**RAJENDRA PRASAD**
**CHARTERED ACCOUNTANTS**

Address: O-12, Near Shakti Udyan,
Anupam Nagar
Raipur – 492001 (C.G.)
Ph.0771: 4035802,803
Mobile No.: +91 99816 66699
Email: audit.rajendraprasad@gmail.com

## INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors,
**Shivalik Engineering Industries Limited**
C-33, 3rd Floor
Ashoka Millenium, Ring Road No.1
Rajendra Nagar Chowk
Raipur, 492 001
Chhattisgarh, India

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

### Opinion

1. We, M/s Rajendra Prasad, Chartered Accountants, have audited the Special Purpose Standalone Financial Statements of **Shivalik Engineering Industries Limited** ("the Company"), which comprise the Standalone Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 & March 31, 2021, and the Standalone Statement of Profit and Loss including other comprehensive income, standalone statement of changes in equity and standalone statement of cash flows for the year ended March 31, 2023, March 31, 2022 & March 31, 2021, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

2. In our opinion and based on the information available with us and according to the explanations provided to us, the aforesaid standalone financial statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ("the Act) of the state of affairs of the Company as at March 31, 2023, March 31, 2022 & March 31, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended March 31, 2023, March 31, 2022 & March 31, 2021.

3. In relation to the matters stated in Note 11 of the Special Purpose Standalone Financial Statements, we do not propose to withdraw or modify our audit reports dated September 21, 2023, September 05, 2022 and September 25, 2021 in connection with the audited standalone financial statements of the Company as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

### Basis for Opinion

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RAJENDRA PRASAD * CHARTERED ACCOUNTANTS * RAIPUR 492 001 (C.G.)

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**Emphasis of Matter**

5. (a) "We draw attention to Note 1 to the Standalone Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Standalone Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in the draft red herring prospectus (the "DRHP") to be prepared by the Company in connection with its proposed initial public offer (the "IPO"), which requires standalone financial statements of all the periods included, to be restated and presented under Ind AS. As such, Special Purpose Standalone Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under Section 129 of the Act. The Special Purpose Standalone Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent."

Our opinion is not modified to the above matters."

The statutory audits of the standalone financial statements of the Company as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the accounting standards notified under the Section 133 of the Act ("Indian GAAP") (the "Statutory Consolidated Indian GAAP Financial Statements"), which were approved by Board at their meeting held on September 21, 2023, September 05, 2022 and September 25, 2021 respectively, were conducted by us.

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

(b) 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 financial position, financial performance and total 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) prescribed under section 133 of the Act.

(c) The Management is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

(d) In preparing the standalone financial statements, the 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.

(e) The Board of Directors are also responsible for overseeing the Company's financial reporting process.

RAJENDRA PRASAD ★ RAIPUR 492 001 (C.G.) ★ CHARTERED ACCOUNTANTS

**RAJENDRA PRASAD**
**CHARTERED ACCOUNTANTS**

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**Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

(f) 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

(g) 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the Company has adequate internal financial controls with reference to the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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.

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.

RAJENDRA PRASAD ★ RAIPUR 492 001 (C.G.) ★ CHARTERED ACCOUNTANTS

**RAJENDRA PRASAD**
**CHARTERED ACCOUNTANTS**

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**Restriction on distribution or use**

(h) This report is intended solely for the use of the Company's Board of Directors for the preparation of Restated Consolidated Financial Statements for inclusion in the draft red herring prospectus (the "DRHP") to be prepared by the Company in connection with its proposed initial public offer (the "IPO") and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

(i) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the standalone financial statements referred to herein.

