Independent Auditor's Report

To the Members of

Shivalik Bimetal Controls Ltd.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Shivalik Bimetal Controls Ltd.** ("Parent"), and its Subsidiaries and Joint Venture (Parent Company with its Subsidiaries and Joint Venture together referred to as "Group") which comprise the consolidated Balance sheet as at 31st March, 2023, the consolidated statement of profit and loss (including Other Comprehensive Income), consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies, notes and other explanatory information. (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, and consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The Key audit matters	How our audit addressed the key audit matters
Capitalisation of property, plant and equipment	
During the year ended 31st March, 2023, the Company has incurred significant amount for Property, Plant and equipment The total additions to Property, Plant and Equipment (including capitalized amount of Capital Work in Progress) at various locations of the Company was ₹ 3305.56 lakhs in the current year as set out in Note No 3 Significant level of judgement is involved to ensure that the aforesaid capital expenditure/ additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment. As a result, the aforesaid matter was determined to be a key audit matter.	We as Auditors, 1. assessed the mechanism of capitalization and tested the design and operating effectiveness of the controls in the process. 2. assessed the nature of the additions/ capitalization carried out in Property, Plant and Equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. 3. reviewed the asset capitalization details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Based on the above procedures, management's assessment in respect of Capitalization of Property, Plant and Equipment in the Consolidated Financial Statements we are of the opinion that capitalization of Property, Plant and Equipment, the procedures adopted are considered adequate.

Independent Auditor's Report
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The Key audit matters	How our audit addressed the key audit matters
Contingent Liabilities- Contingencies & Capital Commitments:	
The Company has material contingencies related to Guarantee(s) given, Capital Commitments and Indirect Tax matters as detailed in Note 38 to the Consolidated financial statements. The Company makes a determination for recording or alternatively disclosing them as contingencies. We identified this as a key audit matter because the estimation on which these amounts are based involves a reasonable degree of assessment by the management.	We have obtained an understanding of the Company's internal instructions, and procedures in respect of assessment and disclosure of Contingent Liabilities & Capital Commitments and adopted the following audit procedures: - 1) understood and tested the operating effectiveness of controls as established by the management for obtaining all relevant information; 2) discussing with the management any material developments and latest status; 3) reviewing the adequacy and completeness of disclosures; Based on the above procedures performed, the assessment and disclosures of Contingent Liabilities & Capital Commitments are considered to be adequate and reasonable.

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

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, standalone financial statements and our respective auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's Responsibility for the Consolidated Annual Financial Statements

The Parent Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit / loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of consolidated financial Statements by the directors of the parent company.

In preparing the consolidated financial statements, respective management and Board of Directors of the Company in the group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Companies in the group is also responsible for overseeing the Company's financial reporting process of each company.

Independent Auditor's Report

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Auditor's Responsibilities for the Audit of Consolidated Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated annual financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

The consolidated financial statements include the share of Net Profit (and other comprehensive income) of ₹ 102.64

Independent Auditor's Report
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lakhs for the year ended March 31, 2023 as considered in consolidated financial statements in respect of one Joint Venture whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of its joint venture, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our report and on the consideration of reports of the other auditors on separate financial statements of such joint venture as were audited by other auditors as noted in the Other Matter paragraph, we report, to the extent applicable, that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b. in our opinion proper books of account as required by law have been kept so far as it appears from our examination of those books and report of other Auditor's;

    c. the consolidated balance sheet, consolidated statement of profit & loss including other comprehensive income, consolidated statement of changes in equity and statement of consolidated cash flow dealt with by this Report are in agreement with the books of account;

    d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. on the basis of written representations received from the directors of the Parent, its Subsidiaries as on 31st March, 2023, and taken on record by the Board of Directors of the Parent company and the reports of the statutory auditors of its joint venture incorporated in India, none of the directors of the Group Companies is disqualified as on 31st March, 2023, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

    g. In our opinion, the managerial remuneration for the year ended 31st March, 2023 has been paid / provided by the company to its directors in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013; and

    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the joint venture as noted in the 'Other Matter' paragraph:

        i. The consolidated annual financial statements disclose the impact of pending litigations on its financial position in its Consolidated financial statements-Refer Note 37 to the financial statements;

        ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. (a) The respective Managements of the companies in the Group have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    (b) The respective Managements of the companies in the group have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

Independent Auditor's Report

continued

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

3. The interim dividend paid and also the final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with Section 123 of the Act, as applicable.

4. With respect to the matters specified in paragraphs 3(xxi) and 4 of Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143 (11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us for the Parent, its Subsidiaries and Joint Venture included in the consolidated financials statements of the company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Arora Gupta & Co.**
Chartered Accountants
Firm Registration No: - 021313C

Sd/-
Amit Arora
Partner
Membership No: - 514828
ICAI UDIN No: 23514828BGQAAM2589

Place: New Delhi
Dated: 17th May 2023

Annexure - A

to the Independent Auditor's Report on Consolidated financial statements of Shivalik Bimetal Controls Limited

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company") and its Subsidiaries , which are Companies incorporated in India, as of that date, wherever applicable.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its jointly controlled Companies, which are Companies incorporated in India, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act is respect of adequacy of Internal financial controls over financial reporting is applicable, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Annexure - A

to the Independent Auditor's Report on Consolidated financial statements of Shivalik Bimetal Controls Limited *continued*

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company and its jointly controlled companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting reference to these consolidated financial statements in so far as it relates to one of the Joint Venture, which are companies incorporated in India, is based on the corresponding report of the auditor of such Company incorporated in India. Our opinion is not qualified in respect of this matter.

For **Arora Gupta & Co.**
Chartered Accountants
Firm Registration No: - 021313C

Sd/-
Amit Arora
Partner

Place: New Delhi
Dated: 17th May 2023

Membership No: - 514828
ICAI UDIN No: 23514828BGQAAM2589

Consolidated Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Consolidated Balance Sheet	Notes	As at 31st March 2023	As at 31st March 2022
I. ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	10,972.88	7,676.59
(b) Capital Work-In-Progress	3.1	532.62	652.61
(c) Right-of-use-Assets	3.2	36.58	14.37
(d) Other Intangible Assets	3.3	347.71	13.98
(e) Goodwill	3.3	204.06	-
(f) Intangible Assets Under Development	3.3	138.34	102.18
(g) Financial Assets			
(i) Investments	4	785.69	1,654.11
(ii) Investment Property	5	191.86	191.86
(iii) Other Financial Assets	6	44.08	37.35
(h) Other Non Current Assets	7	358.82	467.53
Total Non Current Assets		**13,612.64**	**10,810.58**
Current assets			
(a) Inventories	8	13,197.44	11,488.48
(b) Financial Assets			
(i) Trade Receivables	9	9,321.84	5,928.13
(ii) Cash and Cash equivalents	10	1,768.23	1,086.90
(iii) Other Bank Balances	11	22.57	94.87
(iv) Others Financial Assets	12	7.56	5.28
(c) Other Current Assets	13	1,035.46	1,362.86
(d) Current Tax Assets	14	7.02	3.59
Total Current Assets		**25,360.12**	**19,970.11**
TOTAL ASSETS		**38,972.76**	**30,780.69**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,152.08	768.06
(b) Other Equity	16	25,397.76	18,391.74
Total Equity		**26,549.84**	**19,159.80**
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,236.10	1,528.53
(ii) Lease Liabilities	18	21.35	19.41
(b) Other Non Current Liabilities	19	1.52	-
(c) Provisions	20	90.32	50.94
(d) Deferred Tax Liabilities (Net)	21	546.85	482.58
Total Non-Current Liabilities		**2,896.14**	**2,081.46**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	3,580.17	4,225.08
(ii) Lease Liabilities	23	28.88	20.80
(iii) Trade Payables			
a) Outstanding dues of micro enterprises and small enterprises	24	164.05	10.32
b) Outstanding dues of creditors other than micro enterprises and small enterprises	24	4,066.71	4,167.39
(iv) Other Financial Liabilities	25	774.82	467.07
(b) Other Current Liabilities	26	824.68	451.65
(c) Provisions	27	86.68	4.80
(d) Current Tax Liabilities	28	0.79	192.32
Total Current Liabilities		**9,526.78**	**9,539.43**
TOTAL EQUITY AND LIABILITIES		**38,972.76**	**30,780.69**
The accompanying notes form an integral part of the consolidated financial statements.	1 to 48		

As per our report of even date
For **Arora Gupta & Co.**
Chartered Accountants
Firm Registration No: 021313C

For and on Behalf of the Board

Sd/-
(Amit Arora)
Partner
Membership No.514828

Sd/-
(N.S. Ghumman)
Managing Director
DIN 00002052

Sd/-
(S.S. Sandhu)
Chairman
DIN 00002312

Place : New Delhi
Date : May 17, 2023

Sd/-
(Rajeev Ranjan)
Chief Financial Officer

Sd/-
(Aarti Sahni)
Company Secretary
Membership No. A25690

Consolidated Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in lakhs, except per share data)

	Consolidated Statement of Profit & Loss for the	Notes	Year Ended 31st March 2023	Year Ended 31st March 2022
I	Revenue from operations	29	47,037.21	32,398.75
II	Other income	30	992.34	544.68
III	**Total Revenue (I + II)**		**48,029.55**	**32,943.43**
IV	**Expenses**			
	(a) Cost of materials consumed	31	26,262.32	17,206.39
	(b) Changes in Inventories of Finished Goods and Work-In-Progress	32	(1,746.37)	(1,100.20)
	(c) Employee benefits expense	33	3,810.10	2,711.43
	(d) Finance costs	34	704.19	276.36
	(e) Depreciation & Amortisation	3	1,054.74	637.83
	(f) Manufacturing & Other expenses	35	7,816.39	6,232.98
	Total expenses		**37,901.37**	**25,964.79**
V	**Profit/(loss) before tax (III-IV)**		**10,128.18**	**6,978.64**
VI	**Share of Profit/(Loss) of Joint Venture**		102.64	351.19
VII	**Profit Before exceptional items and tax (V +VI)**		**10,230.82**	**7,329.83**
VIII	Exceptional Items (Income)/Expense		-	-
IX	**Profit/(loss) before tax (VII-VIII)**		**10,230.82**	**7,329.83**
X	**Tax expense**			
	(a) Current tax	36	2,520.78	1,785.45
	(b) Current tax related to previous years	36	(30.10)	(16.37)
	(c) Deferred tax	36	(170.19)	49.53
	Total		**2,320.49**	**1,818.61**
XI	**Profit/(Loss) for the years (IX-X)**		**7,910.33**	**5,511.22**
XII	**Other Comprehensive Income**			
	i. Items that will not be reclassified to Statement of Profit & Loss			
	'- Remeasurement of defined benefit obligation		(53.79)	6.17
	'- Income tax on above		13.54	(1.55)
	'- Shares of Other Comprehensive Income in Subsidiary(s) and Joint Ventures		-	1.17
			(40.25)	**5.79**
XIII	**Total Comprehensive Income for the Period (XI+XII)**		**7,870.08**	**5,517.01**
XIV	**Earnings per equity share**			
	(a) Basic (₹)	37	13.66	9.58
	(b) Diluted (₹)	37	13.66	9.58
	The accompanying notes form an integral part of the consolidated financial statements.	1 to 48		

