Independent Auditor's Report

To the Members of

Shivalik Bimetal Controls Ltd

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Shivalik Bimetal Controls Ltd** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matters	How our audit addressed the key audit matters
1. Capitalization 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 ₹3168.96 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 Standalone Financial Statements, we are of the opinion that capitalization of Property, Plant and Equipment, the procedures adopted are considered adequate.

Independent Auditor's Report

continued

The Key Audit Matters	How our audit addressed the key audit matters
2. 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 37(B) to the Standalone 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 Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the consolidated financial statements, standalone financial statements and our respective auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

The 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 of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Independent Auditor's Report

continued

Auditor's Responsibilities for Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

Independent Auditor's Report

continued

b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Standalone Balance Sheet, Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flow with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone 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 as on 31st March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. there are no pending litigations as on date of financial statements, against the company as such there is no impact thereof to be considered;

   ii. the Company 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.

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

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

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

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

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

Sd/-
Amit Arora
Partner
Membership No: - 514828
ICAI UDIN No: 23514828BGQAAL6822

Place: New Delhi
Dated: 17th May 2023

Annexure - A

to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report of even date to the members of Shivalik Bimetal Controls Limited on the Standalone financial statements for the year ended 31st March 2023.

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

(i) a. In respect of the Company's Property, Plant and Equipment, right-of-use assets and Intangible Assets:

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a program of physical verification of Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Property, Plant and Equipment have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of company.

d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year accordingly reporting requirement under clause 3(i)(d) is not applicable to the company.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

In our Opinion, the coverage and procedure of such verification by the management is appropriate.

b. The Company has been sanctioned/ renewed working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank(s) on the basis of security of current assets and quarterly returns or statements filed by the company with such bank(s) are in agreement with books of account.

(iii) a. The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b. The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in two entities amounting to ₹ 1328.31 Lakhs (year end balance ₹ 1328.31 Lakhs) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

c. The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 to the extent applicable in respect of loans granted, investments made and guarantees and securities provided.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

Annexure - A

to the Independent Auditor's Report *continued*

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a. The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. The company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d. On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are Nil whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) & (c) of the Order is not applicable.

(b) In our Opinion, there is no Core Investment Company within the group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is also not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

Annexure - A

to the Independent Auditor's Report *continued*

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

b. There is Nil amount remaining unspent under sub- section (5) of section 135 of Companies Act, 2013 pursuant to any ongoing project, which is required to be transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

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

Sd/-
Amit Arora
Partner
Membership No: - 514828
ICAI UDIN No: 23514828BGQAAL6822

Place: New Delhi
Dated: 17th May 2023

Annexure - B

to the Independent Auditor's Report

(Referred to paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Shivalik Bimetal Controls Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Shivalik Bimetal Controls Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

Annexure - B

to the Independent Auditor's Report *continued*

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Amit Arora
Partner

Place: New Delhi
Membership No: - 514828

Dated: 17th May 2023
ICAI UDIN No: 23514828BGQAAL6822

Standalone Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Standalone Balance Sheet	Notes	As at 31st March 2023	As at 31st March 2022
I. ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	9,989.88	7,676.59
(b) Capital Work-In-Progress	3.1	160.16	652.61
(c) Right-of-Use Assets	3.2	5.89	14.37
(d) Intangible Assets	3.3	23.20	13.98
(e) Intangible Assets Under Development	3.3	138.34	102.18
(f) Financial Assets			
(i) Investments	4	2,358.67	1,029.47
(ii) Investment Property	5	191.86	191.86
(iii) Other Financial Assets	6	41.33	37.35
(g) Other Non Current Assets	7	356.91	467.53
Total Non Current Assets		**13,266.24**	**10,185.94**
Current assets			
(a) Inventories	8	12,187.94	11,488.48
(b) Financial Assets			
(i) Trade Receivables	9	7,998.04	5,928.13
(ii) Cash and Cash equivalents	10	1,683.68	1,086.90
(iii) Other Bank Balances	11	22.57	94.87
(iv) Others Financial Assets	12	4.69	5.28
(c) Other Current Assets	13	1,006.27	1,362.86
(d) Current Tax Assets	14	-	3.59
Total Current Assets		**22,903.19**	**19,970.11**
TOTAL ASSETS		**36,169.43**	**30,156.05**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,152.08	768.06
(b) Other Equity	16	24,348.81	17,950.40
Total Equity		**25,500.89**	**18,718.46**
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,105.93	1,528.53
(ii) Lease Liabilities	18	-	19.41
(b) Provisions	19	71.77	50.94
(c) Deferred tax liabilities (Net)	20	354.24	299.28
Total Non-Current Liabilities		**2,531.94**	**1,898.16**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	3,139.40	4,225.08
(ii) Lease Liabilities	22	19.41	20.80
(iii) Trade Payables			
a) Outstanding dues of micro enterprises and small enterprises	23	21.46	10.32
b) Outstanding dues of creditors other than micro enterprises and small enterprises	23	3,434.57	4,167.39
(iv) Other Financial Liabilities	24	695.58	467.07
(b) Other Current Liabilities	25	748.21	451.65
(c) Provisions	26	77.27	4.80
(d) Current Tax Liabilities	27	0.70	192.32
Total Current Liabilities		**8,136.60**	**9,539.43**
TOTAL EQUITY AND LIABILITIES		**36,169.43**	**30,156.05**
The accompanying notes form an integral part of the standalone financial statements.	1 to 45		

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

Standalone Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in lakhs, except per share data)