(j) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

For, **M/s Rajendra Prasad**
Chartered Accountants
Firm Registration No. 000203C

RAJENDRA PRASAD
RAIPUR
492 001
(C.G.)
CHARTERED ACCOUNTANTS

**Praveen Kumar Goyal**
Partner
Membership No. 426500
UDIN: 24426500BKGULZ7730
Date: June 28, 2024
Place: Raipur

SHIVALIK ENGINEERING INDUSTRIES LIMITED
CIN - U27107CT2011PLC022353
SPECIAL PURPOSE STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 2 (a) | 1,510.11 | 705.49 | 712.13 |
| Right of use assets | 2 (b) | 36.88 | 21.53 | 21.71 |
| Work in Progress | 2 (c) | - | - | - |
| Financial Assets; | | | | |
| - Investments | 3 | - | 80.29 | 80.29 |
| - Other financial assets | 4 | 94.55 | 33.97 | 34.02 |
| Other non-current assets | 5 | 2.96 | 1.02 | 2.36 |
| | | 1,644.50 | 842.30 | 850.51 |
| Current Assets | | | | |
| Inventories | 6 | 771.46 | 466.77 | 329.39 |
| Financial Assets; | | | | |
| - Trade Receivables | 7 | 631.09 | 433.24 | 497.01 |
| - Cash and cash Equivalents | 8 | 16.60 | 14.57 | 16.51 |
| - Bank balances other than cash and cash equivalents | 9 | 0.10 | 3.52 | 3.52 |
| - Loans | 10 | - | - | 1.29 |
| - Others financial assets | 4 | 6.00 | 12.60 | 17.25 |
| Current Tax Assets (Net) | | - | 4.30 | 3.34 |
| Other current assets | 5 | 286.99 | 104.87 | 149.95 |
| | | 1,712.24 | 1,039.87 | 1,018.26 |
| TOTAL ASSETS | | 3,356.74 | 1,882.17 | 1,868.77 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity Share Capital | 11 | 52.29 | 80.42 | 75.12 |
| Other Equity | 12 | 1,541.90 | 546.94 | 444.70 |
| Total Equity | | 1,594.19 | 627.36 | 519.82 |
| LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| - Borrowings | 13 | 536.20 | 357.55 | 446.74 |
| Provisions | 14 | 26.72 | 6.83 | - |
| Deferred Tax Liabilities (Net) | 15 | 150.89 | 31.96 | 35.64 |
| Other non-current liabilities | | - | - | - |
| | | 713.81 | 396.34 | 482.38 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| - Borrowings | 13 | 715.98 | 337.90 | 332.61 |
| - Trade Payables | | | | |
| (A) total oustanding dues of micro & small enterprises | 16 | 44.98 | 66.77 | 132.73 |
| (B) total outstanding dues otherthan micro & small enterprises | 16 | 146.10 | 377.69 | 329.15 |
| - Other Financial Liabilities | 17 | 37.97 | 18.76 | 18.97 |
| Other Current Liabilities | 18 | 97.03 | 57.12 | 53.11 |
| Provisions | 14 | 1.30 | 0.23 | - |
| Current Tax Liabilities (Net) | | 5.38 | - | - |
| | | 1,048.74 | 858.47 | 866.57 |
| Total Liabilities | | 1,762.55 | 1,254.81 | 1,348.95 |
| TOTAL EQUITY AND LIABILITIES | | 3,356.74 | 1,882.17 | 1,868.77 |
| Significant Accounting Policies | 1 | | | |

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies, Notes to the Special Purpose Standalone Financial Statement.

As per our report of even date attached.
For RAJENDRA PRASAD
CHARTERED ACCOUNTANTS
Firm Registration No. 000203C

Praveen Kumar Goyal
Partner
Membership No. 426500
Raipur
Date of Signing - 28/06/2024
UDIN:- 24426500BKGULZ7730

For and on behalf of the Board of Directors of
SHIVALIK ENGINEERING INDUSTRIES LIMITED

| Raghvendra Singhania | Vinay Agrawal | Manoj Patni | Hardeep Choudhary |
|---|---|---|---|
| Joint Managing Director | Whole-time Director | Chief Financial Officer | Company Secretary |
| DIN-00327732 | DIN-06954626 | PAN- AFXPP1495C | PAN- BSLPC2669B |
| Raipur | Raipur | Raipur | Membership No. A58595 |
| Date of Signing | Date of Signing | Date of Signing | Raipur |
| 28/06/2024 | 28/06/2024 | 28/06/2024 | Date of Signing 28/06/2024 |

RAJENDRA PRASAD CHARTERED ACCOUNTANTS RAIPUR 492 001 (C.G.)

Shivalik Engineering Industries Ltd. RAIPUR (C.G.)

SHIVALIK ENGINEERING INDUSTRIES LIMITED
CIN - U27107CT2011PLC022353
SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT AND LOSS

(Rupees in Million)