As per our report of even date
For **Arora Gupta & Co.**
Chartered Accountants
Firm Registration No: 021313C

For and on Behalf of the Board

Sd/-
(Amit Arora)
Partner
Membership No.514828

Sd/-
(N.S. Ghumman)
Managing Director
DIN 00002052

Sd/-
(S.S. Sandhu)
Chairman
DIN 00002312

Place : New Delhi
Date : May 17, 2023

Sd/-
(Rajeev Ranjan)
Chief Financial Officer

Sd/-
(Aarti Sahni)
Company Secretary
Membership No. A25690

Consolidated Cash Flow Statement
for the year ended March 31, 2023

(₹ in Lakhs)

Consolidated Cash Flow Statement for the	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	10,230.82	7,329.83
Adjustments for:		
Depreciation and amortisation expense	1,054.74	637.83
Share of (Profit)/Loss of Joint Venture	(102.64)	(351.19)
Gain on Fair Valuation of previous held equity Interest	(329.16)	-
Interest Expense	704.19	276.36
Interest Income	(54.32)	(47.90)
Net (Gain)/loss arising on financial instruments designated as FVTPL	(0.88)	(0.69)
Amortisation of Government Grant	(0.96)	-
Liabilities/Provisions Written Back	(7.84)	(26.18)
Unrealised foreign exchange loss/(gain) on borrowings	114.43	14.88
Loss Allowance for doubtful receivables	0.36	-
(Profit)/Loss on sale of Property, Plant and Equipment (Net)	(11.64)	(17.73)
Dividend received	(0.40)	(0.30)
Operating Profit before Working Capital changes	**11,596.70**	**7,814.91**
Adjustment for :		
Trade receivables	(2,181.66)	(1,625.71)
Inventories	(660.23)	(4,474.31)
Trade Payables	(531.77)	651.55
Other Assets	451.71	(852.71)
Other Liabilities	529.29	(121.10)
Provisions	47.77	(12.59)
Cash generated from operations	**9,251.81**	**1,380.04**
Income Tax paid	(2,669.37)	(1,727.65)
Net Cash generated from Operating Activities (A)	**6,582.44**	**(347.61)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Purchase of Property Plant and Equipment, Intangible assets & CWIP	(3,203.22)	(2,323.97)
Payment for Acquisition of Subsidiary(s)	(1,328.31)	-
Capital Advances	109.83	(231.56)
Proceeds from Sale of Property Plant and Equipment	26.22	95.19
Interest Income	54.32	42.24
Dividend Received	0.40	0.30
Advance Against Sale of Investment Property	30.00	-
Net cash (used in)/ from Investing activities (B)	**(4,310.76)**	**(2,417.80)**

Consolidated Cash Flow Statement

for the year ended March 31, 2023 *continued*

(₹ in Lakhs)

Consolidated Cash Flow Statement for the	Year Ended 31st March, 2023	Year Ended 31st March, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings*	2,925.57	1,469.08
Repayment of long term Borrowings*	(1,947.88)	(612.97)
Proceeds from short term Borrowings (net)*	(1,627.55)	2,040.79
Principal payment of lease liability	(30.92)	(42.32)
Interest Paid	(694.90)	(264.95)
Dividend Paid	(473.58)	(303.05)
Net Cash generated from Financing activities (C)	**(1,849.27)**	**2,286.58**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	422.41	(478.83)
Cash and Cash Equivalents (Opening Balance)	1,086.90	1,565.73
Cash and Cash Equivalents Acquired in Business Combination	258.92	-
Cash and Cash equivalents (Closing Balance)	1,768.23	1,086.90
** Refer note no. 22.1 for changes in liabilities due to financing activities*		
The accompanying notes form an integral part of the consolidated financial statements.	1 to 48	

As per our report of even date
For **Arora Gupta & Co.**
Chartered Accountants
Firm Registration No: 021313C

Sd/-
(Amit Arora)
Partner
Membership No.514828

Place : New Delhi
Date : May 17, 2023

For and on Behalf of the Board

Sd/-
(N.S. Ghumman)
Managing Director
DIN 00002052

Sd/-
(S.S. Sandhu)
Chairman
DIN 00002312

Sd/-
(Rajeev Ranjan)
Chief Financial Officer

Sd/-
(Aarti Sahni)
Company Secretary
Membership No. A25690

Consolidated Statement of Changes in Equity

A. Equity Share Capital

(₹ in lakhs)

Balance as at 1st April 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
768.06	384.02	1,152.08

Balance as at 1st April 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
768.06	-	768.06

*Refer note 15.1

B. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April, 2021	**0.57**	**13,223.17**	**(41.79)**	**13,181.95**
Profit for the year	-	5,511.22	-	**5,511.22**
Other Comprehensive income for the year	-	-	5.79	**5.79**
Transactions with owners			-	
Dividends Paid	-	(307.22)	-	**(307.22)**
Balance as at 31st March, 2022	**0.57**	**18,427.17**	**(36.00)**	**18,391.74**
Profit for the year	-	7,910.33	-	**7,910.33**
Other Comprehensive income for the year	-	-	(40.25)	**(40.25)**
Transactions with owners				
Dividends Paid	-	(480.04)	-	**(480.04)**
Issuance of Bonus Shares	-	(384.02)	-	**(384.02)**
Balance as at 31st March, 2023	**0.57**	**25,473.44**	**(76.25)**	**25,397.76**
The accompanying notes form an integral part of the consolidated financial statements.		1 to 48		

As per our report of even date
For **Arora Gupta & Co.**
Chartered Accountants
Firm Registration No: 021313C

For and on Behalf of the Board

Sd/-
(Amit Arora)
Partner
Membership No.514828

Sd/-
(N.S. Ghumman)
Managing Director
DIN 00002052

Sd/-
(S.S. Sandhu)
Chairman
DIN 00002312

Place : New Delhi
Date : May 17, 2023

Sd/-
(Rajeev Ranjan)
Chief Financial Officer

Sd/-
(Aarti Sahni)
Company Secretary
Membership No. A25690

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023)

1. Company's Overview

The Consolidated financial statements comprise financial statements of Shivalik Bimetal Controls Limited ("SBCL" "the Company" or "the Parent") and it's Wholly Owned Subsidiary Companies & Joint venture Company:

i) Shivalik Engineered Products Private Limited (Wholly Owned Subsidiary),

ii) Shivalik Bimetal Engineers Private Limited (Wholly Owned Subsidiary),

iii) Innovative Clad Solutions Private Limited (Joint venture)

(Collectively referred to as " the Group ") for the financial year ended March 31, 2023.

During the year, the Parent has: -

i) acquired the entire equity held by Joint Venture Partner, namely Portwest Corporation USA (formerly known as M/s Checon Corporation, USA) in the Joint venture Company, namely Shivalik Engineered Products Private Limited ("SEPPL") (formerly known as Checon Shivalik Contact Solutions Private Limited), as such the Joint Venture agreement stands terminated and "SEPPL" has become Wholly Owned Subsidiary (WOS) of the Company.

ii) acquired the entire equity of the Associate Company, namely Shivalik Bimetal Engineers Private Limited ("SBEPL"), as such "SBEPL" has become Wholly Owned Subsidiary (WOS) of the Company.

The Company's shares are listed on Bombay Stock Exchange Limited (BSE) & on National Stock Exchange of India Limited (NSE).

The Group is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, Spring Rolled Stainless Steels, Electron Beam Welded Shunt Materials (Strip & Finished Components), Cold Bonded Bimetal Strips and Parts, Snap Action Discs, CNC Formed Coils of Bimetals / Trimetals, Electrical Contacts, Tools & Dies etc. The Group Products find application primarily in manufacturing of Switchgears, Circuit Breakers, Automotive's, Energy Meters and various other Electrical and Electronic devices.

The Company's Consolidated Financial Statements are approved for issue by the Board of Directors on May 17, 2023.

2. Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its Consolidated financial statements are listed below.

2.1 Compliance with Ind AS

The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ('Ind AS'), notified under Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind AS").

The Consolidated Financial Statements are presented in Indian rupee (₹) and all values are rounded to the nearest Lakhs and two decimals thereof, except if otherwise stated.

2.2 Basis of Preparation of Consolidated Financial Statements

These Consolidated financial statements are prepared, under the historical cost convention on the accrual basis except for certain financial instruments and defined benefit plans, which are measured at fair values or amortised cost at the end of each period.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current

A liability is treated as current when it satisfies any of the following criteria:

- Expected to be settled in the company's normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

2.3 Principles of Consolidation

The Consolidated financial statements include the financial statements of the holding company, Joint venture and subsidiary(s).

Joint Venture

Investment in Joint Venture has been accounted under the Equity Method as per Ind AS 28- "Investment in Associates and Joint Ventures".

The Group accounts for its share of Post-Acquisition changes in net assets of joint venture, after eliminating unrealized profits and losses resulting from transactions between the group its Joint Ventures.

Subsidiary(s)

The financial statements of subsidiary(s) are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The standalone financial statements of the Holding Company and financial statements of the subsidiary(s) are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and any unrealised incomes and expenses arising from intra-group transactions.

These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiary(s), is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

2.4 Use of Estimates

The preparation of Consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balance of assets and liabilities and disclosures of contingent liabilities on the date of Consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the estimates used in the preparation of Consolidated financial statements are prudent and reasonable. Accounting estimates could change from period to period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

a) Useful Life of Property Plant and Equipment

The group reviews the estimated useful life and residual value of Property, Plant and Equipment at the end of each reporting period.