	Standalone Statement of Profit & Loss for the	Notes	Year Ended 31st March 2023	Year Ended 31st March 2022
I	Revenue from operations	28	42,023.01	32,398.75
II	Other income	29	792.82	544.68
III	**Total Income (I + II)**		**42,815.83**	**32,943.43**
IV	**Expenses**			
	(a) Cost of materials consumed	30	22,405.94	17,206.39
	(b) Changes in Inventories of Finished Goods and Work-In-Progress	31	(1,807.16)	(1,100.20)
	(c) Employee benefit expense	32	3,395.15	2,711.43
	(d) Finance costs	33	664.40	276.36
	(e) Depreciation & Amortisation	3	847.20	637.83
	(f) Manufacturing & Other expenses	34	7,551.61	6,232.98
	Total expenses		**33,057.14**	**25,964.79**
V	**Profit/(loss) before Exceptional items and tax (III-IV)**		**9,758.69**	**6,978.64**
VI	Exceptional Items (Income)/Expense		-	-
VII	**Profit/(loss) before tax (V-VI)**		**9,758.69**	**6,978.64**
VIII	Exceptional Items (Income)/Expense		-	-
VIII	**Tax expense**			
	(a) Current tax	35	2,430.53	1,785.45
	(b) Current tax related to previous years	35	(29.48)	(16.37)
	(c) Deferred tax	35	54.96	11.96
	Total		**2,456.01**	**1,781.04**
IX	**Profit/(Loss) for the years (VII-VIII)**		**7,302.68**	**5,197.60**
X	**Other Comprehensive Income**			
	i. Items that will not be reclassified to Statement of Profit & Loss			
	'- Remeasurement of defined benefit obligation		(53.74)	6.17
	'- Income tax on above		13.53	(1.55)
			(40.21)	**4.62**
XI	**Total Comprehensive Income for the Period (IX+X)**		**7,262.47**	**5,202.22**
XII	**Earnings per equity share**			
	(a) Basic (₹)	36	12.61	9.03
	(b) Diluted (₹)	36	12.61	9.03
	The accompanying notes form an integral part of the standalone financial statements.	1 to 45		

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

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ in Lakhs)

Standalone 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	**9,758.69**	**6,978.64**
Adjustments for:		
Depreciation and amortisation expense	847.20	637.83
Interest Expense	664.40	276.36
Interest Income	(53.41)	(47.90)
Net (Gain)/loss arising on financial instruments designated as FVTPL	(0.88)	(0.69)
Liabilities/Provisions Written Back	(7.19)	(26.18)
Unrealised foreign exchange loss/(gain) on borrowings	115.71	14.88
(Profit)/Loss on sale of Property, Plant and Equipment (Net)	(12.77)	(17.73)
Dividend received	(99.40)	(0.30)
Operating Profit before Working Capital changes	**11,212.35**	**7,814.91**
Adjustment for :		
Trade receivables	(2,069.91)	(1,625.71)
Inventories	(699.46)	(4,474.31)
Trade Payables	(701.80)	651.55
Other Assets	436.27	(852.71)
Other Liabilities	484.27	(121.10)
Provisions	39.56	(12.59)
Cash generated from operations	**8,701.28**	**1,380.04**
Income Tax paid	(2,579.14)	(1,727.65)
Net Cash generated from operating Activities (A)	**6,122.14**	**(347.61)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Purchase of Property Plant and Equipment, Intangible assets & CWIP	(2,728.45)	(2,323.97)
Acquisition of Subsidiaries	(1,328.31)	-
Capital Advances	110.48	(231.56)
Proceeds from Sale of Property, Plant and Equipment	23.59	95.19
Interest Income	46.37	42.24
Dividend Received	99.40	0.30
Advance Against Sale of Investment Property	30.00	-
Net cash (used in)/ from investing activities (B)	**(3,746.92)**	**(2,417.80)**

Standalone Cash Flow Statement

for the year ended March 31, 2023 *continued*

(₹ in Lakhs)

Standalone 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/ (Repayment) from Short Term Borrowings (net)*	(1,601.68)	2,040.79
Principal payment of lease liability	(20.80)	(42.32)
Interest Paid	(660.06)	(264.95)
Dividend Paid	(473.59)	(303.05)
Net Cash generated from financing activities (C)	**(1,778.44)**	**2,286.58**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**596.78**	**(478.83)**
Cash and Cash Equivalents (Opening Balance)	1,086.90	1,565.73
Cash and Cash equivalents (Closing Balance)	1,683.68	1,086.90
***Refer note no. 21.1 for changes in liabilities arising from financing activities**		
The accompanying notes form an integral part of the standalone financial statements.	1 to 45	

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

Standalone 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**	**13,092.91**	**(38.08)**	**13,055.40**
Profit for the year	-	5,197.60	-	**5,197.60**
Other Comprehensive income for the year (net of tax)	-	-	4.62	**4.62**
Transactions with owners				
Dividend Paid	-	(307.22)	-	**(307.22)**
Balance as at 31st March, 2022	**0.57**	**17,983.29**	**(33.46)**	**17,950.40**
Profit for the year	-	7,302.68	-	**7,302.68**
Other Comprehensive income for the year (net of tax)	-		(40.21)	**(40.21)**
Transactions with owners				
Dividend Paid	-	(480.04)	-	**(480.04)**
Issuance of Bonus Shares	-	(384.02)	-	**(384.02)**
Balance as at 31st March, 2023	**0.57**	**24,421.91**	**(73.67)**	**24,348.81**
The accompanying notes form an integral part of the standalone financial statements.		1 to 45		

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/-
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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 Standalone Financial Statements for the year ended 31st March, 2023)

1. Company's Overview

Shivalik Bimetal Controls Limited ("the Company" or "Shivalik") is a widely held public limited Company incorporated in the year 1984 and has been in commercial production since October 1986. Manufacturing units of "Shivalik" are located at

a) 16-18, New Electronic Complex, Chambaghat; and

b) Mauja Basal Patti, Kather; in Distt. Solan, Himachal Pradesh, India.

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

"Shivalik" 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 etc. "The Company" is specialized in joining of materials through various methods such as Diffusion Bonding/Cladding, Electron Beam welding, continuous brazing and Resistance Welding etc., and offers precision manufactured components specific to the application requirements and is a single vendor to many prestigious OEM's and have successfully met the most stringent of demands set by multiple large global organizations. "Shivalik's Products find application primarily in manufacturing of Switchgears, Circuit Breakers, Automotive, Energy Meters and various other Electrical and Electronic devices. The Company's products are exported to over 40 Countries around the world.

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

2. Significant Accounting Policies

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

2.1 Compliance with Ind AS

The Standalone financial statements of the Company 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, as amended from time to time and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind ASs").