| | Particulars | Note | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|---|
| I | INCOME | | | | |
| | Revenue from Operations | 19 | 5,507.08 | 3,130.05 | 1,886.48 |
| | Other Income | 20 | 16.35 | 2.58 | 2.46 |
| | TOTAL INCOME | | 5,523.43 | 3,132.63 | 1,888.94 |
| II | EXPENSES | | | | |
| | Cost of materials consumed | 21 | 3,525.40 | 2,270.98 | 1,192.05 |
| | Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 22 | 51.26 | (138.69) | (27.97) |
| | Employee Benefits expense | 23 | 228.52 | 134.79 | 91.26 |
| | Finance Costs | 24 | 104.18 | 97.44 | 85.51 |
| | Depreciation and Amortisation expense | 25 | 88.63 | 68.67 | 66.32 |
| | Other Expenses | 26 | 1,135.35 | 663.16 | 462.34 |
| | TOTAL EXPENSES | | 5,133.34 | 3,096.35 | 1,869.51 |
| III | PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | | 390.09 | 36.28 | 19.43 |
| IV | ADD: EXCEPTIONAL ITEMS | | - | - | - |
| V | PROFIT BEFORE TAX | | 390.09 | 36.28 | 19.43 |
| VI | TAX EXPENSE | | | | |
| | Current Tax | | 118.60 | 6.21 | 3.78 |
| | Deferred Tax | | 10.66 | (9.12) | 6.27 |
| | Earlier year Adjustments | | 0.30 | 5.18 | (0.21) |
| | TOTAL TAX EXPENSE | | 129.56 | 2.27 | 9.84 |
| VII | PROFIT FOR THE YEAR | | 260.53 | 34.01 | 9.59 |
| VIII | OTHER COMPREHENSIVE INCOME | | | | |
| | Items that will not be reclassified to Profit or Loss | | | | |
| | Remeasurements of Defined benefit plans | | (1.49) | 0.88 | - |
| | Income Tax relating to items that will not be reclassified to Profit or Loss | | 0.43 | (0.26) | - |
| IX | TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | (1.06) | 0.62 | - |
| X | TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 259.47 | 34.63 | 9.59 |
| XI | EARNINGS PER EQUITY SHARE | 31 a) | | | |
| | Basic | | 29.43 | 4.43 | 1.28 |
| | Diluted | | 29.43 | 4.43 | 1.28 |
| | Significant Accounting Policies | 1 | | | |

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies, Notes to the Special Purpose Standalone Financial Statement.

As per our report of even date attached.

For RAJENDRA PRASAD
CHARTERED ACCOUNTANTS
Firm Registration No.: 000203C

RAJENDRA PRASAD RAIPUR 492 001 (C.G.) CHARTERED ACCOUNTANTS

Praveen Kumar Goyal
Partner
Membership No.: 426500
Raipur
Date of Signing : 28/06/2024
UDIN:- 24426500BKGULZ7730

For and on behalf of the Board of Directors of
SHIVALIK ENGINEERING INDUSTRIES LIMITED

| Raghvendra Singhania | Vinay Agrawal | Manoj Patni | Hardeep Choudhary |
|---|---|---|---|
| Joint Managing Director | Whole-time Director | Chief Financial Officer | Company Secretary |
| DIN-00327732 | DIN-06954626 | PAN- AFXPP1495C | PAN- BSLPC2669B |
| | | | Membership No. A58595 |
| Raipur | Raipur | Raipur | Raipur |
| Date of Signing 28/06/2024 | Date of Signing 28/06/2024 | Date of Signing 28/06/2024 | Date of Signing 28/06/2024 |

Shivalik Engineering Industries Ltd. RAIPUR (C.G.)

SHIVALIK ENGINEERING INDUSTRIES LIMITED

CIN - U27107CT2011PLC022353

SPECIAL PURPOSE STANDALONE STATEMENT OF CASH FLOWS

(Rupees in Million)

| Particulars | Year ended 31 March 2023 | | Year ended 31 March 2022 | | Year ended 31 March 2021 | |
|---|---|---|---|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | | | |
| NET PROFIT BEFORE TAX | | 390.09 | | 36.28 | | 19.43 |
| **Adjustment for :** | | | | | | |
| Depreciation | 88.63 | | 68.67 | | 66.32 | |
| Finance Cost (including fair value change in financial instruments) | 104.18 | | 97.44 | | 85.51 | |
| Interest Income | (7.77) | 185.04 | (2.58) | 163.53 | (2.46) | 149.37 |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES | | 575.13 | | 199.81 | | 168.80 |
| Trade receivables | (197.86) | | 63.78 | | (286.89) | |
| Other Financial assets | (35.72) | | 4.70 | | (18.17) | |
| Other Current Assets | (182.12) | | 45.08 | | (9.12) | |
| Inventories | (304.69) | | (137.38) | | (26.70) | |
| Trade Payable | (253.38) | | (17.42) | | 202.70 | |
| Provisions | 22.46 | | 7.95 | | (11.53) | |
| Other financial liabilities | 19.21 | | (0.21) | | 13.79 | |
| Other liabilities | 39.90 | (892.20) | 4.02 | (29.48) | 22.93 | (112.99) |
| CASH GENERATED FROM OPERATIONS | | (317.07) | | 170.33 | | 55.82 |
| Direct Taxes paid | | (61.47) | | (7.20) | | (6.78) |
| NET CASH FROM OPERATING ACTIVITIES | | (378.54) | | 163.13 | | 49.04 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Purchase of Fixed Assets | (83.18) | | (60.52) | | (38.08) | |
| Loans (Financial assets) | - | | 1.29 | | (0.81) | |
| Investment (Financial assets) | - | | - | | - | |
| Deposits/Balances with Banks | 3.43 | | - | | - | |
| Interest Income | 7.77 | | 2.58 | | 2.46 | |
| NET CASH USED IN INVESTING ACTIVITIES | | (71.98) | | (56.65) | | (36.43) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| (Repayments) / Proceeds from Working Capital Facilities (Net) | 250.44 | | 9.84 | | (23.69) | |
| Proceeds from Issue of shares | - | | 80.13 | | - | |
| (Repayments) / Proceeds of Term Loans | 305.79 | | (24.65) | | 97.73 | |
| Share of reserves in associate | - | | (7.22) | | 0.01 | |
| Repayment of Intercorporate loans | 0.40 | | (47.88) | | - | |
| Repayment of loan from related parties | 0.10 | | (21.20) | | - | |
| Interest paid | (104.18) | | (97.44) | | (85.51) | |
| NET CASH FROM FINANCING ACTIVITIES | | 452.55 | | (108.42) | | (11.46) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 2.03 | | (1.94) | | 1.15 |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR | | 14.57 | | 16.51 | | 15.36 |
| - Cash and cash Equivalents | | 14.57 | | 16.51 | | 15.36 |
| CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR | | 16.60 | | 14.57 | | 16.51 |
| - Cash and cash Equivalents | | 16.60 | | 14.57 | | 16.51 |