This reassessment may result in change in depreciation expense in future periods.

b) Employee Benefits

The accounting of employee benefit plan in the nature of defined benefits, requires the group to use assumptions. These assumptions have been explained under employee benefits note no. 2.9.

c) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

d) Provisions and Contingent Liabilities

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assests'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timings of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

e) **Revenue**

The Group assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

The Group uses judgement to determine an appropriate Consolidated selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative Consolidated selling price of each distinct product or service promised in the contract.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.5 Revenue Recognition

Revenue from sale of products/goods & services is recognized upon satisfaction of the performance obligation by transferring the control of promised products or provision of services to a customer in an amount that reflects the consideration which a Group expects to receive in exchange for those products or services.

'Revenue is recognized net of returns and is measured based on the transaction price, which is the consideration, adjusted for trade discounts, incentives etc agreed as a term of contract. Revenue also excludes taxes collected from customers.

Income from Interest is recognized using Effective Interest rate method. Dividend income from investments is recognized when the shareholder's right to receive payment has been established. Rental Incomes are recognized on periodic basis.

Export Incentive Entitlements are recognized as Income when right to receive credit as per the terms of the scheme is established in respect of eligible exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance claim are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

All other incomes are accounted on accrual basis.

2.6 Foreign Currency Transactions

The functional and presentation currency of the Group is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Group operates.

The transactions in the currencies other than the entity's functional currency (foreign currency's) are accounted for at the exchange rate prevailing on the transaction's date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at closing rates of exchange at the reporting date and the resultant difference is charged/ credited in Consolidated Statement of Profit & Loss account.

Exchange differences arising on settlement or translation of monetary items are recognized in Consolidated Statement of Profit & Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated on reporting date.

2.7 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use.

All other Borrowing costs are recognized in the Consolidated Statement of Profit & Loss in the period in which they are incurred.

Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.

2.8 Government Grant and Assistance

Government grants are assistance by government in the form of transfer of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity and the same are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

Government grants related to assets, including non-monetary grants recorded at fair value are treated as deferred income and are recognized and credited in the Consolidated Statement of Profit & Loss on a systematic and rational basis over the estimated useful life of the related asset.

2.9 Employees' Benefits

Defined Contribution Plans:

The Group has contributed to State Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized as expense during the period in which employees have rendered the service entitling them to the contributions.

Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the Actuarial Valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Group has an employee gratuity fund managed by Life Insurance Corporation of India (LIC).

The gains or losses are charged to Consolidated Statement Profit & Loss Account.

Liability in respect of compensated absence is provided based on Actuarial Valuation using the projected unit credit method.

Compensation to employees, who opt for retirement under the Voluntary Retirement Scheme of the Group, is charged to the Consolidated Statement of Profit & Loss in the year of exercise of option by the employee.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus etc. are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.10 Taxes on Income

Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act, 1961.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Group has a legally enforceable right and also intends to settle the asset and liability on a net basis.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxation authority.

Current and deferred tax are recognized in profit & loss, except when they are relating to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

2.11 Property, Plant and Equipment and Capital Work-In-Progress

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts, if any and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing cost attributable to the Qualifying Asset in compliance with Ind AS 23.

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

Expenditure incurred after the Property, Plant and Equipment have been put into operation, such as repairs and maintenance, are charged to the Consolidated Statement of Profit & Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Consolidated Statement of Profit & Loss.

Property, Plant and Equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold lands are stated at cost.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Consolidated Statement of Profit & Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Capital work-in-progress represents the cost of Property, Plant and Equipment that are not yet ready for their intended use at the reporting date.

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Cost of in-house assembled/fabricated Property, Plant & Equipment comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.

Depreciation on Property, Plant & Equipment is provided based on useful lives of assets as prescribed in Schedule II to Companies Act, 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows: -

i)	Plant & Machinery	15-30 Years
ii)	Dies & Tools	2 Years
iii)	Assets costing below ₹ 5,000/-	1 Year
iv)	Temporary Building Shed	3 Years
v)	Machinery Spares	2-10 Years
vi)	Leasehold Land	Lease term

2.12 Intangible Assets

Intangible assets are initially recorded at consideration paid for acquisition of such assets and are subsequently carried at cost less accumulated depreciation or amortization and accumulated impairment loss, if any. Amortization is recognized on a straight-line basis over their estimated useful lives.

Estimated useful life of Intangible Assets as follows:

i)	Computer Software	3-6 Years

2.13 Inventories

Basis of valuation of Inventories;

- Raw materials, stores and spares: At cost, on "FIFO" basis;
- Work-in-progress: At raw material cost plus related cost of conversion including appropriate overheads;
- Finished goods: At cost or net realisable, whichever is less;
- Saleable Scrap is valued at estimated realizable value.

Raw Material, Work-In-Progress and other supplies are not valued below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will not exceed their net realisable value. The comparison of cost and net realisable value is made on item by item basis.

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

Cost of finished goods and work in progress include cost of direct materials, labour and appropriate overheads based on the normal operating capacity.

2.14 Impairment of non-financial assets

'The Carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication to the effect that the recoverable amount of the Asset/ CGU (Cash Generating Unit) is less than it carrying amount, the difference is treated as "Impairment Loss". The recoverable amount is greater of the asset's net selling price less cost to sell and value in use.

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired, the impairment loss is recognized in the Consolidated Statement of Profit & Loss account.

2.15 Leases

The Group lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

i) the contract involves the use of an identified asset

ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and;

iii) the Group has the right to direct the use of the asset.

Company as Lessee

At the date of commencement of the lease, the group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-Use Assests (ROU)

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease Liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Consolidated Financial Statements and lease payments have been classified as financing cash flows.

Company as Lessor

Leases for which the Group 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, rental income is recognized on a straight-line basis over the term of the relevant lease.

Short Term Leases are Leases for Low Value Assets

The Group apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term 12 months and less from the commencement date and do not contain a purchase options).

It also applies the leave of low-value assets recognition exemption to leases that are considered of low values. Leases payments on such leases are recognised as expense on straight line basis over the lease term.

2.16 Non-Current Assets Held for sale

Non-Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and their fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the Consolidated Statement of Profit and Loss.

Once Classified as held for sale, property, plant and equipment and intangible assets are no longer amortized or depreciated.

Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell.

2.17 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Cash Flow Statements

Consolidated Cash flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated.

2.19 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.

Financial Assets

A. Initial Recognition and Measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

B. Subsequent Measurement

a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI).

A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes equity investment in other than Joint Ventures and Associates.

C. Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 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

Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rate are reviewed and changes in the forward-looking estimates are analysed.

Financial Liabilities

A. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Consolidated Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange forward contracts.

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Consolidated Statement of Profit and Loss depends on the nature of the hedge item.

Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are disclosed at Note No. 44.

2.20 Research and Development Expenditure

Key focus area of Research and Development (R&D) activities at Shivalik includes;

- Optimising of resource utilisation.
- Quality & productivity improvements and cost optimization through process efficiency improvements.
- Product development, customisation and new applications.

Revenue as well Capital expenditure pertaining to research and development and costs pertaining to manpower directly part of R&D activities is charged to the Consolidated Statement of Profit and Loss.

2.21 Earnings Per share

(i) Basic Earnings Per Share.

Basic Earnings per Share is computed by dividing:

a. net profit or loss for the period attributable to equity shareholders

b. by the weighted average number of Equity Shares outstanding during the period

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

a. the after-income tax effect of interest and other financing costs associated with dilutive potential equity and:

b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Provision and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

a. the Group has a present obligation as a result of past event,

b. a probable outflow of resources is expected to settle the obligation; and

c. the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

ii. a present obligation arising from past events, when no reliable estimate is possible; and

iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.23 Segment reporting

The Group business activity primarily falls within a single segment i.e. Process and Product Engineering. The geographical segments considered are "within India" and "outside India". The analysis of geographical segments is based on geographical location of the customers.

2.24 Business Combination

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities & contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired

Significant Accounting Policies

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2023) *continued*

is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve as a gain on bargain purchase. Business combinations between entities under common control are accounted at historical cost. The difference between the consideration paid/received and the carrying amount of assets and liabilities transferred is recorded in the capital reserve, a component of other equity. Business combinations arising from transfers of interests in entities that are under the common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised.

2.25 Recent accounting pronouncements

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

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

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

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

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

3. Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Leasehold Land*	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total
Cost/Deemed Cost								
As at 1st April 2021	**504.57**	**330.06**	**445.16**	**5,487.14**	**222.69**	**564.29**	**157.65**	**7,711.56**
Additions	-	-	2,219.08	1,678.96	26.61	69.05	43.74	**4,037.44**
Less: Disposals	-	-	-	94.20	-	34.29	3.76	**132.25**
Add/(Less) : Other adjustments	-	-	-	-	-	-	-	**-**
As at 31st March 2022	**504.57**	**330.06**	**2,664.24**	**7,071.90**	**249.30**	**599.05**	**197.63**	**11,616.75**
Additions	48.35	-	333.05	2,727.46	59.63	64.92	72.15	**3,305.56**
Acquired in Business Combination	71.91	-	29.36	1,361.12	37.91	62.83	38.28	**1,601.41**
Less: Disposals	-	-	-	204.24	-	39.60	3.05	**246.89**
Add/(Less) : Other adjustments	-	-	(12.69)	-	-	-	-	**(12.69)**
As at 31st March 2023	**624.83**	**330.06**	**3,013.96**	**10,956.24**	**346.84**	**687.20**	**305.01**	**16,264.14**
Accumulated depreciation								
As at 1st April 2021	**33.66**	**-**	**322.03**	**2,422.50**	**180.85**	**326.83**	**105.46**	**3,391.33**
Depreciation charged for the year	7.36	-	34.00	473.87	13.53	48.06	26.80	**603.62**
Less: Depreciation on disposals	-	-	-	28.34	-	23.73	2.72	**54.79**
As at 31st March 2022	**41.02**	**-**	**356.03**	**2,868.03**	**194.38**	**351.16**	**129.54**	**3,940.16**
Depreciation charged for the year	8.21	-	87.75	739.30	17.19	59.96	39.78	**952.19**
Acquired in Business Combination	0.48	-	-	546.88	28.55	27.09	28.22	**631.22**
Less: Depreciation on disposals	-	-	-	201.51	-	27.82	2.98	**232.31**
As at 31st March 2023	**49.71**	**-**	**443.78**	**3,952.70**	**240.12**	**410.39**	**194.56**	**5,291.26**
Net Block								
As at 31st March 2023	**575.12**	**330.06**	**2,570.18**	**7,003.54**	**106.72**	**276.81**	**110.45**	**10,972.88**
As at 31st March 2022	**463.55**	**330.06**	**2,308.21**	**4,203.87**	**54.92**	**247.89**	**68.09**	**7,676.59**