The Standalone 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 Standalone Financial Statements

These Standalone 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 company 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 or 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.
- 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.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Significant Accounting Policies

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

2.3 Use of Estimates

The preparation of Standalone 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 Standalone financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the estimates used in the preparation of Standalone 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.

Company uses primarily accounting estimates and judgements in preparation of its Financial Statements

a) Useful Life of Property Plant and Equipment

The Company 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 Company to use key actuarial assumptions. These assumptions have been explained under employee benefits note no. 2.8.

c) Leases

The Company 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 Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company 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 Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company 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.

e) Revenue

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

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time. The Company 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.

2.4 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 company expects to receive in exchange for those products or services.

Significant Accounting Policies

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

'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.

2.5 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company 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 Standalone Statement of Profit & Loss account.

Exchange differences arising on settlement or translation of monetary items are recognized in Standalone 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.

2.6 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 Standalone Statement of Profit and 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.

2.7 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 Company will comply with the conditions attached to them and that the grants will be received.

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 Standalone Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset.

2.8 Employees' Benefits

Defined Contribution Plans:

The Company 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 Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC).

The gains or losses are charged to Standalone Statement Profit and 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 company, is charged to the Standalone Statement of Profit & Loss in the year of exercise of option by the employee.

Significant Accounting Policies

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

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.

2.9 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 company 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 standalone 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 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 or 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.

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

2.10 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.

Expenditure incurred after the Property, Plant and Equipment have been put into operation, such as repairs and maintenance, are charged to the Standalone Statement of Profit and 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 Standalone Statement of Profit and 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 Company 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 Standalone Statement of Profit

Significant Accounting Policies

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

and 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 Company 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

2.11 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

2.12 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.

2.13 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.

'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 Standalone Statement of Profit and Loss account.

2.14 Leases

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

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

i) the contract involves the use of an identified asset

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

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

Company as Lessee

At the date of commencement of the lease, the Company 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 Company 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.

Significant Accounting Policies

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

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 Company 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 Standalone Financial Statements and lease payments have been classified as financing cash flows.

Company as Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, 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 Companies 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.

2.15 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 Standalone Statement of Profit & 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 and disposal group was classified as “Held for Sale” and its recoverable amount at the date of the subsequent decision not to sell.

2.16 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.

2.17 Cash Flow Statements

Standalone 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 company are segregated.

2.18 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 Company 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.

Significant Accounting Policies

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

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 Company 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 Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company 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 Standalone Statement of Profit & 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 Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange forward contracts. 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 Standalone Statement of Profit & Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Standalone Statement of Profit & Loss depends on the nature of the hedge item.

Derecognition of Financial Instruments

The Company 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 Company's 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 the year ended are disclosed at Note No. 43.2.

2.19 Investment in Subsidiary(s) and Joint Ventures

The Company has accounted for its investments in subsidiary(s) and joint ventures at cost less accumulated impairment loss, if any in "accordance with Ind AS 27, separate financial statements".

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.

Significant Accounting Policies

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

- 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 Standalone 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 company 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 Company's 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 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 as amended 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 Standalone 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**
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	-	-	333.05	2,660.08	52.84	64.92	58.07	**3,168.96**
Less: Disposals	-	-	-	204.24	-	31.32	1.17	**236.73**
Add/(Less) : Other adjustments	-	-	(12.69)	-	-	-	-	**(12.69)**
As at 31st March 2023	**504.57**	**330.06**	**2,984.60**	**9,527.74**	**302.14**	**632.65**	**254.53**	**14,536.29**
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	7.36	-	81.88	640.10	14.73	53.83	34.26	**832.16**
Less: Depreciation on disposals	-	-	-	201.51	-	23.29	1.11	**225.91**
As at 31st March 2023	**48.38**	**-**	**437.91**	**3,306.62**	**209.11**	**381.70**	**162.69**	**4,546.41**
Net block								
As at 31st March 2023	**456.19**	**330.06**	**2,546.69**	**6,221.12**	**93.03**	**250.95**	**91.84**	**9,989.88**
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. 40.1)*

Refer note 37(B) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

Refer note 17 and 21 for information on Property, plant and equipment hypothecated as security by the company against Borrowings.

Notes on Standalone 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*	1,902.37	1,539.72
Capitalised during the year	2,394.82	3,298.67
Closing Balance	**160.16**	**652.61**

** Includes Borrowing Cost transferred during the year aggregating to ₹ 51.09 Lakhs (Previous Year: ₹100.88 Lakhs). (refer note no.33)*

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	**160.16**	**-**	**-**	**-**	**160.16**
	(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	-
Less: Disposals	-
As at 31st March 2023	**174.56**
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	8.48
Less: Amortisation on disposals	-
As at 31st March 2023	**168.67**
Carrying Value	
As at 31st March 2023	**5.89**
As at 31st March 2022	**14.37**

Notes on Standalone Financial Statements

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

3.3. Intangible Assets & Intangible Assets Under Development*

(₹ in Lakhs)

Particulars	Computer Software	Intangible Assets Under Development
Cost/Deemed Cost		
As at 1st April 2021	**53.68**	**67.27**
Additions	10.57	34.91
Less: Disposals	-	-
As at 31st March 2022	**64.25**	**102.18**
Additions	15.78	36.16
Less: Disposals	-	-
As at 31st March 2023	**80.03**	**138.34**
Accumulated amortisation		
As at 1st April 2021	**45.15**	**-**
Amortisation for the year	5.12	-
Less: Amortisation on disposals	-	-
As at 31st March 2022	**50.27**	**-**
Amortisation for the year	6.56	-
Less: Amortisation on disposals	-	-
As at 31st March 2023	**56.83**	**-**
Carrying Value		
As at 31st March 2023	**23.20**	**138.34**
As at 31st March 2022	**13.98**	**102.18**

**Other than internally generated*

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

(₹ in Lakhs)