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

2.Reconciliation of Financing Liabilities

| Particulars | 31.03.2023 | 31.03.2022 | 31.03.2022 |
|---|---|---|---|
| Opening Balance | 695.45 | 779.35 | 705.31 |
| Cash inflow/ (outflow) of non-current borrowings | 306.29 | (93.73) | 97.73 |
| Cash inflow /(outflow) of current borrowings | 250.44 | 9.84 | (23.69) |
| **Closing Balance** | 1,252.18 | 695.45 | 779.35 |

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies, Notes to the Special Purpose Standalone Financial Statement.

As per our report of even date attached.

For RAJENDRA PRASAD
CHARTERED ACCOUNTANTS
Firm Registration No.: 000203C

RAJENDRA PRASAD RAIPUR 492 001 (C.G.) CHARTERED ACCOUNTANTS

Praveen Kumar Goyal
Partner
Membership No.: 426500
Raipur
Date of Signing : 28/06/2024
UDIN :- 24426500BKGULZ7730

For and on behalf of the Board of Directors of
SHIVALIK ENGINEERING INDUSTRIES LIMITED

| | | | |
|---|---|---|---|
| Raghvendra Singhania | Vinay Agrawal | Manoj Patni | Hardeep Choudhary |
| Joint Managing Director | Whole-time Director | Chief Financial Officer | Company Secretary |
| DIN-00327732 | DIN-06954626 | PAN- AFXPP1495C | PAN- BSLPC2669B |
| Raipur | Raipur | Raipur | Membership No. A58595 |
| Date of Signing 28/06/2024 | Date of Signing 28/06/2024 | Date of Signing 28/06/2024 | Raipur |
| | | | Date of Signing 28/06/2024 |

Shivalik Engineering Industries Ltd. RAIPUR (C.G.)

SHIVALIK ENGINEERING INDUSTRIES LIMITED
CIN - U27107CT2011PLC022353
SPECIAL PURPOSE STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCE)

(Rupees in Million)

| EQUITY SHARE CAPITAL | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| | Amount | Amount | Amount |
| Authorised Share Capital | 110.00 | 110.00 | 110.00 |
| Issued Share Capital | 75.12 | 75.12 | 75.12 |
| Subscribed Share Capital | 75.12 | 75.12 | 75.12 |
| Fully Paid-up Share Capital | 75.12 | 75.12 | 75.12 |
| Partly Paid Up Share Capital (Rs.4 paid up) | - | 5.30 | - |
| Forfeited Shares | 7.86 | - | - |
| **Balance at the beginning of the year** | 80.42 | 75.12 | 75.12 |
| Changes in equity share capital during the year: | | | |
| Issued during the year | - | 5.30 | - |
| Elimination of inter company holdings pursuant to the Composite Scheme | (30.69) | - | - |
| Forfeited during the year | (5.30) | - | - |
| **Balance at the end of the reporting year** | **44.43** | **80.42** | **75.12** |
| Share Forfeiture Account | 5.30 | - | - |
| Add: Forfeited shares acquired pursuant to the composite scheme | 2.56 | - | - |
| **Total share capital at the end of the reporting year** | **52.29** | **80.42** | **75.12** |