**Leasehold Land represents Land on long term lease basis.(refer note no. 41.1)*

Refer note 38(B) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

Refer note no.17 and 22 for information on Property, plant and equipment hypothecated as security by the company against borrowings.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

3.1 Capital Work-In-Progress (CWIP)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	**652.61**	**2,411.56**
Additions during the year*	2,242.51	1,539.72
Acquired in Business Combination	32.32	-
Capitalised during the year	2,394.82	3,298.67
Closing Balance	**532.62**	**652.61**

** Includes Borrowing Cost transferred during the year aggregating to ₹ 64.82 Lakhs (Previous Year: ₹ 100.88 Lakhs). (refer note no.34)*

Ageing Schedule-Capital work-in-progress as at March 31,2023 is as follows:

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work-in-progress	**532.62**	**-**	**-**	**-**	**532.62**
	(230.03)	*(16.79)*	*(40.79)*	*(365.00)*	*(652.61)*

Figures in ( ) represents previous year figures

3.2 Right-of-Use Assets

(₹ in Lakhs)

Particulars	Right-of-Use Assets(Buildings)
Cost/Deemed Cost	
As at 1st April 2021	**174.56**
Additions	-
Less: Disposals	-
As at 31st March 2022	**174.56**
Additions	31.57
Acquired in Business Combination	27.49
Less: Disposals	-
As at 31st March 2023	**233.62**
Accumulated amortisation	
As at 1st April 2021	**131.10**
Amortisation for the year	29.09
Less: Amortisation on disposals	-
As at 31st March 2022	**160.19**
Amortisation for the year	17.76
Acquired in Business Combination	19.09
Less: Amortisation on disposals	-
As at 31st March 2023	**197.04**
Carrying Value	
As at 31st March 2023	**36.58**
As at 31st March 2022	**14.37**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

3.3. Goodwill, Other Intangible Assets & Intangible Assets Under Development*

(₹ in Lakhs)

Particulars	Computer Software	Customer Relationship	Technical Know-how	Total Other Intangible Assets	Goodwill	Intangible Assets Under Development
Cost/Deemed Cost						
As at 1st April 2021	**53.68**	**-**	**-**	**53.68**	**-**	**67.27**
Additions	10.57	-	-	10.57	-	34.91
Less: Disposals	-	-	-	-	-	-
As at 31st March 2022	**64.25**	**-**	**-**	**64.25**	**-**	**102.18**
Additions	16.59	-	-	16.59	-	36.16
Acquired in Business Combination**	0.36	247.72	157.00	405.08	204.06	-
Less: Disposals	-	-	-	-	-	-
As at 31st March 2023	**81.20**	**247.72**	**157.00**	**485.92**	**204.06**	**138.34**
Accumulated amortisation						
As at 1st April 2021	**45.15**	**-**	**-**	**45.15**	**-**	**-**
Amortisation for the year	5.12	-	-	5.12	-	-
Less: Amortisation on disposals	-	-	-	-	-	-
As at 31st March 2022	**50.27**	**-**	**-**	**50.27**	**-**	**-**
Amortisation for the year	6.64	49.54	31.40	87.58	-	-
Acquired in Business Combination	0.36	-	-	0.36	-	-
Less: Amortisation on disposals	-	-	-	-	-	-
As at 31st March 2023	**57.27**	**49.54**	**31.40**	**138.21**	**-**	**-**
Carrying Value						
As at 31st March 2023	**23.93**	**198.18**	**125.60**	**347.71**	**204.06**	**138.34**
As at 31st March 2022	**13.98**	**-**	**-**	**13.98**	**-**	**102.18**

**Other than internally generated*

*** Refer Note 45 "Business Combination"*

Ageing Schedule-Intangible assets under development as at March 31, 2023, is as follows:

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Work-in-progress	36.16	34.91	0.30	66.97	138.34
	(34.91)	(0.30)	(4.95)	(62.02)	(102.18)

Figures in ( ) indicates previous year figures

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

4. Investments (Non-Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Investment(s) (at Cost)		
In Equity Instruments of ;		
(a) Associate Company		
i) Unquoted Equity Instrument of "Shivalik Bimetal Engineers Private Limited" of face value ₹ 10/- each, fully paid up.	-	**22.28**
	-	*(2,22,750)*
(No. Of Shares)		
Add/Less: Interest In Associate	-	**92.75**
	-	**115.03**
(b) Joint Venture Companies		
i) Unquoted Equity Instrument of "Innovative Clad Solutions Private Limited" of face value ₹ 10/- each, fully paid up.	**780.02**	**780.02**
	(1,60,86,003)	*(1,60,86,003)*
(No. Of Shares)		
Add/Less: Interest In Joint Venture	**(0.94)**	**(103.58)**
	779.08	**676.44**
ii) Unquoted Equity Instrument of "Shivalik Engineered Products Private Limited" (Formerly known as Checon Shivalik Contact Solutions Private Limited)	-	221.45
	-	*(17,10,900)*
(No. Of Shares)		
Add/Less: Interest In Joint Venture	-	**635.47**
	-	**856.92**
Investments (at Fair Value Through Profit or Loss)		
(a) In Equity Shares of Other Company		
i) Unquoted Equity Instrument of "Shivalik Solid Waste Management Limited" of face value ₹ 10/- each, fully paid up.	6.61	5.72
	(20,000)	*(20,000)*
(No. Of Shares)		
	785.69	**1,654.11**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Aggregate amount of unquoted investments	785.69	1,654.11
Aggregate amount of quoted investments	-	-
Aggregate amount of impairment in the valuation of Investment	-	-
	785.69	**1,654.11**

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

5. Investment Property

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Freehold Land at Kandaghat, Solan	191.86	191.86
*(Fair Market Value ₹ 360 Lakhs)**		
	191.86	**191.86**

**As per "Agreement to Sell" dated 15th July 2022, executed with the prospective buyer.*

6. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Considered Good- Unsecured		
Security Deposits ;		
Government Undertakings /Authorities	33.34	27.73
Others	10.74	9.62
	44.08	**37.35**

7. Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Advances	356.31	466.14
Prepaid Expenses	2.51	1.39
	358.82	**467.53**

8. Inventories
(Refer note no. 2.13 for basis of valuation)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Materials	6,185.61	6,826.12
Work-in-Progress	4,374.30	2,974.60
Finished goods	2,233.31	1,371.50
Stores, Spares and Packing Material	387.40	274.41
Scrap	16.82	41.85
	13,197.44	**11,488.48**
Material in Transit (included in Inventories above)		
i) Raw Material	1,007.88	933.20
ii) Stores, Spares and Packing Material	8.00	8.48
	1,015.88	**941.68**

Refer note 22 for hypothecation/charge created.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

9. Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured, Considered Good	23.33	-
Unsecured-Considered Good		
Related Party	-	-
Others	9,298.51	5,928.13
Considered Doubtful	4.16	3.45
Less: Allowances for Credit Losses*	(4.16)	(3.45)
	9,321.84	**5,928.13**

Trade Receivables ageing schedule

(₹ in lakhs)

	Particulars	Outstanding for following period from the due date of payment						Total
		No Due	Less than 6 months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
i)	**Undisputed Trade Receivables-considered good**	6,214.39	3,093.69	13.76	-	-	-	9,321.84
		(4,688.78)	*(1,238.21)*	*(0.34)*	*(0.23)*	-	*(0.57)*	*(5,928.13)*
ii)	**Undisputed Trade Receivables-considered doubtful**	4.16	-	-	-	-	-	4.16
		(3.45)	-	-	-	-	-	*(3.45)*
iii)	**Disputed Trade Receivables-considered good**	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
iv)	**Disputed Trade Receivables-considered doubtful**	-	-	-	-	-	-	-

Figures in ( ) indicates previous year figures

Refer note 22 for hypothecation/charge created.

*'In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

(i) Movements in allowance of credit losses of receivables;

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the Year	**3.45**	**24.02**
Charge/(Reverse) in Statement of Profit & Loss	0.07	(20.43)
Acquired in Business Combination	1.65	-
Utilised during the Year*	1.01	0.14
Balance at the end of the Year	**4.16**	**3.45**

*During the year, the Group has written off Irrecoverable trade receivables aggregating to ₹ 1.01 lakhs (Previous Year ₹ 0.14 lakhs).

10. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks in		
- Current Accounts	1,333.67	668.03
- Fixed Deposits	429.96	417.21
Cash on hand	4.60	1.66
	1,768.23	**1,086.90**

There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods.

11. Other Bank Balances

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Unpaid Dividend held in Bank Accounts#	22.25	15.79
Margin Money Deposit against Bank Guarantee (s)*	0.32	79.08
	22.57	**94.87**

Balance in Unpaid Dividend account has restricted use.

*Deposits with maturity more than three months but less than 12 months, held by the Group are not available for use, as these are pledged with Banks against guarantee(s) given to Government authorities.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

12. Others Financial Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advances to Employees	1.21	0.46
Others	2.81	-
Security Deposits		
Others	3.54	4.82
	7.56	**5.28**

13. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Unamortised cost of Tool	3.35	-
Prepaid Expenses	174.95	152.54
Balances with Revenue authorities	766.25	1,142.11
Export Incentive*	14.78	14.82
Investment in Gold Coins	22.37	22.37
Investment in Gold Bonds	13.00	13.00
Advances to suppliers	37.51	17.82
Others	3.25	0.20
	1,035.46	**1,362.86**

* Includes ₹ 6.37 lakhs (Previous Year ₹ 12.52 lakhs) on account of Scripts in hand.

14. Current Tax Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Income Tax Refundable	7.02	3.59
	7.02	**3.59**

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

15. Equity Share Capital

(₹ in lakhs, except per share data)

Particulars	As at 31st March 2023	As at 31st March 2022
Authorised Share Capital:		
Equity Shares of ₹ 2/- each	1,500.00	1,500.00
(No. of Shares)	*(7,50,00,000)*	*(7,50,00,000)*
Issued, Subscribed and Paid Up:		
Equity Shares of ₹ 2/- each, fully paid up.	1,152.08	768.06
(No. of Shares)	*(5,76,04,200)*	*(3,84,02,800)*
Total	**1,152.08**	**768.06**

15.1 Reconciliation of Number of Shares

Particulars	Number of Shares	Amount (₹ in lakhs)
Balance as at 1st April, 2021	3,84,02,800	768.06
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
Shares Issued as Bonus Shares	-	-
Balance as at 31st March, 2022	3,84,02,800	768.06
Shares Issued during the year	-	-
Shares Issued as Bonus Shares	1,92,01,400	384.02
Shares Bought back during the year	-	-
Balance as at 31st March, 2023	**5,76,04,200**	**1,152.08**

15.2 The Companies of the group have only one class of shares referred to as Equity shares having par value of ₹ 2/-. The holder of Equity Share is entitled to one vote per share.