Intangible Assets under development	Amount in Intangible Asset Under Development 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 Standalone 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) Wholly Owned Subsidiary(s)		
i) Unquoted Equity Instrument of "Shivalik Bimetal Engineers Private Limited" of face value ₹ 10/- each, fully paid up.	172.01	22.28
(No. Of Shares)	(495,000)	(222,750)
ii) Unquoted Equity Instrument of "Shivalik Engineered Products Private Limited" (Formerly known as Checon Shivalik Contact Solutions Private Limited)" of face value ₹ 10/- each, fully paid up.	1,400.03	221.45
(No. Of Shares)	(3,421,800)	(1,710,900)
(b) Joint Venture Company		
i) Unquoted Equity Instrument of "Innovative Clad Solutions Private Limited" of face value ₹ 10/- each, fully paid up.	780.02	780.02
(No. Of Shares)	(16,086,003)	(16,086,003)
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
(No. Of Shares)	(20,000)	(20,000)
	2,358.67	**1,029.47**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Aggregate amount of unquoted investments	2,358.67	1,029.47
Aggregate amount of quoted investments	-	-
Aggregate amount of impairment in the valuation of Investment	-	-
	2,358.67	**1,029.47**

Notes on Standalone 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
Security Deposits ;		
Government Undertakings /Authorities	30.89	27.73
Others	10.44	9.62
	41.33	**37.35**

7. Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Advances	355.66	466.14
Prepaid Expenses	1.25	1.39
	356.91	**467.53**

8. Inventories

(Refer note no. 2.12 for basis of valuation)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Materials	5,638.25	6,826.12
Work-in-Progress	4,034.98	2,974.60
Finished goods	2,147.29	1,371.50
Stores, Spares and Packing Material	354.58	274.41
Scrap	12.84	41.85
	12,187.94	**11,488.48**
Material in Transit (included in Inventories, above)		
i) Raw Material	797.09	933.20
ii) Stores, Spares and Packing Material	8.00	8.48
	805.09	**941.68**

Refer note 21 for hypothecation/charge created.

Notes on Standalone 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
Considered Good- Unsecured		
Others	7,998.04	5,928.13
Considered Doubtful	2.73	3.45
Less: Allowances for Credit Losses*	(2.73)	(3.45)
	7,998.04	**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**	5,084.35 (4,688.79)	2,900.24 (1,238.21)	13.45 (0.34)	- (0.23)	- -	- (0.57)	7,998.04 (5,928.13)
ii)	**Undisputed Trade Receivables- considered doubtful**	2.73 (3.45)	- -	- -	- -	- -	- -	2.73 (3.45)
iii)	**Disputed Trade Receivables- considered good**	-	-	-	-	-	-	-
iv)	**Disputed Trade Receivables- considered doubtful**	-	-	-	-	-	-	-

Figures in ( ) indicates previous year figures

Refer note 21 for hypothecation/charge created.

*In determining the allowances for credit losses of trade receivables, the Company 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 Standalone 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 and Loss	-	(20.43)
Utilised during the Year*	0.72	0.14
Balance at the end of the Year	**2.73**	**3.45**

*During the year, the Company has written off Irrecoverable trade receivables aggregating to ₹ 0.72 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	1,249.75	668.03
- Fixed Deposits	429.69	417.21
Cash on hand	4.24	1.66
	1,683.68	**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 period.

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 twelve months, held by the Company are not available for use, as these are pledged with Banks against guarantee(s) given to Government authorities.

Notes on Standalone 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	1.15	0.46
Security Deposits		
Others	3.54	4.82
	4.69	**5.28**

13. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid Expenses	163.68	152.54
Balances with Revenue authorities	754.90	1,142.11
Export Incentives*	14.78	14.82
Investment in Gold Coins	22.37	22.37
Investment in Gold Bonds	13.00	13.00
Advances to suppliers	36.26	17.82
Others	1.28	0.20
	1,006.27	**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	-	3.59
	-	**3.59**

Notes on Standalone Financial Statements

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

15. Equity Share Capital

(₹ in lakhs except per share basis)

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)	*(75,000,000)*	*(75,000,000)*
Issued, Subscribed and Paid Up:		
Equity Shares of ₹ 2/- each, fully paid up	1,152.08	768.06
(No. Of Shares)	*(57,604,200)*	*(38,402,800)*
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	38,402,800	768.06
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
Shares Issued as Bonus Shares	-	-
Balance as at 31st March, 2022	38,402,800	768.06
Shares Issued during the year	-	-
Shares Issued as Bonus Shares	19,201,400	384.02
Shares Bought back during the year	-	-
Balance as at 31st March, 2023	**57,604,200**	**1,152.08**

15.2 The Company has 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 Company, 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 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 ₹ 403.23 lakhs.

15.5 The Company issued and allotted 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. (Refer note 36)

Notes on Standalone Financial Statements

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

Aggregate numbers of bonus shares issued by the Company, during the period of five years immediately preceding 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 allotted as fully paid up by way of bonus shares	19,201,400	Nil	Nil	Nil	Nil

15.6 The Company does not have a holding company.

15.7 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	4,491,000	7.80	2,994,000	7.80
O D Finance and Investment Private Limited	7,606,171	13.20	5,070,781	13.20
TSL Holdings Private Limited	8,370,600	14.53	5,580,400	14.53
Angad Estates Private Limited	4,965,000	8.62	3,310,000	8.62

15.8 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	864,000	1.50	Nil	576,000	1.50	Nil
2.	Devinderjeet Singh Sandhu	114,000	0.20	Nil	76,000	0.20	Nil
3.	Manjit Kaur	264,000	0.46	Nil	176,000	0.46	Nil
4.	Tejinderjeet Kaur Ghumman	924,000	1.60	Nil	616,000	1.60	Nil
5.	Sarita Sandhu	648,000	1.12	Nil	432,000	1.12	Nil
6.	Jaspal Singh Dhillon	6,000	0.01	Nil	4,000	0.01	Nil
7.	Narinder Singh Ghumman	4,491,000	7.80	Nil	2,994,000	7.80	Nil
8.	Angad Sandhu	456,000	0.79	Nil	304,000	0.79	Nil
9.	Sumer Ghumman	3,000	0.01	Nil	2,000	0.01	Nil
10.	Gurbir Sandhu	367,273	0.64	Nil	244,849	0.64	Nil
11.	Amar Engineering Company Private Limited	2,121,465	3.68	Nil	1,414,310	3.68	Nil
12.	Angad Estates Private Limited	4,965,000	8.62	Nil	3,310,000	8.62	Nil
13.	O D Finance and Investment Private Limited	7,606,171	13.20	Nil	5,070,781	13.20	Nil
14.	TSL Holdings Private Limited	8,370,600	14.53	Nil	5,580,400	14.53	Nil
15.	Ultra Portfolio Management Private Limited	2,856,270	4.96	Nil	1,904,180	4.96	Nil
16.	B S Sandhu and Associates Private Limited	855,600	1.49	Nil	570,400	1.49	Nil
Total		**34,912,379**	**60.61**	**-**	**23,274,920**	**60.61**	**-**