| OTHER EQUITY | Share suspense | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | Retained Earnings | Remeasurements of Defined benefits plans | |
| **Balance as at 31st March, 2020** | - | - | 169.05 | 266.06 | - | 435.11 |
| Ind AS Adjustments | | | | | | |
| Balance at the beginning of the Year - 1st April, 2020 | - | - | 169.05 | 266.06 | - | 435.11 |
| Profit for the Year ending 31st March 2021 | - | - | - | 9.59 | - | 9.59 |
| Other Comprehensive Income for the Comparative Year ending 31st March | - | - | - | - | - | - |
| **Total Comprehensive Income for the Year** | - | - | - | 9.59 | - | 9.59 |
| **Balance as at 31st March, 2021** | - | - | 169.05 | 275.65 | - | 444.70 |
| Profit for the Year ending 31st March 2022 | - | - | - | 34.01 | - | 34.01 |
| Other Comprehensive Income for the Year ending 31st March 2022 | - | - | - | - | 0.62 | 0.62 |
| **Total Comprehensive Income for the Year** | - | - | - | 34.01 | 0.62 | 34.63 |
| **Add: recevied during the year** | - | - | 67.61 | - | - | 67.61 |
| **Balance as at 31st March, 2022** | - | - | 236.66 | 309.66 | 0.62 | 546.94 |
| Profit for the year ending 31st March 2023 | - | - | - | 260.53 | - | 260.53 |
| Other Comprehensive Income for the year ending 31st March 2023 | - | - | - | - | (1.06) | (1.06) |
| **Total Comprehensive Income for the year** | - | - | - | 260.53 | (1.06) | 259.47 |
| Add: Deficit arising pursuant to the Composite Scheme | - | 4.05 | - | 375.47 | - | 379.52 |
| Add: Reserves acquired pursuant to the Composite Scheme | - | - | 347.72 | - | - | 347.72 |
| Add: Shares to be issued pursuant to the Composite Scheme | 79.19 | - | - | - | - | 79.19 |
| Less: Crossholding elimination | - | - | (70.94) | - | - | (70.94) |
| **Balance as at 31st March, 2023** | 79.19 | 4.05 | 513.44 | 945.66 | (0.44) | 1,541.90 |

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies, Notes to the Special Purpose Standalone Financial Statement.
As per our report of even date attached.

For RAJENDRA PRASAD
CHARTERED ACCOUNTANTS
Firm Registration No.: 000203C

RAJENDRA PRASAD RAIPUR 492 001 (C.G.) CHARTERED ACCOUNTANTS

Praveen Kumar Goyal
Partner
Membership No.: 426500
Raipur
Date of Signing : 28/06/2024
UDIN:- 24426500BKGULZ7730

For and on behalf of the Board of Directors of
SHIVALIK ENGINEERING INDUSTRIES LIMITED

Raghvendra Singhania
Joint Managing Director
DIN-00327732
Raipur
Date of Signing
28/06/2024

Vinay Agrawal
Whole-time Director
DIN-06954626
Raipur
Date of Signing
28/06/2024

Manoj Patni
Chief Financial Officer
PAN- AFXPP1495C
Raipur
Date of Signing
28/06/2024

Hardeep Choudhary
Company Secretary
PAN- BSLPC2669B
Membership No. A58595
Raipur
Date of Signing 28/06/2024

Shivalik Engineering Industries Ltd. RAIPUR (C.G.)

SHIVALIK ENGINEERING INDUSTRIES LIMITED
CIN - U27107CT2011PLC022353

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES FOR SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

**Note 1 : Significant Accounting Policies**

**A General Information**

Shivalik Engineering Industries Limited ("The Company") is manufacturer of wide range of products for several automobile companies. We are predominantly a supplier of precision engineering components for commercial vehicles, tractors and off-highway vehicles, pipe fittings and rail components.

The Company is a public limited company incorporated in India having its registered office at C-33, 3rd Floor, Ashoka Millenium, Ring Road No 1, Rajendra Nagar Chowk, Near Shailendra Nagar, Raipur, Chhattisgarh- 492001 India and Factory Offices at following locations:

1. Plot No. 8, Heavy Industrial Area, Hathkhoj, Bhilai,District Durg, Chhattisgarh- 490001, India ("Unit-I")
2. Plot No. 14, 15, 16 Engineering Park, Heavy Industrial Area, Hathkhoj, Bhilai, District Durg, Chhattisgarh-490026, India ("Unit-II")
3. Plot No. 2A, 3, 4- Engineering Park, Heavy Industrial Area, Hathkhoj, Bhilai District Durg, Chhattisgarh- 490001, India ("Unit-III")
4. Murhena Road, Village Belsonda, District Mahasamund, Chhattisgarh- 493445, India ("Unit-IV")

The Standalone Financial Statement of Shivalik Engineering Industries Limited (the "Company") was approved for issue in accordance with a resolution of the Board on 28 June 2024.