15.3 In the event of liquidation of the Companies in the group, the residual interest in the company's net assets shall be distributed to the shareholders in the proportion to the equity shares held.

15.4 (a) During the year, the parent company has paid a final dividend of ₹ 0.50 per share for FY 21-22 and an interim dividend of ₹ 0.50 per share for FY 22-23 which resulted in a cash outflow of ₹ 480.04 lakhs (previous year ₹ 307.22 Lakhs).

(b) The Board of Directors, in its meeting held on 17th May, 2023 have proposed a final dividend of ₹0.70 per equity share for the financial year ended 31st March 2023. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in cash outflow of approximately ₹403.22 lakhs.

Aggregate numbers of bonus shares issued by the parent Company, during the period of five years immediately preeceding the reporting periods including current year

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Aggregate number and class of shares alloted as fully paid up by way of bonus shares	1,92,01,400	Nil	Nil	Nil	Nil

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

15.5 The parent Company has issued and alloted 1,92,01,400 equity shares to the eligible holders of equity shares, on the record date i.e. 13th October, 2022 as bonus equity shares by capitalising reserves, on 15th October, 2022. The earnings per shares figures for the year ended 31st March, 2022 have been reinstated to give effects to the allotment of bonus shares, as required by Ind AS 33 to make it comparable. (Refer note 37)

15.6 Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Narinder Singh Ghumman	44,91,000	7.80	29,94,000	7.80
O D Finance and Investment Private Limited	76,06,171	13.20	50,70,781	13.20
TSL Holdings Private Limited	83,70,600	14.53	55,80,400	14.53
Angad Estates Private Limited	49,65,000	8.62	33,10,000	8.62

15.7 Shares held by promoters at the end of the year

S. No.	Promoter Name	As at 31st March 2023			As at 31st March 2022		
		No of Shares	% of total shares	% Change during the year	No of Shares	% of total shares	% Change during the year
1.	Satinderjeet Singh Sandhu	8,64,000	1.50	Nil	5,76,000	1.50	Nil
2.	Devinderjeet Singh Sandhu	1,14,000	0.20	Nil	76,000	0.20	Nil
3.	Manjit Kaur	2,64,000	0.46	Nil	1,76,000	0.46	Nil
4.	Tejinderjeet Kaur Ghumman	9,24,000	1.60	Nil	6,16,000	1.60	Nil
5.	Sarita Sandhu	6,48,000	1.12	Nil	4,32,000	1.12	Nil
6.	Jaspal Singh Dhillon	6,000	0.01	Nil	4,000	0.01	Nil
7.	Narinder Singh Ghumman	44,91,000	7.80	Nil	29,94,000	7.80	Nil
8.	Angad Sandhu	4,56,000	0.79	Nil	3,04,000	0.79	Nil
9.	Sumer Ghumman	3,000	0.01	Nil	2,000	0.01	Nil
10.	Gurbir Sandhu	3,67,273	0.64	Nil	2,44,849	0.64	Nil
11.	Amar Engineering Company Private Limited	21,21,465	3.68	Nil	14,14,310	3.68	Nil
12.	Angad Estates Private Limited	49,65,000	8.62	Nil	33,10,000	8.62	Nil
13.	O D Finance and Investment Private Limited	76,06,171	13.20	Nil	50,70,781	13.20	Nil
14.	TSL Holdings Private Limited	83,70,600	14.53	Nil	55,80,400	14.53	Nil
15.	Ultra Portfolio Management Private Limited	28,56,270	4.96	Nil	19,04,180	4.96	Nil
16.	B S Sandhu and Associates Private Limited	8,55,600	1.49	Nil	5,70,400	1.49	Nil
Total		**3,49,12,379**	**60.61**	**-**	**2,32,74,920**	**60.61**	**-**

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

16. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April, 2021	**0.57**	**13,223.17**	**(41.79)**	**13,181.95**
Profit for the year	-	5,511.22	-	5,511.22
Other Comprehensive income for the year (net of tax)	-	-	5.79	5.79
Transactions with owners				
Dividends paid	-	(307.22)	-	(307.22)
Balance as at 31st March, 2022	**0.57**	**18,427.17**	**(36.00)**	**18,391.74**
Profit for the period	-	7,910.33	-	7,910.33
Other Comprehensive income for the year (net of tax)	-	-	(40.25)	(40.25)
Transactions with owners				
Dividends paid	-	(480.04)	-	(480.04)
Issuance of Bonus Shares	-	(384.02)	-	(384.02)
Balance as at 31st March, 2023	**0.57**	**25,473.44**	**(76.25)**	**25,397.76**

Capital Reserve of ₹ 0.57 Lakhs (Previous Years ₹ 0.57 Lakhs) represents interest received on "Calls in Arrears".

17. Borrowings (Non-Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
From Banks		
Rupee Loan(1)	553.05	117.19
Foreign Currency Loan(2)	638.67	-
Vehicle Loan(s)(3)	-	4.14
From Others		
Vehicle Loan(s)(3)	7.79	17.53
Unsecured		
From Related Parties	1,036.59	1,389.67
Total (**)	**2,236.10**	**1,528.53**

(1) Rupee Term Loan from Indian Bank availed by Parent Company is secured by exclusive charge on Plant & Equipment created out of the Loan and collaterally secured by equitable mortgage of Company's Factory Leasehold Land and Building, situated at Chambaghat, Solan, (H.P.). The Loan is repayable in equal monthly instalments ending in August, 2027.

(1) Rupee term Loan from Indian bank availed by Shivalik Engineered Products Private Limited (wholly owned subsidiary) is secured by hypothecation of assets created/to be created and second charge over current and fixed assets created from the credit facilities.

(2) Foreign Currency Term Loan from DBS Bank availed by Parent Company is secured by exclusive charge on moveable Fixed Assets created out of Loan and collaterally secured by equitable mortgage of Company's Factory Leasehold Land and Building, situated at Kather, Solan, (H.P.). The Loan is repayable in equal quarterly instalments ending in April, 2026.

'(3) Vehicle loans from HDFC Bank and Kotak Mahindra Prime Limited (NBFC) availed by Parent Company are secured by hypothecation of respective vehicles.

'Repayment of Unsecured Loan ends in December, 2027.

(**) Refer note no.22 for Current Maturities of long term borrowings

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

18. Lease Liabilities (Non Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	21.35	19.41
	21.35	**19.41**

Refer note no. 41.1

19. Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Government Grants pending amortization	1.52	-
	1.52	**-**

20. Provisions (Non Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Compensated absence	90.32	50.94
	90.32	**50.94**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

21. Deferred Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Liabilities/ (Assets) in relation to		
Property, Plant and Equipment & Intangible assets	451.71	327.70
Employee Benefits	(52.06)	(30.14)
Debtors	(1.09)	(0.87)
Others	(5.94)	177.97
Right-to-Use-assets	8.10	7.92
Deferred Tax on business combination	146.13	-
Total	**546.85**	**482.58**

Movement in deferred tax account for the year

(₹ in lakhs)

Particulars	Charged to P&L during the year ended March 2023	Charged to P&L during the year ended March 2022
Property, Plant and Equipment & Intangible assets	124.01	7.51
	(21.92)	(2.68)
Debtors	(0.22)	5.18
Others	(272.24)	37.83
Right-to-Use-assets	0.18	1.70
Total	**(170.19)**	**49.54**
Acquired in Business Combination	48.74	-
Assets Fair Valued in Business Combination	185.72	-
	234.46	**-**
Movement in Deferred Tax (Net)	**64.27**	**49.54**

Refer note no. 45

22. Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
From Banks		
- Foreign Currency Loan	2,288.85	3,483.89
- Rupee Loan	143.82	5.81
Current maturities of long-term borrowings *(refer note no.17)*	1,147.50	735.38
	3,580.17	**4,225.08**

Foreign Currency Loan of ₹ 1,349.99 Lakhs (Previous Year ₹ 1,645.79 Lakhs) and Rupee Loan of ₹ 54.83 Lakhs (Previous Year ₹ 5.81 Lakhs) from Indian Bank availed by Parent Company are secured by First pari-passu charge with DBS Bank by way of Hypothecation of entire present and future current assets and movable fixed assets (other than those exclusively charged to term lender) and First and exclusive charge on company's Factory Leasehold Land and Building situated at 16-18, New Electronics Complex, Chambaghat, Solan, H.P.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

Foreign Currency Loan of ₹ 598.91 Lakhs (Previous Year ₹ 1,838.10 Lakhs) from DBS Bank availed by Parent Company are secured by First pari-passu charge with Indian Bank on entire present and future current assets and movable fixed assets (other than those exclusively charged to term lender) and First and exclusive charge by way of Equitable Mortgage of factory land and building situated at Kather, Chambaghat, Solan, H.P.

Foreign Curreny Loan of ₹ 339.95 Lakhs (Previous Year ₹ 270.24 Lakhs) from Indian Bank availed by Shivalik Engineered Products Private Limited (wholly owned subsidiary) are secured by Hypothecation of Inventory and Book Debts and Corporate guarantee of Parent Company.

Foreign Curreny Loan of Nil (Previous Year ₹ 185.85 Lakhs) and Rupee Loan of ₹ 88.99 Lakhs (Previous Year Nil) from DBS Bank availed by Shivalik Engineered Products Private Limited (wholly owned subsidiary) are secured by first pari passu charge on the current assets of the company, both present and future & on movable fixed assets (other than those charged exclusively to other banks) of the Company, and Corporate guarantee of Parent Company.