Notes on Standalone 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**	**13,092.91**	**(38.08)**	**13,055.40**
Profit for the year	-	5,197.60	-	**5,197.60**
Other Comprehensive income for the year (net of tax)	-	-	4.62	**4.62**
Transactions with owners				
Dividend paid	-	(307.22)	-	**(307.22)**
Balance as at 31st March, 2022	**0.57**	**17,983.29**	**(33.46)**	**17,950.40**
Profit for the year	-	7,302.68	-	7,302.68
Other Comprehensive income for the year (net of tax)	-	-	(40.21)	(40.21)
Transactions with owners				
Dividend paid	-	(480.04)	-	(480.04)
Issuance of Bonus Shares	-	(384.02)	-	(384.02)
Balance as at 31st March, 2023	**0.57**	**24,421.91**	**(73.67)**	**24,348.81**

Capital Reserve 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)	422.88	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 (**)	**2,105.93**	**1,528.53**

(1)Rupee Term Loan from Indian Bank 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.). Rupee Loan from bank is repayable in equal monthly instalments ending in August, 2027.

(2) Foreign Currency Term Loan from DBS Bank 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.). Foreign Currency Loan from bank is repayable in equal quarterly instalments ending in April, 2026.

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

Unsecured Loan ends in December, 2027.

(**) *Refer note no. 21 for* "Current Maturities of long term borrowings".

Notes on Standalone 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	-	19.41
	-	**19.41**

Refer note no. 40.1

19. Provisions (Non-Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Compensated absence	71.77	50.94
	71.77	**50.94**

20. 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	396.83	327.70
Employee Benefits	(44.83)	(30.14)
Allowance for Credit Losses	(0.69)	(0.87)
Others	(5.17)	(5.33)
Right-to-Use assets	8.10	7.92
Total	**354.24**	**299.28**

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	69.13	7.51
Employee Benefits	(14.69)	(2.68)
Allowance for Credit Losses	0.18	5.18
Others	0.16	0.25
Right-to-Use assets	0.18	1.70
Total	**54.96**	**11.96**

Notes on Standalone Financial Statements

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

21. Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
From Banks		
- Foreign Currency Loan	1,948.90	3,483.89
- Rupee Loan	54.83	5.81
Current maturities of long-term borrowings *(refer note no.17)*	1,135.67	735.38
	3,139.40	**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 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.

Foreign Currency Loan of ₹ 598.91 Lakhs (Previous Year ₹ 1,838.10 Lakhs) from DBS Bank is 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.

21.1 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.21)	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	(623.99)	2,896.90
Movement due to non cash transactions		
Foreign Exchange Movement	115.71	14.88
Borrowings at the end of the year		
Borrowings (Non Current) (refer note no.17)	2,105.93	1,528.53
Borrowings (Current) (refer note no.21)	3,139.40	4,225.08
Total Borrowings at the end of the year	**5,245.33**	**5,753.61**

22. Lease Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	19.41	20.80
	19.41	**20.80**

Refer note no. 40.1

Notes on Standalone Financial Statements

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

23. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Micro, Small and Medium Enterprises (refer note no.39)	21.46	10.32
Related Parties	410.40	295.63
Others	3,024.17	3,871.76
	3,456.03	**4,177.71**

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**	21.46	-	-	-	-	**21.46**
		(10.32)	-	-	-	-	**(10.32)**
ii)	**Others**	3,235.61	179.42	9.99	7.76	1.79	**3,434.57**
		(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

24. 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	10.58	9.41
Unclaimed dividends	22.25	15.79
Employee Benefits Payable	379.94	235.47
Expenses Payable	270.22	192.14
Security Deposit	-	3.05
Others	-	1.79
	695.58	**467.07**

25. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Dues	168.40	132.30
Advance from Customers	549.81	319.35
Advance against Sale of Investment Property	30.00	-
	748.21	**451.65**

26. Provisions- Current

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Compensated absence	6.17	4.80
Gratuity	71.10	-
	77.27	**4.80**

Notes on Standalone Financial Statements

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

27. Current Tax Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Tax (Net of Tax Paid)	0.70	192.32
	0.70	**192.32**

28. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Sale of Products	42,010.61	32,344.28
Sale of Services	12.40	54.47
	42,023.01	**32,398.75**
Revenue disaggregation by geography is as follows:		
Geography		
America	16,872.71	11,354.53
Europe	5,113.53	4,344.97
India	14,895.61	11,841.85
Others	5,141.16	4,857.40
	42,023.01	**32,398.75**

29. Other Income

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Export Incentive	29.83	13.86
Interest Income	53.41	47.90
Rental Income	9.28	10.45
Dividend Income	99.40	0.30
Insurance Claim	110.60	1.74
Miscellaneous Income	3.61	3.54
Exchange Fluctuation Gain (Net)	465.48	421.84
Income from fair value changes net gain on investments measured at FVTPL	0.88	0.69
Liabilities/Provisions Written Back	7.19	26.18
Profit on Sale of Property, Plant & Equipment	13.14	18.18
	792.82	**544.68**

30. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Raw Material Consumed	22,405.94	17,206.39
	22,405.94	**17,206.39**

