Additions	-
Finance cost accrued during the year	3.99
Payment of lease liabilities	(16.96)
<b>Balance at the end of the year</b>	<b>42.67</b>

The weighted average incremental borrowing rate applied to lease liabilities of company is 8% per annum.

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis.

	As at 31 March 2022
Not later than one year	16.04
Later than one year and not later than five years	30.68
Later than five years	3.66
	<b>50.38</b>

Rental expense recorded for short-term leases was Rs. 0.44 million for the year ended.

**Company as lessor**

The Company has given on lease building under operating lease. The rental income recorded for the year ended March 31, 2022 is 0.10 million.

**38. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are Rs. 72.77 million.

**39. Contingent Liabilities**

(a)

Contingent Liabilities not provided for in respect of:

**Claims not acknowledged as debts**

	As at 31 March 2022
(a) PF Act	0.10
(b) Workmen Compensation Act	2.33
(c) Bank guarantee issued in favour of others	1.25

Note: The various matters other than bank guarantee are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the company.

\*Additional demand of Rs. 0.10 million raised under the provisions of Employees Provident Fund & Miscellaneous Provisions Act 1952 has been contested with the appropriate authorities on the basis of advice to the company that said demand is not in accordance with the law, no provision has been made in the books of account

(b) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. Pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the books of account.

(c) The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits has been notified in the Official Gazette on September 29, 2020. The draft rules have been released on November 13, 2020 and suggestions have been invited from stakeholders which are under consideration by the Ministry. The impact of the change will be assessed and accounted in the period in which said rules are notified for implementation.





Metalman Auto Limited

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#### 40. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	As at 31 March 2022
(I) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	
Principal amount due to micro and small enterprises	28.69
Interest due on above	0.14
(II) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
(III) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-
(IV) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.42
(V) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

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**41. Financial Instrument- classification and fair value measurement**

**(i) Financial instruments by category**

Particulars	As at 31 March 2022	
	FVTPL	Amortised cost
<b>Financial assets</b>		
Investment	-	-
Other financial assets (non-current)	-	39.81
Trade receivables	-	1,252.67
Cash and cash equivalents	-	3.55
Bank balances other than cash and cash equivalent	-	6.60
Other financial assets (current)	3.91	203.08
<b>Total financial assets</b>	<b>3.91</b>	<b>1,505.71</b>
<b>Financial liabilities</b>		
Borrowings (non-current)	-	1,431.65
Lease liabilities	-	42.66
Borrowings (current)	-	422.74
Trade payables (current)	-	1,024.78
Other financial liabilities (current)	-	114.92
<b>Total financial liabilities</b>	<b>-</b>	<b>3,036.75</b>

# Investment value excludes investment in Associates of Rs. 456.58 million which are shown in balance sheet using Equity method as per Ind AS 28 "Investment in Associate and Joint Venture"

For cash and cash equivalents, trade receivables, loans, other financial assets, short term borrowings, trade payables and other current financial liabilities the management assessed that they approximate their carrying amounts largely due to the short-term maturities of these instruments.

**(ii) Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**Year ended 31 March 2022**

	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>				
Derivative financial Instrument	3.91	-	-	3.91



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#### 42. Financial risk management objectives and policies

The company's principal financial liabilities, comprise borrowings, trade payables and capital creditors. The company's principal financial assets include long term deposits, trade receivables, cash and short-term deposits that derive directly from its operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the company. The board provides assurance that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

##### 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 risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include, deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2022.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022.

##### A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates.

	Increase/ decrease in basis points	Effect on profit before tax (decrease)/increase
		Rs. Million
31 March 2022		
INR	+50	(8.84)
INR	-50	8.84

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior year.

#### 42. Financial risk management objectives and policies (contd.)

##### B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency).

The company exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	31 March 2022	
	Amount in FC	Amount in Rs.
<b>Trade receivables</b>		
EUR	1,34,288.06	11.29
USD	9,52,736.75	72.20
<b>Trade payables</b>		
EUR	85,935.51	7.18
USD	-	-
GBP	-	-





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**Borrowings**

EUR	1,53,258.30	12.89
USD	2,74,045.44	20.77

**Payable for property, plant and equipment**

EUR	580.00	0.05
USD	13,200.00	1.00
GBP	27,500.00	2.74

	31 March 2022	
	Gain/(loss) impact on profit before tax	
	Change +1%	Change -1%
<b>Trade receivables</b>		
EUR	0.11	(0.11)
USD	0.72	(0.72)
<b>Trade payables</b>		
EUR	0.07	(0.07)
USD	-	-
GBP	-	-
<b>Borrowings</b>		
EUR	0.13	(0.13)
USD	0.21	(0.21)
<b>Payable for property, plant and equipment</b>		
EUR	0.00	(0.00)
USD	0.01	(0.01)
GBP	0.03	(0.03)

**II. 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 financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date as disclosed in note 41

*A. Trade receivables*

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the years end the company does not have any significant concentrations of bad debt risk other than disclosed in Note 12.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical credit loss experience and adjustment for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 41. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The movement in allowance for expected credit loss in respect of credit risk of trade receivable have been disclosed in Foot Note to Note No. 12



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#### 42. Financial risk management objectives and policies (contd.)