Refer note No.17 for securities relating to "Current Maturities of Long term borrowings"

22.1 Changes in Liabilities arising from Financing Activities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Borrowings at the beginning of the year		
Borrowings (Non Current) (refer note no.17)	1,528.53	846.16
Borrowings (Current) (refer note no.22)	4,225.08	1,995.67
Total Borrowings at the beginning of the year	**5,753.61**	**2,841.83**
Movement due to cash transactions as per the Statement of Cash flows	(649.85)	2,896.90
Acquired in Business Combination	598.08	-
Movement due to non cash transactions		
Foreign Exchange Movement	114.43	14.88
Borrowings at the end of the year		
Borrowings (Non Current) (refer note no.17)	2,236.10	1,528.53
Borrowings (Current) (refer note no.22)	3,580.17	4,225.08
Total Borrowings at the end of the year	**5,816.27**	**5,753.61**

23. Lease Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	28.88	20.80
	28.88	**20.80**

Refer note no. 41.1

24. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Micro, Small and Medium Enterprises *(refer note no.40)*	164.05	10.32
Related Parties	360.11	295.63
Others	3,706.60	3,871.76
	4,230.76	**4,177.71**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

Trade Payables ageing schedule

(₹ in lakhs)

	Particulars	Outstanding for following periods from the due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	**MSME**	164.05	-	-	-	-	**164.05**
		(10.32)	-	-	-	-	**(10.32)**
ii)	**Others**	3,865.49	181.39	10.03	7.95	1.85	**4,066.71**
		(3,861.61)	(300.62)	(1.76)	(2.22)	(1.18)	**(4,167.39)**
iii)	**Disputed Dues- MSME**	-	-	-	-	-	**-**
		-	-	-	-	-	**-**
iv)	**Disputed Dues-others**	-	-	-	-	-	**-**

Figures in ( ) indicates previous year figures

25. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest accrued but not due on borrowings	12.59	9.42
Interest accrued and due on borrowings	15.53	9.41
Unclaimed dividends	22.25	15.79
Employee Benefits Payable	397.99	235.47
Expenses Payable	319.65	192.14
Security Deposit Received	-	3.05
Others	6.81	1.79
	774.82	**467.07**

26. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Dues	238.03	132.30
Advance from Customers	553.16	319.35
Derivative Financial Instrument	2.01	-
Government Grants	1.48	-
Advance against Sale of Investment Property	30.00	-
	824.68	**451.65**

27. Provisions- Current

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Compensated absence	8.77	4.80
Gratuity	77.91	-
	86.68	**4.80**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

28. Current Tax Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Tax (Net of Advance Tax)	0.79	192.32
	0.79	**192.32**

29. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Sale of Products	47,024.86	32,344.28
Sale of Services	12.35	54.47
	47,037.21	**32,398.75**
Revenue disaggregation by geography is as follows:		
Geography		
America	16,881.72	11,354.53
Europe	5,119.70	4,344.97
India	19,682.27	11,841.85
Others	5,353.52	4,857.40
	47,037.21	**32,398.75**

30. Other Income

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Export Incentive	29.83	13.86
Interest Income	54.32	47.90
Rental Income	4.92	10.45
Dividend Income	0.40	0.30
Insurance Claim	110.60	1.74
Miscellaneous Income	1.99	3.54
Exchange Fluctuation Gain (Net)	438.30	421.84
Income from fair value changes	0.88	0.69
Liabilities/Provisions Written Back	7.84	26.18
Gain on Fair Valuation of previous held equity Interest	329.16	-
Amortization of Govt Grants	0.96	-
Profit on Sale of Property, Plant and Equipment	13.14	18.18
	992.34	**544.68**

31. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Raw Material Consumed	26,262.32	17,206.39
	26,262.32	**17,206.39**

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

32. Changes in Inventories of Finished Goods and Work-In Progress

(₹ in lakhs)

Particulars	Year Ended 31st March 2023		Year Ended 31st March 2022	
Inventory (at Beginning)				
-Finished Goods	1,371.50		1,614.88	
-Work-in-Progress	2,974.60		1,640.56	
-Scrap	41.85	4,387.95	32.31	3,287.75
Acquired in Business Combination		490.12		
Inventory (at Closing)				
-Finished Goods	2,233.31		1,371.50	
-Work-in-Progress	4,374.30		2,974.60	
-Scrap	16.83	6,624.44	41.85	4,387.95
(Increase)/Decrease		**(1,746.37)**		**(1,100.20)**

33. Employee Benefit Expense

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Salaries and Wages	3,273.63	2,347.62
Contributions to -		
(i) Provident fund	158.19	130.18
(ii) ESI Contribution	16.69	11.65
(iii) Gratuity Expenses	36.20	22.79
Staff welfare expenses	331.57	199.19
	3,816.28	**2,711.43**
Less: Capitalised During the period	6.18	-
	3,810.10	**2,711.43**

33.1 Disclosure pursuant to Ind AS 19 "Employee Benefits":

The disclosures required under Ind AS 19 "Employee Benefits" notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other relevent provisions of the Act are given below:

(I) Defined Contribution Plan

(a) Provident Fund

(b) State defined contribution plans

- Employees' Pension Scheme 1995

The Provident Fund and State defined contribution plan are operated by the regional provident fund commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognized by the Income tax authorities.

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(₹ in lakhs)

Particulars	2022-23	2021-22
(a) Employer's Contribution to Provident Fund	89.73	87.18
(b) Employer's Contribution to Pension Scheme	68.46	43.00

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

(II) Defined Benefit Plan

(a) Gratuity

The employees' Gratuity fund scheme has been managed by Life Insurance Corporation of India and the present value of obligation is determined by Independent Actuary using the Projected Unit Credit (PUC) Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	2022-23	2021-22
Discounting Rate (per annum)	7.36%-7.38%	7.22%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees in no. of years	20.76-22.73	18.61
Mortality Table	IALM (2012-14)	IALM (2012-14)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2022-23	2021-22
(a) Changes in Present Value of Obligation		
Opening balance of Present value of obligation	335.32	305.25
Acquired in Business Combination	49.27	-
Interest Cost	27.75	20.76
Current Service Cost	36.18	21.22
Benefits Paid	(17.30)	(7.61)
Actuarial (Gain)/Loss arising from change in financial assumption	(5.99)	(13.58)
Actuarial (Gain)/Loss arising from experience adjustment	59.64	9.28
Closing Balance of Present value of obligation	484.87	335.32
(b) Changes in Fair Value of Plan Assets		
Opening balance of Fair Value of Plan Assets	336.86	282.29
Acquired in Business Combination	47.50	
Expected Return on Plan Assets	27.80	19.20
Employer's Contribution	12.96	41.11
Benefits paid	(17.30)	(7.61)
Actuarial Gain/ (Loss) on Plan Assets	(0.23)	1.87
Closing balance of Fair value of Plan Assets	407.59	336.86
Actual return on Plan Assets	27.59	21.06
(c) Percentage of each category of Plan Assets to total Fair value of Plan assets		
Administrated by Life Insurance Corporation of India	100%	100%
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets		
Closing Balance of Present Value of Obligation	484.87	335.32
Closing Balance of Fair Value of Plan Assets	407.59	336.86
(Asset)/ Liability recognised the Balance Sheet	77.28	(1.54)

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

(₹ in lakhs)

Particulars	Gratuity (Funded) 2022-23	2021-22
(e) Amount Recognised in the Balance Sheet		
Closing Balance of Present Value of Obligation	484.87	335.32
Closing Balance of Fair Value of Plan Assets	407.59	336.86
Funded (Asset)/ Liability recognized in the Balance Sheet	77.28	(1.54)
Unfunded Liability recognised in the Balance Sheet	-	-
(f) Expenses recognised in the statement of Profit and Loss		
Current Service Cost	36.18	21.22
Interest Cost	27.75	20.76
Expected Return on Plan Assets	(27.80)	(19.20)
Expenses recognized in the statement of Profit and Loss	36.13	22.78
Remeasurement of Defined Benefit Obligation		
Actuarial (Gain)/Loss arising from change in financial assumption	(5.99)	(13.58)
Actuarial (Gain)/Loss arising from experience adjustment	59.64	9.28
Return on plan assets	0.23	(1.87)
Expenses recognized in the statement of Other Comprehensive Income	53.88	(6.17)
(g) Experience Adjustments		
Experience adjustment on Plan Liabilities (loss)/gain	(53.65)	4.30
Experience adjustment on Plan Assets (loss)/ gain	(0.23)	1.87
(h) Sensitivity Analysis of the defined benefit obligation		
a) Impact of the change in discount rate		
Present value of the obligation at the end of the period	484.87	335.32
Impact due to increase of 0.50%	(25.81)	(15.15)
Impact due to decrease of 0.50%	21.25	16.35
b) Impact of the change in salary increase		
Present value of the obligation at the end of the period	484.87	335.32
Impact due to increase of 0.50%	19.91	14.87
Impact due to decrease of 0.50%	(24.74)	(13.91)

i) Maturity Profile of Defined Benefit Obligation

(₹ in lakhs)

Year	Amount
0 to 1 Year	31.00
1 to 2 Year	18.00
2 to 3 Year	21.89
3 to 4 Year	48.46
4 to 5 Year	43.31
5 to 6 Year	13.07
6 Year onwards	309.15

(b) Compensated Absence

The obligation for compensated absence is recognised in the same manner as Gratuity.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

34. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Interest expense on		
(i) Borrowings	416.37	191.22
(ii) Others	2.41	1.38
(iii) Interest on Income Tax	9.64	24.33
(iv) Interest on Lease Liabilities	1.85	2.67
Other Borrowing costs	131.46	92.85
Exchange Fluctuation regarded as an adjustment to borrowing cost	207.28	64.79
Total	**769.01**	**377.24**
Less: Transferred to CWIP *(refer note no 3.1)*	64.82	100.88
	704.19	**276.36**

35. Manufacturing & Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Stores & Spares Consumed	818.11	500.50
Power & Fuel	415.45	264.65
Job Work Expenses	160.79	58.94
Machinery Repairs	205.58	228.48
Research & Development *(refer note no.39)*	586.89	74.43
Electricity and Water Charges	36.22	25.23
Watch & Ward Expenses	58.41	31.73
Building Repairs	108.23	58.71
Other Repairs	255.55	163.99
Insurance	65.66	47.69
Processing Charges	427.76	502.94
Rent, Rates and Taxes	214.01	321.02
Travelling & Conveyance	203.24	35.51
Printing & Stationery	29.58	19.51
Communication Expenses	23.61	18.28
Professional and Consultancy Charges	383.97	180.58
Payment to Auditors	39.50	14.00
CSR Expenditure	80.07	56.72
Miscellaneous Expenses	97.83	69.78
Business Promotion, Advertisement & Publicity	26.42	22.85
Commission on Sales	1,604.79	1,498.75
Packing Cost	752.32	602.82
Forwarding & Freight	1,241.17	1,435.42
Loss on Sale of Property, Plant & Equipment (Net)	1.50	0.45
Expected Credit Losses *(refer note. 8)*	0.36	-
	7,837.02	**6,232.98**
Less: Capitalised During the Year	20.63	-
	7,816.39	**6,232.98**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