**B Significant Accounting Policies**

**Basis of preparation of Standalone Financial Statement**

The standalone financial statement of the Company comprises of the standalone statement of assets and liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity for years ended 31 March 2023, 31 March 2022 and 31 March 2021 and the summary of significant accounting policies and explanatory notes and other expalanatory information (collectively,the "Standalone Financial Statement").

These Standalone Financial Statement have been prepared by the Management of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, issued by the Securities and Exchange Board of India ('SEBI') (the "ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP"), prepared by the Company in connection with its proposed Initial Public Offer (the "IPO") in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b) the ICDR Regulations; and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

The Company has prepared special purpose standalone and consolidated financial statements of the Company as of, and for the fiscal years ended, March 31, 2023, March 31, 2022 and March 31, 2021, which is in accordance with Ind AS considering an Ind AS transition date of April 1, 2020 and giving effect to the Scheme from its appointed date (i.e., January 1, 2023), and which is subject to audit in accordance with applicable Indian auditing standards and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by ICAI (such financial statements, the "Special Purpose Ind AS Financial Statements").

The Standalone Financial Statement of the Company have been prepared in compliance with Indian Accounting Standards(hereinafter referred to as the 'Ind AS') notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Standalone Financial Statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Standalone Financial Statement except where a newly issued accounting standard is initially adopted or there is a revision to an existing accounting standard where a change in accounting policy hitherto in use.

The Standalone Financial Statement have been prepared under the historical cost convention except for certain financial instruments measured at fair value as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The Special Purpose Standalone Financial Statements have been prepared by making Ind AS adjustments to the audited standalone financial statements of the Group as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting held on June 12, 2023, July 10, 2022 and July 23, 2021, respectively (the "Statutory Standalone Indian GAAP Financial Statements")

Special Purpose Standalone Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in the DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, Special Purpose Standalone Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

These Standalone Financial Statement do not reflect the effects of events that occurred subsequent to the respective dates of board meetings mentioned above.

RAJENDRA PRASAD ★ CHARTERED ACCOUNTANTS ★ RAIPUR 492 001 (C.G.)

## BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES FOR SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

These Standalone Financial Statement have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

a) after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022, March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended December 31, 2023, as applicable;

b) do not contain any qualifications requiring adjustments; and

c) in accordance with the Act, ICDR Regulations and the Guidance Note.

These Standalone Financial Statement are presented in Indian Rupee (INR) which is also Functional Currency of the Company and all values are rounded to the nearest Million except when otherwise indicated.

**Basis of Consolidation**

**Equity - accounted investee (Associate)**

The group's interest in equity in investees comprise interests in associates. An associate is an entity in which the group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition the Standalone Financial Statement include the groups share of profit or loss of equity accounted investee until the date on which significant influence cease.

**Business Combinations under common control**

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, are considered as common control business combinations. Such business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The assets and liabilities of the combining entities or businesses are reflected at their carrying amounts, barring certain assets and liabilities not taken over in terms of business transfer agreements. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves appearing in the financial statements of the transferor is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor, for case of acquisition of stake in equity.

The differences, if any, between the amount of consideration paid or payable in cash or and the amount of share capital of the transferor and further adjusted for harmonization of the accounting policies, has been transferred to 'Capital reserve on business combination under common control ' and presented separately from other capital reserves.

In accordance with the MCA Circular 9/2019 dated 21st August, 2019 which stipulates that the appointed date is deemed to be the acquisition date and considering that the law prevails over the provisions of the Accounting Standards, the effect of acquisition has not been given from the beginning of the preceding period as envisaged under IND AS 103.

Pursuant to the requirements of Appendix C of the Ind AS 103, these business combinations under common control are accounted for using the pooling of interest method as explained above. The details of the business combinations, the carrying value of the assets, liabilities and reserves acquired and harmonized as per the revised accounting policies, and the resultant capital reserve are given in note 31(h).

**Use of estimates**

The preparation of Standalone Financial Statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of fixed assets, contingencies, etc.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

**Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized 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 period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

RAJENDRA PRASAD RAIPUR 492 001 (C.G.) CHARTERED ACCOUNTANTS

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components is determined on a first in first out (FIFO) method and cost of consumables, stores and spares is determined at Weighted Average.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities)and other related overheads incurred in bringing the inventories to their present location and condition.

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

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit and Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

**Revenue Recognition and Other Income**

The Company derives revenues primarily from sale of goods comprising parts for motor vehciles, trucks and tractors.