##### II. Credit risk (contd.)

###### B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties.

##### III. Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

	Less than 12 months	1 to 5 years	> 5 years	Total
As at				
31 March 2022				
Borrowings	422.74	998.62	433.03	1,854.39
Lease liabilities	13.11	25.89	3.66	42.66
Trade payables	1,024.78	-	-	1,024.78
Other financial liabilities (current)	114.92	-	-	114.92
	<u>1,575.55</u>	<u>1,024.51</u>	<u>436.69</u>	<u>3,036.75</u>

##### IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry. The company is a manufacturer of float glass, mirror and other value added glass and the management have assessed risk concentration as low.

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#### 43 . Capital Management

The objective of the company's capital management structure is to ensure that there remains sufficient liquidity within the company to carry out committed work programme requirements. The company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31 March 2022.

The company monitors its capital using the ratio of net debt to equity which is as below:

Particulars	As at 31 March 2022
Borrowing #	1,854.39
Less: Cash and bank balances *	(10.40)
Net debts (A)	1,843.99
Total equity	2,184.56
Total net debt and equity (B)	4,028.55
Gearing ratio (%) (A/B)	45.77%

# Borrowings does not include lease liabilities.

\* This includes non-current deposits with banks.

The company is not subject to any externally imposed capital requirements





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44. Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Metalman Auto Limited	79.10%	1,727.98	84.48%	295.36	85.36%	(2.04)	84.47%	293.32
<b>Associates (Investment as per equity method)</b>								
Metalman Micro Turners	20.50%	456.58	15.52%	54.28	14.64%	(0.35)	15.53%	53.93
<b>Adjustment due to consolidation</b>								
Mar-22	0.00%	-	0.00%	(-0.0)	0.00%	-	0.00%	(0.00)
<b>Total</b>								
Mar-22	100%	2,184.56	100%	349.64	100%	(2.39)	100%	347.25



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**45. First time adoption of Ind AS**

Reconciliation between Indian GAAP financial statements and Special purpose financial statements for differences in the values on account of adjustments for the accounting policies, including the accounting policy choices (both mandatory exceptions and optional exemptions) availed as per Ind AS 101, that have been adopted by the Company at the date of transition to Ind AS i.e. April 01, 2022 for the first statutory Ind AS financial statements prepared by the Company for the financial year ended March 31, 2022

**I. Reconciliation of total equity**

Particulars	Notes	31 March 2022
<b>Other equity and Non-controlling interest as per Indian GAAP financial statements</b>		<b>2,099.42</b>
<b>Adjustments:</b>		
- Accounting for operating lease as per Ind AS 116	Note 1, 2	(11.94)
- Measurement of certain financial assets at amortised cost	Note 2	0.80
- Provision for Expected credit loss on trade receivables	Note 3	(59.38)
- Change in Accounting policy of government grant recognised on accrual basis as per Ind AS 20	Note 4	119.85
- Change in share of profit from associate	Note 8	13.91
- Re-measurement of existing equity interest in associate entity	Note 9	-
- Re-measurement of Non-controlling interest	Note 9	-
- Deferred tax impacts	Note 7	(5.29)
<b>Total adjustments</b>		<b>57.95</b>
<b>Other equity and Non-controlling interest as per Special purpose consolidated financial statements</b>		<b>2,157.37</b>

**II. Reconciliation of Profit and other comprehensive income**

Particulars	Notes	31 March 2022
<b>Profit as per Indian GAAP financial statements</b>		<b>284.55</b>
<b>Adjustments:</b>		
- Accounting for operating lease as per Ind AS 116	Note 1	-1.00
- Measurement of certain financial assets at amortised cost	Note 2	0.27
- Provision for Expected credit loss on trade receivables	Note 3	-2.99
- Change in Accounting policy of government grant recognised on accrual basis as per Ind AS 20	Note 4	18.11
- Remeasurement of defined benefit obligations reclassified to Other comprehensive income (OCI)	Note 5	3.13
- Change in share of profit from associate	Note 8	34.51
- Fair value gain on re-measurement of previously held interest in associate entity as per Ind AS 103	Note 9	-
- Deferred tax impacts	Note 7	13.07
<b>Total adjustments</b>		<b>65.09</b>
<b>Profit as per Special purpose consolidated financial statements</b>		<b>349.64</b>