36. Income Tax Expense recognised in the profit and loss account.

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Current Tax:		
In respect of the Current Year	2,520.78	1,785.45
In respect of the Previous Year	(30.10)	(16.37)
Deferred Tax:		
In respect of the Current Year	(170.19)	49.53
Income Tax Expense recognised in the Statement of Profit & Loss	**2,320.49**	**1,818.61**
Other Comprehensive Income Section		
Tax related to items that will not be reclassified to profit & loss account	13.54	(1.55)

Effective Tax Reconciliations

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Profit before tax	10,230.82	7,329.83
Applicable Tax rate	25.17%	25.17%
Computed tax expense	2,574.89	1,844.77
Tax effect of;		
Income Exempt from taxation	-	(0.17)
Expense Disallowed	80.89	39.76
Deductions Allowed under Income Tax	(48.17)	(0.86)
Effect of change in tax rate	(7.21)	-
Earlier year tax	(30.10)	(16.37)
Movement in defered tax due to consolidation	(222.87)	-
Share of Associates/Joint Ventures	(25.83)	(50.81)
Others	(1.10)	2.29
Tax Expense recognised in Statement of Profit & Loss	2,320.49	1,818.61

37. Earnings Per Share

Particulars	As at 31st March 2023	As at 31st March 2022
Net Profit attributable to shareholders (₹ in lakhs)	7,870.08	5,517.01
Weighted average number of equity Shares (in nos.)	5,76,04,200	5,76,04,200
Basic and Diluted Earnings per share (₹)	13.66	9.58
Face Value per Equity Share (₹)	2	2

Refer Note 15.5

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

38. Contingent Liabilities in respect of:

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Contingent Liabilities		
(I) Claim Against the Group Not Acknowledged as Debts	23.70	23.36
(II) Guarantees		
a. Letters of Credit/Bank Guarantee established by the bank	645.29	430.00
b. Corporate Guarantee(s) on behalf of Wholly Owned Subsidiary(s)	1,314.00	1,314.00
c. Surety with Sales Tax Department	2.00	5.50
d. Duty foregone in respect of Joint-Venture		
Raw Material	269.24	178.54
Capital Goods	32.14	26.91
Other	13.82	10.42
(III) Other Money for which the Group is Contingently Liable		
a. Buyers Credit Interest payable	5.13	14.94
b. Customs duty on Material imported against Advance License & Material Lying in Bonded Warehouse for pending export obligation	1,625.72	1,582.24
c. Local Sales Tax Authorities	-	1.12
*Demand raised against the parent Company by Central Excise & Service Tax Commissionerate towards Cenvat Credit of excise duty ₹17.87 lakhs (Previous Year ₹ 17.87 lakhs). However the management of the Group is of the view that the demand is not enforceable against the Company, being bad in law.		
(B) Commitments		
Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	890.89	508.73

39. Details of Research and Development Expenditure

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital	191.10	-
Revenue	395.79	74.43
Total	**586.89**	**74.43**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

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

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	164.05	10.32
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
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 year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and 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 Enterprise Development Act, 2006	Nil	Nil

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Group.

41. Leases

The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months to 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases amounting to ₹ 148.36 lakhs (Previous Year ₹ 92.89 lakhs) have been included under "Rent, Rates and Taxes" expense in note 35.

41.1 Assets Acquired under Long Term Lease:

Future Minimum lease payments and their present values under lease are as follows:

(₹ in lakhs)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease payments		Future Expense	
	Year Ended March 2023	Year Ended March 2022	Year Ended March 2023	Year Ended March 2022	Year Ended March 2023	Year Ended March 2022
Not later than one year	32.84	22.60	28.88	20.80	3.96	1.80
Later than one year but not later than five years	23.81	20.42	21.35	19.41	2.46	1.01
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sublease payments.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

42. The Group's activities involve predominantly one operating segment i.e. Process and product Engineering, which are considered to be within a single operating segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by Ind AS 108- Segment Reporting has been disclosed as below.

Revenue from Operations

(₹ in lakhs)

Particulars	India		Rest of world		Total	
	Year Ended March 2023	Year Ended March 2022	Year Ended March 2023	Year Ended March 2022	Year Ended March 2023	Year Ended March 2022
Segment Revenue	19,682.27	11,841.85	27,354.94	20,556.90	47,037.21	32,398.75

43. "Related Party Disclosure" for the year ended 31st March, 2023 in accordance with Ind AS 24:

(i) Relationships with Related Parties:

Sr. No.	Name of Related Party	Relationship
1.	Innovative Clad Solutions Private Limited	Joint Venture
2.	Mr. S. S Sandhu (Chairman)	Key Managerial Personnel (KMP)
3.	Mr. N. S. Ghumman (Managing Director)	
4.	Mr. Rajeev Ranjan (Chief Financial Officer)	
5.	Mr. Sumer Ghumman (Managing Director of SEPPL)	
6.	Mrs. Aarti Sahni (Company Secretary)	
7.	Mr. Kabir Ghumman	Relative of Key Managerial Personnel
8.	TSL Holdings Private Limited	Enterprises over which Key Managerial Persons are able to exercise significant influence
9.	Angad Estates Private Limited	
10.	Amar Engineering Company Private Limited	
11.	Ultra Portfolio Management Private Limited	
12.	O D Finance and Investment Private Limited	
13.	K.S. Enterprises	
14.	ABS Foundation (Regd. Trust)	
15.	Mr. Swaranjit Singh	Independent Directors
16.	Mr. Nirmaljeet Singh Gill	
17.	Mr. Gurmeet Singh Gill	
18.	Mrs. Anu Ahluwalia	
19.	Lt. Gen. Pradeep Khanna	
20.	Mrs. Harpreet Kaur	

(ii) Transactions during the year with related parties:

(₹ in lakhs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Directors
1.	Reimbursement of Expenses(Net)			2.05 (1.72)	
2.	Managerial Remuneration	880.50 (838.34)			
3.	Sitting Fees				3.78 (2.25)

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

(₹ in lakhs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Directors
4.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.		152.43 (124.37)		
5.	Rent Paid	7.61 (5.81)	5.66 (4.30)	91.20 (73.50)	
6.	Purchase of Equity Instruments			149.59 -	
7.	Technical Consultancy			48.00 (48.00)	
8.	CSR Expenditure			57.00 (34.50)	
9.	Unsecured Loans				
	i) Taken			1,450.00 (1,265.00)	
	ii) Repaid			1,810.02 (455.18)	
	iii) Finance Costs			208.01 (134.61)	
Balances as at 31st March 2023					
10.	Unsecured Loans			1,626.73 (1,986.74)	

Figures in ( ) indicate previous year's figures.

44. FINANCIAL INSTRUMENTS

44.1 Capital Management

The Group's capital management objectives are;

- to maintain healthy Credit rating, Capital Ratios and Leverage.

- to maximise return to the Shareholders.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Long term Borrowings (Incl Current Maturities)	3,411.72	2,282.73
Short Term Borrowings	2,432.67	3,489.70
Less: Cash and cash equivalents	1,768.23	1,086.90
Less: Bank Balance other than Cash and Cash Equivalents	22.57	94.87
Less: Investment in Gold Coins & Gold Bonds	35.37	35.37
Net debt	4,018.22	4,555.29
Total equity (as shown on the face of balance sheet)	26,549.84	19,159.80
Net debt to equity ratio (Gearing Ratio)	15%	24%

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

44.2 Financial Instruments by categories

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	6.61	-		5.72	-	-
Trade receivables	-	-	9,321.84	-	-	5,928.13
Cash and cash equivalents	-	-	1,768.23	-	-	1,086.90
Other bank balances	-	-	22.57	-	-	94.87
Other Financial Assets			7.56			5.28
Total	**6.61**	**-**	**11,120.20**	**5.72**	**-**	**7,115.18**
Financial liabilities						
Borrowings	-	-	5,844.39	-	-	5,772.44
Trade payable		-	4,230.76	-	-	4,177.71
Other financial liabilities	-	-	768.05	-	-	467.65
Total	**-**	**-**	**10,843.20**	**-**	**-**	**10,417.80**

Fair Value Measurement

i) Carrying amount of Financial assets and financial liabilities recorded at amortized cost approximates their fair value.

ii) Investment in Equity instrument of other companies is measured at its fair value using Level 3 valuation techniques.

44.3 Financial Risk Management

The Group's activities expose it to market risk, liquidity risk, Foreign Currency Risk and credit risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the company. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

44.4 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness.

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. The company has a policy of only dealing with credit worthy parties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due.

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

The Group provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

(₹ in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	>3 Years	0-3 Years	>3 Years	0-3 Years
Gross amount of trade receivables where no default (as defined above) has occurred	-	9,326.00	-	5,931.58
Expected loss rate	-	0.04%	-	0.06%
Expected credit loss (loss allowance provision)	-	4.16	-	3.45

Reconciliation of loss provision – lifetime expected credit losses	
Loss allowance as on 1st April, 2021	24.02
Impairment loss recognised during the year	(20.43)
Amounts written off	0.14
Loss allowance on 31st March, 2022	3.45
Impairment loss recognised during the year	0.07
Acquired in Business Combination	1.65
Amounts written off	1.01
Loss allowance on 31st March, 2023	4.16

44.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management measures involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations.

Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

(₹ in lakhs)

As at 31st March 2023	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
Long term borrowings (including interest)	1,175.62	1,124.42	684.01	427.66	3,411.71
Short term borrowings	2,432.67	-	-	-	2,432.67
Trade payable	4,230.76	-	-	-	4,230.76
Other financial liabilities	768.05	-	-		768.05
Total	**8,607.10**	**1,124.42**	**684.01**	**427.66**	**10,843.19**

(₹ in lakhs)

As at 31st March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	754.21	663.11	365.52	499.90	2,282.74
Short term borrowings	3,489.70				3,489.70
Trade payable	4,177.71				4,177.71
Other financial liabilities	467.65				467.65
Total	**8,889.27**	**663.11**	**365.52**	**499.90**	**10,417.80**

44.6 Market Risk

The group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The company seeks to minimize the effects of these risks by minutely observing the variation and fluctuation on regular basis. Compliance of exposure volume is reviewed by the management on real time basis and taking corrective measures as and when required.

44.7 Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. The exchange rate between the Indian rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/depreciates against the currencies. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group.