Revenue represents amounts received and receivable from third parties and related parties for goods supplied to the customers. The Group recognizes revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for price variation, trade discounts, rebates, scheme allowances, incentives, and returns, if any. Revenue excludes taxes collected from customers on behalf of the Government. Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Export Benefits are recognised as income on all the eligible exports and where there is no significant uncertainty regarding the ultimate collection of relevant exports.

Sale of scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

Revenue from sale of services is recognised at point in time as per contract with customer. In case of contracts where the customer receives and consumes the benefits simultaneously, as the services are rendered, the revenue is recognised over the term of the contract.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

**Contract Balances**

**Contract Assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the terms of the contract.

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**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).Refer to accounting policies of financial assets in section financial instruments initial recognition and subsequent measurement.

**Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**Property, Plant and Equipment**

**Recognition and measurement**

Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

Cost includes purchase price (after deducting trade discount / rebate), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimates of the cost of dismantling/removing the item and restoring the site on which it is located.

Spares parts procured along with the Plant and Equipment or subsequently individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

**Subsequent Expenditure**

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured.

**Derecognition**

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Standalone Statement of Profit and Loss.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to the Standalone Statement of Profit and Loss during the reporting year in which they are incurred.

**Transition to Ind AS**

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2020 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Depreciation**

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Depreciation on tangible property, plant and equipment is provided using the straight-line method based on the revised useful life of the assets and in the manner prescribed in Schedule II of Companies Act, 2013 on prorata basis from the date of additions and/or disposal. Addition, to Fixed Assets costing less than or equal to Rs.5,000 are depreciated fully in the year of purchase. The company has considered following useful lives for calculating depreciation.

| Assets | Useful Lives |
|---|---|
| Lease Hold Land | 99 years |
| Factory Building | 30 Years |
| Lab Equipments | 15 Years |
| Plant & Machinery | 15 - 20 Years |
| Weight Bridge | 15 Years |
| Electrical Installation | 10 Years |
| Furniture & Fixture | 10 Years |
| Generator Set | 10 Years |
| Vehicles | 8 Years |
| Office Equipment | 5 Years |
| Computers & Software s | 3 - 6 years |

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

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**Impairment of tangible assets**
At the end of each reporting period, the Group Company reviews the carrying amounts of its PPE to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

**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. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

**a) Financial Assets**
A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, loans to employee / related parties / others, security deposit, claims recoverable etc.

**Initial recognition and measurement**
All financial assets except trade receivable are recognized initially at fair value. The financial assets not recorded at fair value through profit or loss, are recognised intially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

**Subsequent measurement**
For purposes of subsequent measurement financial assets are classified in three categories:
- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

**Financial assets measured at amortized cost**
Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets 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. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss .

**Financial assets at fair value through OCI ('FVTOCI')**
Financial assets are measured at fair value through other comprehensive income if the financial asset 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. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

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

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

**Derecognition**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

**Impairment of financial assets**

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables and contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date,from the date of initial recognition.The Company categorizes a trade receivable as overdue when it has not been settled for more than three years from the due date. This approach is part of the Company's method for estimating lifetime expected credit losses (ECLs).

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

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

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

**b) Financial Liabilities**

The Company's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

**Initial recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

**Subsequent measurement**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

**Financial Liabilities classified as Amortised Cost**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

**Financial Liabilities classified as Fair value through profit and loss (FVTPL)**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

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**Derecognition**
A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

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

**Employee Benefits**

**Short-term Employees Benefits**
All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

**Post-employment benefits**
The Company provides the following post-employment benefits:
i) Defined benefit plans such as gratuity and
ii) Defined Contribution plans such as provident fund & employee State Insurance Scheme

**Defined benefits plans**
The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

**Defined Contribution Plans**
Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

**Compensated Absences/ Leave Encashment**
Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of govenment bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past service costs are recognised immediately in statement of profit and loss.

**Foreign Currency Transactions**
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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**Borrowing costs**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as adjustment to interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining an asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation of borrowing costs commences when the company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**Leases**

**Where the Company is a lessee-**

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a 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:
- the contract conveys the right to use an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Company recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.
Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease whichever is shorter. Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

In line with IND AS 116, the company accounts for leasehold land, held under a 99-year lease, as a 'right-of-use' (ROU) asset. This accounting treatment arises from the recognition of an upfront lease premium as the primary cost associated with the lease. Importantly, this lease arrangement does not result in the recording of a lease liability, as the transaction comprises a one-time payment without subsequent recurring lease payments.

Annual maintenance costs related to the leasehold land are not included within the ROU asset or as part of the lease liability, given their nature as ancillary and non-recoverable expenses. Consistent with the guidance provided by IND AS 116, the company recognizes these maintenance costs as expenses in the profit and loss statement in the period they are incurred.