Notes on Standalone Financial Statements

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

31. 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
Inventory (at Closing)				
-Finished Goods	2,147.29		1,371.50	
-Work-in-Progress	4,034.98		2,974.60	
-Scrap	12.84	6,195.11	41.85	4,387.95
(Increase)/Decrease		**(1,807.16)**		**(1,100.20)**

32. Employee Benefit Expense

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Salaries and Wages	2,918.02	2,347.62
Contributions to -		
(i) Provident fund	137.63	130.18
(ii) ESI Contribution	15.29	11.65
(iii) Gratuity Expenses	30.85	22.79
Staff welfare expenses	293.36	199.19
	3,395.15	**2,711.43**

32.1 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 company 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	78.27	87.18
(b) Employer's Contribution to Pension Scheme	59.36	43.00

(II) Defined Benefit Plan

(a) Gratuity

Notes on Standalone Financial Statements

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

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)	7.38%	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	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
Interest Cost	24.21	20.76
Current Service Cost	30.96	21.22
Benefits Paid	(17.30)	(7.61)
Actuarial (Gain)/Loss arising from change in financial assumption	(6.13)	(13.58)
Actuarial (Gain)/Loss arising from experience adjustment	59.64	9.28
Closing Balance of Present value of obligation	426.70	335.32
(b) Changes in Fair Value of Plan Assets		
Opening balance of Fair Value of Plan Assets	336.86	282.29
Expected Return on Plan Assets	24.32	19.20
Employer's Contribution	11.96	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	355.60	336.86
Actual return on Plan Assets	24.09	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	426.70	335.32
Closing Balance of Fair Value of Plan Assets	355.60	336.86
(Asset)/ Liability recognised the Balance Sheet	71.10	(1.54)
(e) Amount Recognised in the Balance Sheet		
Closing Balance of Present Value of Obligation	426.70	335.32
Closing Balance of Fair Value of Plan Assets	355.60	336.86
Funded (Asset)/ Liability recognized in the Balance Sheet	71.10	(1.54)
Unfunded Liability recognised in the Balance Sheet	-	-

Notes on Standalone Financial Statements

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

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2022-23	2021-22
(f) Expenses recognised in the statement of Profit and Loss		
Current Service Cost	30.96	21.22
Interest Cost	24.21	20.76
Expected Return on Plan Assets	(24.32)	(19.20)
Expenses recognized in the statement of Profit and Loss	30.85	22.78
Remeasurement of Defined Benefit Obligation		
Actuarial (Gain)/Loss arising from change in financial assumption	(6.13)	(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	53.74	(6.17)
(g) Experience Adjustments		
Experience adjustment on Plan Liabilities (loss)/gain	(53.51)	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	426.70	335.32
Impact due to increase of 0.50%	(21.90)	(15.15)
Impact due to decrease of 0.50%	16.97	16.35
b) Impact of the change in salary increase		
Present value of the obligation at the end of the period	426.70	335.32
Impact due to increase of 0.50%	15.59	14.87
Impact due to decrease of 0.50%	(20.77)	(13.91)

i) Maturity Profile of Defined Benefit Obligation

(₹ in lakhs)

Year	Amount
0 to 1 Year	29.60
1 to 2 Year	16.86
2 to 3 Year	20.77
3 to 4 Year	47.46
4 to 5 Year	41.19
5 to 6 Year	12.10
6 Year onwards	258.71

(b) Compensated Absence

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

Notes on Standalone Financial Statements

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

33. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Interest expense on		
(i) Borrowings	370.96	191.22
(ii) Others	0.35	1.38
(iii) Interest on Income Tax	9.60	24.33
(iv) Interest on Lease Liabilities	1.04	2.67
Other Borrowing costs	131.38	92.85
Exchange Fluctuations regarded as an adjustment to borrowing cost	202.16	64.79
Total	**715.49**	**377.24**
Less: Transferred to CWIP *(refer note no 3.1)*	51.09	100.88
	664.40	**276.36**

34. Manufacturing & Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Stores & Spares Consumed	754.79	500.50
Power & Fuel	366.57	264.65
Job Work Expenses	104.68	58.94
Machinery Repairs	308.78	228.48
Research & Development *(refer note no.38)*	586.89	74.43
Electricity and Water Charges	36.22	25.23
Watch & Ward Expenses	43.07	31.73
Building Repairs	108.23	58.71
Other Repairs	233.79	163.99
Insurance	61.67	47.69
Processing Charges	427.76	502.94
Rent, Rates and Taxes	199.04	321.02
Travelling & Conveyance	186.11	35.51
Printing & Stationery	26.62	19.51
Communication Expenses	21.70	18.28
Professional and Consultancy Charges	290.30	180.58
Payment to Auditors *(refer note no.-34.1)*	32.00	14.00
CSR Expenditure *(refer note no.-34.2)*	80.07	56.72
Miscellaneous Expenses	89.01	69.78
Business Promotion, Advertisement & Publicity	25.76	22.85
Commission on Sales	1,596.82	1,498.75
Packing Cost	752.32	602.82
Forwarding & Freight	1,219.04	1,435.42
Loss on Sale of Property, Plant & Equipment	0.37	0.45
	7,551.61	**6,232.98**

Notes on Standalone Financial Statements

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

34.1 Payment to Auditors as:

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Statutory Audit fees	26.00	10.00
Tax Audit Fees	4.00	4.00
Other Certification Fees	2.00	-
	32.00	**14.00**

34.2 CSR Expenditure

As per Section 135 of the Companies Act, 2013 (“the Act”), a Company, which meets the applicable threshold limits as prescribed, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promotion of education, promotion of sports, women empowerment, Infrastructure facilities and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized during the year on these activities which are specified in Schedule VII of the Act:

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
i) Amount required to be spent by the company during the year	79.77	55.25
ii) Amount of expenditure incurred;	80.07	56.72
iii) Shortfall at the end of the year;	-	-
iv) Total previous years shortfall;	-	-
v) Reason for shortfall;	N.A	N.A
vi) Nature of CSR activities;	Promotion of education, Promotion of sports, Women empowerment, Infrastructure facilities, Rural development projects, Health Care Services, Employment and livelihood enhancements.	
vii) Details of related party transactions, i.e., contribution to a trust by the company in relation to CSR expenditure as per relevant Indian Accounting Standard;*	57.00	34.50
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	N.A	N.A