**Other comprehensive income (OCI)**

OCI as per Indian GAAP financial statements

-

**Adjustments:**

- Remeasurement of defined benefit obligations reclassified to Other comprehensive income (OCI)	Note 5	-3.13
- Deferred tax impacts on above adjustment	Note 7	1.09
- Share of other comprehensive income in associate	Note 8	-0.35
<b>Total adjustments</b>		<b>-2.39</b>
<b>OCI as per Special purpose consolidated financial statements</b>		<b>-2.39</b>



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**III. Reconciliation of assets and liabilities between Indian GAAP financial statements and Special purpose financial statements:**

Particulars	Note to Reconciliation	As at 31 March 2022		
		As per Indian GAAP financial statements	Adjustments	As per Special Purpose financial statements
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	Note 1, 9	2,778.28	-149.52	2,628.76
Right of use assets	Note 1, 2,	0.01	181.68	181.69
Capital work-in-progress		25.00	-	25.00
Goodwill	Note 9	-	-	-
Intangible assets		1.95	-	1.95
Financial assets:				
i) Investments	Note 8	442.67	13.91	456.58
ii) Other financial assets	Note 2	40.45	-0.64	39.81
Other non-current assets		21.43	-	21.43
<b>Total non-current assets</b>		<b>3,309.79</b>	<b>45.43</b>	<b>3,355.22</b>
<b>Current assets</b>				
Inventories		743.37	-	743.37
Financial assets:				
i) Trade receivables	Note 3	1,312.05	-59.38	1,252.67
ii) Cash and cash equivalents		3.55	-	3.55
iii) Bank balances other than cash and cash equivalents		6.60	-	6.60
iv) Loans		-	-	-
v) Other financial assets	Note 4	66.40	140.59	206.99
Other current assets		124.40	-	124.40
<b>Total current assets</b>		<b>2,256.37</b>	<b>81.21</b>	<b>2,337.58</b>
<b>Total Assets</b>		<b>5,566.16</b>	<b>126.64</b>	<b>5,692.80</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital		27.19	-	27.19
Other equity	Note 1 to 9	2,099.42	57.95	2,157.37
<b>Equity attributable to owners of the Company</b>		<b>2,126.61</b>	<b>57.95</b>	<b>2,184.56</b>
Non-controlling interest	Note 9	-	-	-
<b>Total equity</b>		<b>2,126.61</b>	<b>57.95</b>	<b>2,184.56</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities:				
i) Borrowings		1,431.65	-	1,431.65
ii) Lease liabilities	Note 1	-	29.55	29.55
Provisions		27.70	-	27.70
Deferred tax liabilities (net)	Note 7	297.65	5.29	302.94
<b>Total non-current liabilities</b>		<b>1,757.00</b>	<b>34.84</b>	<b>1,791.84</b>
<b>Current liabilities</b>				
Financial liabilities:				
i) Borrowings		422.74	-	422.74
ii) Lease liabilities	Note 1	-	13.11	13.11
iii) Trade payables				
- total outstanding dues of micro and small enterprises		28.69	-	28.69
- total outstanding dues of creditors other than micro and small enterprises		996.09	-	996.09
iv) Other financial liabilities		114.92	-	114.92
Other current liabilities	Note 4	88.06	20.74	108.80
Provisions		4.12	-	4.12
Current tax liabilities (net)		27.93	-	27.93
<b>Total current liabilities</b>		<b>1,682.55</b>	<b>33.85</b>	<b>1,716.40</b>
<b>Total Equity and Liabilities</b>		<b>5,566.16</b>	<b>126.64</b>	<b>5,692.80</b>

Note: The figures as per Indian GAAP financial statements have been reclassified to conform to presentation requirements of Division II of Schedule III of Companies Act, 2013.