(i) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	FC	As at 31 March 2023		As at 31 March 2022	
		FC (Nos)	Amount	FC (Nos)	Amount
Financial Liabilities					
Loans	EUR	29,33,605	2,628.74	2,96,123	250.70
	USD	6,27,009	515.51	42,65,030	3,233.20
Creditors	EUR	3,81,164	341.55	2,45,294	207.67
	USD	25,35,487	2,087.63	25,05,509	1,899.35
	YEN	63,93,336	39.51	-	-
Others	EUR	5,907	5.29	860	0.73
	USD	3,660	3.01	6,275	4.76
	GBP	28,270	28.80	-	-

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

(₹ in lakhs)

Particulars	FC	As at 31 March 2023		As at 31 March 2022	
		FC (Nos)	Amount	FC (Nos)	Amount
Financial assets					
Debtors	EUR	6,14,805	550.91	6,56,681	555.95
	USD	51,59,797	4,242.23	37,09,299	2,811.91
Cash & Bank Balance	EUR	9,254	8.29	369	0.31
	USD	9,296	7.64	11,546	8.75
Net exposure to foreign currency risk	**EUR**	**26,96,617**	**2,416.38**	**(1,14,773)**	**(97.16)**
	USD	**(20,02,937)**	**(1,643.72)**	**30,55,969**	**2,316.65**
	YEN	**63,93,336**	**39.51**	**-**	**-**
	GBP	**28,270**	**28.80**	**-**	**-**

Sensitivity analysis of 5% change in the exchange rate at the end of reporting period

Particulars	As at 31st March 2023	As at 31st March 2022
5% Depreciation in ₹		
USD sensitivity	(1,643.72)	2,316.65
Impact on Equity and Profit & Loss	82.19	(115.83)
Euro Sensitivity	2,416.38	(97.16)
Impact on Equity and Profit & Loss	(120.82)	4.86
5% Appreciation in ₹		
USD sensitivity	(1,643.72)	2,316.65
Impact on Equity and Profit & Loss	(82.19)	115.83
Euro Sensitivity	2,416.38	(97.16)
Impact on Equity and Profit & Loss	120.82	(4.86)

44.8 Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial Assets/Liabilities because of changes in market interest rates. The group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in marginal cost of fund based lending rate (MCLR) and SOFR rates.

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Variable rate borrowing	2,432.67	3,489.70
Fixed rate borrowing	3,411.72	2,282.74
Total borrowings	**5,844.39**	**5,772.44**

Sensitivity

Below is the sensitivity of profit & loss and equity changes in interest rates.

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
	Equity and Profit & Loss Account	Equity and Profit & Loss Account
Interest sensitivity*		
Interest rates – increase by 1%	(24.33)	(34.90)
Interest rates – decrease by 1%	24.33	34.90

44.9 Price Risk

The Group does not have significant exposure to price risk on its financial assets and liabilities.

45. Business Combination

i) Acquisition of ;

a) Shivalik Bimetal Engineers Private Limited (SBEPL)

b) Shivalik Engineered Products Private Limited (SEPPL) (Formerly known as Checon Shivalik Contact Solutions Private Limited)

a. Summary of acquisition

During the year ended 31st March, 2023, two of the group companies vis SBEPL & SEPPL have been converted into wholly owned subsidiary (s) by purchasing balance number of equity shares. Before acquisition SBEPL was Associate and SEPPL was Joint venture.

Details of the purchase consideration, the net assest acquired and goodwill are as follows:

(₹ in lakhs)

Particulars	SBEPL	SEPPL	Total
Cash paid	149.74	1,178.58	1,328.31
Fair value of previously held interest	122.51	1,178.58	1,301.09
Purchase consideration (A)	**272.25**	**2,357.15**	**2,629.40**
The assests and liabilities recognised as a result of the acquisition are as follows:			
Property, Plant & Equipment (Including CWIP)	122.49	879.65	1,002.14
Right-of-use-Assets	-	8.40	8.40
Intangible Assets	0.36	404.72	405.08
Other Non Current Assets	1.08	8.27	9.35
Inventories	33.90	1,014.83	1,048.73
Trade Receivables	33.86	1,212.41	1,246.27
Cash and Cash equivalents	116.35	142.83	259.18
Other Financial Assets	-	12.00	12.00
Current Assets	7.63	32.96	40.59
Current Tax Assets	-	2.40	2.40
Borrowings	-	(598.09)	(598.09)

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

(₹ in lakhs)

Particulars	SBEPL	SEPPL	Total
Other Financial Liabilities	(5.50)	(42.78)	(48.28)
Lease Liabilities	(2.26)	(9.38)	(11.64)
Provisions	(4.32)	(15.38)	(19.70)
Trade Payables	(19.06)	(620.14)	(639.20)
Current Liabilities	(2.46)	(54.27)	(56.73)
Current Tax Liabilities	(0.70)	-	(0.70)
Defered Tax Liabilities*	(9.85)	(224.61)	(234.46)
Identifiable net asests acquired (B)	**271.52**	**2,153.82**	**2,425.34**
Non-controlling interest in the acquired entity (C)	-	-	-
Goodwill (A-B-C)	**0.73**	**203.33**	**204.06**

* *Impact of Ind AS 103-Business Combination*

The acquired business from SEPPL contributed revenue of ₹ 5,012.68 Lakhs and profit of ₹ 183.04 Lakhs during the year ended 31st March, 2023 and SBEPL contributed revenue of ₹ 240.04 Lakhs and profit of ₹ 28.67 Lakhs during the year ended 31st March, 2023

46. Additonal regulatory information not disclosed elsewhere in the Consolidated Financial Statement

(a) The Group does not have any Benami property, further no proceeding has been initiated or pending against the group for holding any Benami Property.

(b) The Group does not have any transactions with Companies struck off.

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

(d) The Group has not traded or invested in Crypto Currency or Virtual Currency during the respective financial years period.

(e) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), Including foreign entities (Intermediaries) with the understanding that the intermediary shall:

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

(ii) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

(f) The Group has not received any fund from any person (s) or entity(ies), Including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:

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

(ii) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

(g) The Group does not have any transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (Such as, Search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

(i) The Group does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of Sections 230 to 237 of the Act.

(j) The Group has complied with the number of layers prescribed under of section 2(87) of the Act read with the companies (Restriction on number of layers) Rules, 2017.

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

47. Interest in Subsidiary(s) and Joint Ventures

Annexure-A :-Statement pursuant to Section 129 (3) of the Companies Act,2013 related to Subsidiary(s) and Joint Ventures

Sr.No	Name of Subsidiary(s)/Joint Ventures	Latest audited Balance Sheet Date	The Date on which the Subsidiary(s) or joint ventures was associated or acquired	Shares of Subsidiary(s)/Joint Ventures held by the Company on the year end			Net Worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lakhs)	Profit/Loss for the Year		Description of how there is significant influence	Reason why the Subsidiary(s)/ Joint Ventures is not Consolidated
				No.	Amount of investment in Subsidiary(s)/ Joint Ventures (₹ in Lakhs)	Extent of Holding %		Considered in Consolidation (₹ in Lakhs)	Not Considered in Consolidation		
Wholly Owned Subsidiary (s)											
1	Shivalik Engineered Products Private Limited (Formerly known as Checon Shivalik Contact Solutions Private Limited).	31-03-2023	01-12-2005	3,421,800	1400.03	100.00%	1,796.19	183.08	-	Due to percentage (100%) of Voting Power.	N.A.
2	Shivalik Bimetal Engineers Private Limited	31-03-2023	27-02-2008	495,000	172.01	100.00%	189.65	28.67	-	Due to percentage (100%) of Voting Power.	N.A.
Joint Ventures											
1	Innovative Clad Solutions Private Limited	31-03-2023	04-03-2008	16,086,003	780.02	16.01%	794.27	106.16	556.90	In accordance with terms of JV Agreement and the constitution of Board	N.A.

Notes on Consolidated Financial Statements
for the year ended 31st March, 2023 *continued*

Annexure "B"

ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT,2013,OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY(S)/JOINT VENTURES

Sr.No	Name of the Enterprise	Net Assets i.e. 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 (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of Consolidated other Comprehensive Income	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Wholly Owned Subsidiary (s)									
1	Shivalik Engineered Products Private Limited* (Formerly known as Checon Shivalik Contact Solutions Private Limited)	6.77%	1,796.19	2.31%	183.08	0.10%	(0.04)	100.00%	183.04
2	Shivalik Bimetal Engineers Private Limited	0.71%	189.65	0.36%	28.67	0.00%	-	100.00%	28.67
Joint Ventures									
1	Innovative Clad Solutions Private Limited	18.69%	4,961.11	1.34%	106.16	0.00%	-	16.01%	106.16

Annexure "C"

Enterprises consolidated as Subsidiary(s) and Joint Ventures in accordance with Ind AS-28

Name of The Enterprises	Country of Incorporation	Proportionate Interest
Wholly Owned Subsidiary (s)		
Shivalik Engineered Products Private Limited (Formerly known as Checon Shivalik Contact Solutions Private Limited).	India	100%
Shivalik Bimetal Engineers Private Limited	India	100%
Joint Ventures		
Innovative Clad Solutions Private Limited	India	16.01%

Notes on Consolidated Financial Statements

for the year ended 31st March, 2023 *continued*

48. Additional Regulatory Information

Ratios

S.No.	Particulars	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	Variance
1)	Current Ratio (in times)*	Current Assets	Current Liabilities	2.66	2.09	27.27%
2)	Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.09	0.08	12.50%
3)	Debt service coverage ratio (in times) (DSCR)	Earnings Available For Debt Service #	Debt Service	10.09	10.07	0.20%
4)	Return on Equity Ratio (in %) (ROE)	Net Profit After Taxes	Average Shareholder's Equity	34.61%	33.29%	3.97%
5)	Inventory turnover ratio (in times)	Cost of Good Sold	Average Closing Inventory	3.81	3.50	8.86%
6)	Trade Receivable turnover ratio (in times)	Revenue	Average Trade Receivable	6.17	6.35	-2.83%
7)	Trade Payable turnover ratio (in times)	Purchases	Average Trade Payable	6.29	5.53	13.74%
8)	Net Capital Turnover Ratio (in times)	Revenue	Working Capital	2.97	3.11	-4.50%
9)	Net Profit ratio (in %) (NPR)	Net profit after taxes	Revenue	16.82%	17.01%	-1.12%
10)	Return on capital employed (in %) (ROCE)	Earning before interest and taxes	Capital Employed	36.21%	35.54%	1.89%

Earnings Available For Debt Service stands for Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like Profit/(loss) on sale of fixed assets etc.

* Improvement in Current Ratio is due to availability of funds in current assets generated from internal accruals accompanied by optimal use of resources.