** Represents contribution to ABS Foundation (Regd. Trust)*

Notes on Standalone Financial Statements

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

35. Income Tax Expense recognised in the profit & loss account.

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Current Tax:		
In respect of the Current Year	2,430.53	1,785.45
In respect of the Previous Year	(29.48)	(16.37)
Deferred Tax:		
In respect of the Current Year	54.96	11.96
Income Tax Expense recognised in the Statement of Profit & Loss	**2,456.01**	**1,781.04**
Other Comprehensive Income Section		
Tax related to items that will not be reclassified to profit & loss account	13.53	(1.55)

Effective Tax Reconciliations

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Profit before tax	9,758.69	6,978.64
Applicable Tax rate	25.17%	25.17%
Computed tax expense	2,456.07	1,756.38
Tax effect of;		
Income Exempt from taxation	-	(0.17)
Expense Disallowed	75.32	39.76
Deductions Allowed under Income Tax	(47.98)	(0.86)
Effect of change in tax rate	-	-
Earlier year tax	(29.48)	(16.37)
Others	2.09	2.29
Tax Expense recognised in Statement of Profit & Loss	2,456.01	1,781.03

36. Earnings Per Share

Particulars	As at 31st March 2023	As at 31st March 2022
Net Profit attributable to shareholders (₹ in lakhs)	7,262.47	5,202.22
Weighted average number of equity Shares (in nos.)	57,604,200	57,604,200
Basic and Diluted Earnings per share (₹)	12.61	9.03
Face Value per Equity Share (₹)	2	2

Refer Note 15.5

Notes on Standalone Financial Statements

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

37. 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 Company Not Acknowledged as Debts*	17.87	17.87
(II) Guarantees		
a. Letters of Credit/Bank Guarantee established by the bank	555.35	349.16
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	4.00
(III) Other Money for which the Company 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
*Demand raised 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 Company is of the view that the demand is not enforceable against the Company, being bad in law.		
(B) Commitments		
Estimated amount of contractual (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	642.39	493.49

38. 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 Standalone Financial Statements

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

39. 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 Company, 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.	21.46	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 Company.

40. Leases

The Company'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 ₹ 135.54 lakhs (Previous Year ₹ 92.89 lakhs) have been included under "Rent, Rates and Taxes" expense in note 34.

40.1 Lease Payments:

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	20.42	22.60	19.41	20.80	1.01	1.80
Later than one year but not later than five years	-	20.42	-	19.41	-	1.01
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sublease payment.

Notes on Standalone Financial Statements

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

41. The Company'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		Outside India		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	14,895.54	11,841.85	27,127.47	20,556.90	42,023.01	32,398.75

42. "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.	Shivalik Engineered Products Private Limited (Formerly known as Checon Shivalik Contact Solutions Private Limited)	Wholly Owned Subsidiary
2.	Shivalik Bimetal Engineers Private Limited	
3.	Innovative Clad Solutions Private Limited	Joint Venture
4.	Mr. S. S Sandhu (Chairman)	Key Managerial Personnel (KMP)
5.	Mr. N. S. Ghumman (Managing Director)	
6.	Mr. Rajeev Ranjan (Chief Financial Officer)	
7.	Mrs. Aarti Sahni (Company Secretary)	
8.	Mr. Kabir Ghumman	Relative of Key Managerial Personnel
9.	Mr. Sumer Ghumman	
10.	TSL Holdings Private Limited	Enterprises over which Key Managerial Persons are able to exercise significant influence
11.	Angad Estates Private Limited	
12.	Amar Engineering Company Private Limited	
13.	Ultra Portfolio Management Private Limited	
14.	O D Finance and Investment Private Limited	
15.	ABS Foundation (Regd. Trust)	
16.	Mr. Swaranjit Singh	Independent Directors
17.	Mr. Nirmaljeet Singh Gill	
18.	Mr. Gurmeet Singh Gill	
19.	Mrs. Anu Ahluwalia	
20.	Lt. Gen. Pradeep Khanna	
21.	Mrs. Harpreet Kaur	

Notes on Standalone Financial Statements

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

(ii) Transactions during the year with related parties:

(₹ in lakhs)

Sr. No.	Nature of Transactions	Joint Ventures	Wholly Owned Subsidiary(s)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Independent Directors
1.	Job Work Income	1.27 (1.23)	0.25 (0.44)				
2.	Rent Received		4.36 (4.36)				
3.	Job Work Expense		60.02 (42.39)				
4.	Other Income	1.44 (1.44)	1.62 (1.62)				
5.	Goods Purchased	2,979.31 (1,423.51)	173.96 (121.84)				
6.	Goods Sold		- (6.64)				
7.	Sale of Property, Plant & Equipment		- (78.00)				
8.	Purchase of Property, Plant & Equipment		- (17.20)				
9.	Reimbursement of Expenses(Net)		14.74 (1.93)			2.05 (1.72)	
10.	Managerial Remuneration			779.99 (748.53)			
11.	Sitting Fees						3.78 (2.25)
12.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.				152.43 (124.37)		
13.	Rent Paid				11.86 (10.11)	82.17 (69.90)	
14.	Dividend Income		99.00 -				
15.	Purchase of Equity Instruments					149.59 -	
16.	CSR Expenditure					57.00 (34.50)	
17.	Unsecured Loans i) Taken ii) Repaid iii) Finance Costs					1,450.00 (1,265.00) 1,810.02 (455.18) 208.01 (134.61)	
Balances as the end of the year 31st March 2023							
18.	Investments	780.02 (780.02)	1,572.04 (243.73)				
19.	Unsecured Loans					1,626.73 (1,986.74)	
20.	Payables	335.12 (261.78)	50.29 (33.86)				

Figures in ( ) indicate previous year's figures.

Notes on Standalone Financial Statements

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

43. FINANCIAL INSTRUMENTS

43.1 Capital Management

The Company's capital management objectives are;

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

- to maximise return to the Shareholders.