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IV. Reconciliation of the income and expenses between Indian GAAP financial statements and Special purpose financial statements:

Particulars	Note to Reconciliation	As at 31 March 2022		
		As per Indian GAAP financial statements	Adjustments	As per Special Purpose financial statements
<b>I. Income</b>				
Revenue from operations	Note 6	10,307.60	-0.02	10,307.58
Other income	Note 2, 4, 9	39.97	18.38	58.35
<b>Total Income</b>		<b>10,347.57</b>	<b>18.36</b>	<b>10,365.93</b>
<b>II. Expenses</b>				
Cost of materials consumed		7,938.23	-	7,938.23
Changes in inventories of finished goods and work-in-progress		-72.49	-	-72.49
Employee benefits expense	Note 5	498.90	-3.13	495.77
Finance costs	Note 1	141.08	3.99	145.07
Depreciation and amortisation expense	Note 1	277.10	13.97	291.07
Other expenses	Note 1, 3	1,197.98	-13.98	1,184.00
<b>Total expenses</b>		<b>9,980.80</b>	<b>0.85</b>	<b>9,981.65</b>
<b>III. Profit before share of net profits of associate and tax (I-II)</b>		<b>366.77</b>	<b>17.51</b>	<b>384.28</b>
<b>IV. Share of net profit of associate</b>	Note 8	19.77	34.51	54.28
<b>V. Profit before tax (III+IV)</b>		<b>386.54</b>	<b>52.02</b>	<b>438.56</b>
<b>VI. Tax expense:</b>				
Current tax		80.00	-	80.00
Taxation related to earlier years		-7.17	-	-7.17
Deferred tax charge/(benefits)	Note 7	79.16	-13.07	16.09
<b>Total tax expenses</b>		<b>101.99</b>	<b>-13.07</b>	<b>88.92</b>
<b>VII. Profit for the year (V+VI)</b>		<b>284.55</b>	<b>65.09</b>	<b>349.64</b>
<b>VIII. Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss in subsequent period				
Re-measurement (loss)/gain on defined benefit plans	Note 5	-0.00	-3.13	-3.13
Income tax effect	Note 7	-	1.09	1.09
Share of other comprehensive income in associate	Note 8	-	-0.35	-0.35
<b>Total other comprehensive income for the year, net of tax</b>		<b>-0.00</b>	<b>-2.39</b>	<b>-2.39</b>
<b>IX. Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>284.55</b>	<b>62.70</b>	<b>347.24</b>



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**Notes to the Reconciliations between Indian GAAP financial statements and Special purpose financial statements**

**Note – 1**

**Accounting for leases as per Ind AS 116**

Under the Indian GAAP, the operating lease rentals were recognised as expenses in the statement of profit and loss. However, as per the accounting policies adopted as on transition date as set out in note 2.1 of the Special purpose financial statements, the Company needs to recognise a right-of use asset and a lease liability at the initial cost paid and present value of future lease payments at that date against certain leases. Subsequently, the asset is amortized over lease period. The carrying amount of lease liability is increased to reflect interest on the lease liability and is reduced to reflect the lease payments made during the year. This has also resulted in reclassification of leasehold land from property plant and equipment to Right-of-use asset.

**Note – 2**

**Measurement of certain financial assets at amortised cost**

Under the Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under the accounting policies adopted as on transition date as set out in note 2.1 of the Special purpose financial statements, such financial assets are required to be recognised at amortized cost. Accordingly, the Company has recognized such security deposits at amortized cost and difference has been recognised as right of use asset. Further, unwinding of interest on such security deposits has been recognized in Other Income

**Note – 3**

**Provision for expected credit loss on trade receivables**

Under Indian GAAP, the company created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under the accounting policies adopted as on transition date as set out in note 2.1 of the Special purpose financial statements, impairment allowance has been determined based on Expected Credit Loss model (ECL).

**Note – 4**

**Accounting of government grant as per Ind AS 20**

Under Indian GAAP, subsidies received by the Company were considered in the nature of Promoter's contribution and directly credited to the Capital Reserve and were not routed through the Statement of Profit and Loss. However, under the accounting policies adopted as on transition date as set out in note 2.1 of the Special purpose financial statements, Government grants are routed through the Statement of Profit and Loss when the attached conditions are complied with and when there is reasonable assurance that the grant will be received. For grant related to assets, the cost of the asset is shown at gross value and grant thereon is treated as deferred income which is recognized as income in Statement of Profit and Loss over the period and in proportion in which depreciation is charged. For grant with no related costs is recognised in the Statement of profit or loss is recognized as income on a systematic basis.

**Note – 5**

**Remeasurement of defined benefit obligations reclassified to Other comprehensive income (OCI)**

Under Indian GAAP, the entire cost, including actuarial gains and losses, related to its post-employment defined benefit plan are charged to profit or loss. Under the accounting policies adopted as on transition date as set out in note 2.1 of the Special purpose financial statements, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to Other Equity through OCI.