Management assesses the Company'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 (Including Current Maturities)	3,264.77	2,282.74
Short Term Borrowings	2,003.73	3,489.70
Less: Cash and cash equivalents	1,683.68	1,086.90
Less: Bank Balance other than Cash and Cash Equivalents	22.57	94.87
Less: Investment in Gold Coins and Gold Bonds	35.37	35.37
Net debt	3,526.88	4,555.30
Total equity (as shown on the face of balance sheet)	25,500.89	18,718.46
Net debt to equity ratio (Gearing Ratio)	14%	24%

43.2 Financial Instruments by categories

(₹ in lakhs)

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	-	-	7,998.04	-	-	5,928.13
Cash and cash equivalents	-	-	1,683.68	-	-	1,086.90
Other bank balances	-	-	22.57	-	-	94.87
Other Financial Assets	-	-	4.69	-	-	5.28
Total	**6.61**	**-**	**9,708.98**	**5.72**	**-**	**7,115.18**
Financial liabilities						
Borrowings	-	-	5,268.50	-	-	5,772.44
Trade payable	-	-	3,456.03	-	-	4,177.71
Other financial liabilities	-	-	672.41	-	-	467.65
Total	**-**	**-**	**9,396.94**	**-**	**-**	**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.

Notes on Standalone Financial Statements

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

43.3 Financial Risk Management

The Company'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.

43.4 Credit risk

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

a) Credit risk management

The Company 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 Company 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.

Other financial assets measured at amortised 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 Company 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.

Notes on Standalone Financial Statements

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

(₹ 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	-	8,000.77	-	5,931.58
Expected loss rate	-	0.03%	-	0.06%
Expected credit loss (loss allowance provision)	-	2.73	-	3.45

Reconciliation of loss provision – lifetime expected credit losses	
Loss allowance as on 1st April 2021	24.02
Impairment Loss/(Gain) recognised during the year	(20.43)
Amounts written off	0.14
Loss allowance on 31st March 2022	3.45
Impairment Loss/(Gain) recognised during the year	-
Amounts written off	0.72
Loss allowance on 31st March 2023	2.73

43.5 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 Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company'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 Company'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.

(₹ 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)	1,158.84	1,077.09	636.68	392.16	3,264.77
Short term borrowings	2,003.73	-	-	-	2,003.73
Trade payable	3,456.03	-	-	-	3,456.03
Other financial liabilities	672.41	-	-		672.41
Total	**7,291.01**	**1,077.09**	**636.68**	**392.16**	**9,396.94**

Notes on Standalone Financial Statements

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

(₹ 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**

43.6 Market Risk

The Company 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.

43.7 Foreign currency risk

The Company 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 Company.

(i) Foreign currency risk exposure:

The Company'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	2,886,578	2,586.59	296,123	250.70
	USD	260,122	213.86	4,265,030	3,233.20
Creditors	EUR	381,164	341.55	245,294	207.67
	USD	1,965,245	1,615.76	2,505,509	1,899.35
	YEN	6,393,336	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	-	-
Financial assets					
Debtors	EUR	614,723	550.84	656,681	555.95
	USD	5,119,815	4,209.35	3,709,299	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**	**2,649,672**	**2,374.31**	**(114,773)**	**(97.16)**
	USD	**(2,900,084)**	**(2,384.36)**	**3,055,969**	**2,316.65**
	YEN	**6,393,336**	**39.51**	**-**	**-**
	GBP	**28,270**	**28.80**	**-**	**-**

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

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	(2,384.36)	2,316.65
Impact on Equity and Profit and Loss	119.22	(115.83)
Euro Sensitivity	2,374.31	(97.16)
Impact on Equity and Profit and Loss	(118.72)	4.86
5% Appreciation in ₹		
USD sensitivity	(2,384.36)	2,316.65
Impact on Equity and Profit and Loss	(119.22)	115.83
Euro Sensitivity	2,374.31	(97.16)
Impact on Equity and Profit and Loss	118.72	(4.86)

43.8 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 company 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 company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company 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 Company'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.

Interest rate risk exposure

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

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Variable rate borrowing	2,003.73	3,489.70
Fixed rate borrowing	3,264.77	2,282.74
Total borrowings	5,268.50	5,772.44

Sensitivity

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

(₹ in lakhs)

Particulars	As at 31st March 2023 Equity and Profit & Loss Account	As at 31st March 2022 Equity and Profit & Loss Account
Interest sensitivity*		
Interest rates – increase by 1%	(20.04)	(34.90)
Interest rates – decrease by 1%	20.04	34.90

Notes on Standalone Financial Statements

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

43.9 Price Risk

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

44. Additional regulatory information not disclosed elsewhere in the Standalone Financial Statement

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

(b) The Company did not have any transactions with Companies struck off.

(c) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

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

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

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

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

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

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

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

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

(i) The company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.

(j) The Company has complied with the number of layers prescribed under of section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

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

45. 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	2.82	2.09	34.93%
2)	Debt- Equity Ratio (in times)	Total Debt (Include Lease Liability)	Shareholder's Equity	0.08	0.08	0.00%
3)	Debt service coverage ratio (in times) (DSCR)	Earnings Available For Debt Service #	Debt Service	11.41	10.17	12.19%
4)	Return on Equity Ratio (in %) (ROE)	Net Profit After Taxes	Average Shareholder's Equity	33.03%	31.95%	3.38%
5)	Inventory turnover ratio (in times)	Revenue	Average Closing Inventory	3.55	3.50	1.43%
6)	Trade Receivable turnover ratio (in times)	Revenue	Average Trade Receivable	6.04	6.35	-4.88%
7)	Trade Payable turnover ratio (in times)	Purchases	Average Trade Payable	5.95	5.53	7.59%
8)	Net Capital Turnover Ratio (in times)	Revenue	Working Capital	2.85	3.10	-8.06%
9)	Net Profit ratio (in %) (NPR)	Net profit after taxes	Revenue	17.28%	16.06%	7.60%
10)	Return on capital employed (in %) (ROCE)	Earning before interest and taxes	Capital Employed	36.17%	34.90%	3.64%

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.