**Note – 6**

**Revenue from operations**

Under Indian GAAP, cash discounts and other discounts directly attributable to sales was recognised as part of other expenses which has been adjusted against the revenue under the accounting policies adopted as on transition date as set out in note 2.1 of the Special purpose financial statements

**Note – 7**

**Deferred tax**

The transitional adjustments has lead to new temporary differences. This has resulted in recognition of deferred tax on temporary differences which was not required under previous GAAP.

**Note – 8**

**Accounting of Share of associate**

Due to Ind AS adoption by associate entity resulting into change in share of profit.



**Metalman Auto Limited**

(Formerly as Metalman Auto Private Limited)

(CIN: U34103DL1986PLC305213)

Notes to Special Purpose Consolidated Financial Statements for the Year ended March 31, 2022

(Amount in Rupees million, unless otherwise stated)

**46A Interest in other entities**

The Associate entity i.e. Metalman Micro Turners, a partnership firm, in which the Company holds 50% share, domiciled in India was incorporated on 3<sup>rd</sup> March 2010 and is engaged in the manufacturing and selling of Auto Parts.

**46B. Summarised Financial Information of Associate**

Particulars	As at 31st March, 2022
<b>I. Assets</b>	
<b>(A) Non Current Assets</b>	1,414.98
<b>(B) Current Assets</b>	
i) Cash and cash equivalent	51.72
ii) Others	729.91
<b>Total Current Assets</b>	781.63
<b>Total Assets (A+B)</b>	2,196.61
<b>II. Liabilities</b>	
<b>(A) Non Current Liabilities</b>	
i) Financial Liabilities	
A. Borrowings	357.05
B. Other financial liabilities	-
ii) Other Liabilities (including provisions)	71.75
<b>Total Non Current Liabilities</b>	428.80
<b>(B) Current Liabilities</b>	
i) Financial Liabilities	
A. Borrowings	257.14
B. Trade Payables	492.56
C. Other financial liabilities	35.92
ii) Other Liabilities (including provisions)	68.24
<b>Total Current Liabilities</b>	853.86
<b>Total Liabilities (A+B)</b>	1,282.66
<b>III. Net Assets (I-II)</b>	913.95
<b>IV. Contingent liabilities and Commitments</b>	
Contingent liabilities	-
Capital commitment	6.25





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Notes to Special Purpose Consolidated Financial Statements for the Year ended March 31, 2022

(Amount in Rupees million, unless otherwise stated)

**46C. Summarised Performance of Associate**

Particulars	Year ended 31st March, 2022
<b>I. Summarised performance of Associate</b>	
(i) Revenue from operations	4,830.83
(ii) Profit before Tax	163.98
(iii) Profit after Tax	108.55
(iv) Other comprehensive Income	-0.70
(v) Total comprehensive Income	107.85
<b>II. Other information</b>	
(i) Depreciation & amortisation expense	146.30
(ii) Interest income	2.49
(iii) Interest expense	51.62
(iv) Tax expense	55.43

**46D. Movement of Investment in Associate accounted for using the equity method**

Particulars	Year ended 31st March, 2022
Investment (including profit till date) at the beginning of the year	402.65
Add: Share of profit for the period	54.28
Add: Share of other comprehensive income for the period	(0.35)
Investment (including profit till date) at the end of the year	456.58



**Metalman Auto Limited**  
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Notes to Special Purpose Consolidated Financial Statements for the Year ended March 31, 2022  
(Amount in Rupees million, unless otherwise stated)

**47. Other statutory information:**

(i) No proceedings have been initiated or are pending against the company for any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) None of the company entity has not been declared a wilful defaulter by any bank or financial Institution or other lender.

**(iii) Utilisation of Borrowed funds and share premium:**

The company has not advanced or loaned or invested funds to any other person or entity, 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.

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

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

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

(iv) The company has not traded or invested in crypto currency or virtual currency during the financial period.

(v) No significant subsequent events other than as disclosed in note 33 - "Earning per equity share", have been observed which may require an adjustments to the consolidated financial statements.

(vi) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vii) The company has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.

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

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

In terms of our report of even date

**For KC Khanna & Co.**

Chartered Accountants

FRN 000481N


  
Nitin K Jain  
Partner  
Membership No.: 083084  
Place: Delhi  
Date: July 11, 2024



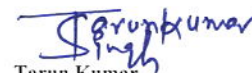
For and on behalf of the Board of Directors of

**Metalman Auto Limited**

  
Navneet Sarathi  
Managing Director  
DIN: 01620652

  
Ajay Kumar Dubey  
Chief Financial Officer

  
Bikramjit Bemb  
Chairman  
DIN: 01677152

  
Tarun Kumar  
Company Secretary  
M.NO:F9256