**Where the Company is a lessor-**

Lease income from operating leases where the Company is a lessor is recognised in the Statement of Profit and Loss on a straight- line basis over the lease term.

**Statement of Cash Flows and Cash and Cash Equivalents**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash-in-hand and demand deposit with banks with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

**Income Taxes**

Income tax expense /income comprises current tax expense /income and deferred tax expense/income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognised directly in equity or other comprehensive income, respectively.

**Current tax**

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Current tax assets and liabilities are offset only if,

- the Group has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from 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 each balance sheet date 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 liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

**Earnings per Share:**

Basic earnings per share (EPS) is computed by dividing the profit after tax or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all the dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity would decrease the net profit per share from continuing ordinary operations.

**Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants in the form of non-monetary assets are recognised at fair value and presented as deferred income which is recognized in the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

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Government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit and Loss in the period in which they become receivable. Grants related to income are presented under other income in the Statement of Profit and Loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The grant set up as deferred income is recognised in the Statement of Profit and Loss on a systematic basis.

**Fair value measurement**
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

**Share capital and share premium**
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

**Dividend Distribution to equity shareholders**
The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

D **First time adoption of Ind AS – mandatory exceptions / optional exemptions**

**Overall principle**
The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2020 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

**Derecognition of financial assets and financial liabilities**
The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2020 (the transition date).

**Impairment of financial assets**
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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**Deemed cost for PPE and CWIP**

The Company has elected to continue with the carrying value of its PPE and CWIP recognized as of 1st April 2020 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Standards / amendments issued**

The Group has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated 24 March 2021 in the Standalone Financial Statement, wherever applicable

**Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below

**Ind AS 1 - Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 - Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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(Rupees in Million)

Note 2 (a) Property, Plant and Equipment | Note 2 (b) : Right of use asset

| Particulars | Freehold Land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Electrical Installations | Other Assets | Total | Leasehold Land | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross Block | | | | | | | | | | | | |
| At Deemed cost as at 01 April 2020 | - | 81.69 | 595.23 | 1.75 | 14.80 | 1.19 | 5.27 | 47.05 | 6.26 | 753.24 | 10.13 | 10.13 |
| Additions | - | - | 25.09 | - | - | - | - | - | - | 25.09 | 11.71 | 11.71 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| At cost as at 31 March 2021 | - | 81.69 | 620.32 | 1.75 | 14.80 | 1.19 | 5.27 | 47.05 | 6.26 | 778.33 | 21.84 | 21.84 |
| Additions | - | - | 60.07 | 0.05 | 1.41 | 0.20 | 0.12 | - | - | 61.85 | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| At cost as at 31 March 2022 | - | 81.69 | 680.39 | 1.80 | 16.21 | 1.39 | 5.39 | 47.05 | 6.26 | 840.18 | 21.84 | 21.84 |
| a. Additions in asset due to Business Combination | 2.36 | 144.78 | 955.86 | 7.45 | 25.23 | 2.18 | 2.87 | 63.70 | 3.36 | 1,207.79 | 16.07 | 16.07 |
| b. Addition during the year | - | - | 74.05 | - | 6.11 | - | 0.12 | 0.96 | - | 81.24 | - | - |
| Disposals / adjustments | - | - | - | - | (0.00) | - | - | - | - | (0.00) | - | - |
| At cost as at 31st March 2023 | 2.36 | 226.47 | 1,710.30 | 9.25 | 47.55 | 3.57 | 8.38 | 111.71 | 9.62 | 2,129.21 | 37.91 | 37.91 |
| Depreciation Block | | | | | | | | | | | | |
| Depreciation / Amortisation for the period | - | 3.03 | 50.61 | 0.44 | 2.42 | 0.48 | 1.56 | 6.95 | 0.71 | 66.20 | 0.13 | 0.13 |
| Disposals / adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation / amortisation as at 31 March 2021 | - | 3.03 | 50.61 | 0.44 | 2.42 | 0.48 | 1.56 | 6.95 | 0.71 | 66.20 | 0.13 | 0.13 |
| Depreciation / Amortisation for the period | - | 3.02 | 53.59 | 0.20 | 2.42 | 0.35 | 1.25 | 6.95 | 0.71 | 68.49 | 0.18 | 0.18 |
| Disposals / adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation / amortisation as at 31 March 2022 | - | 6.05 | 104.20 | 0.64 | 4.84 | 0.83 | 2.81 | 13.90 | 1.42 | 134.69 | 0.31 | 0.31 |
| a. Depreciation due to Business Combination | - | 32.79 | 320.51 | 2.58 | 18.85 | 2.01 | 2.46 | 13.77 | 3.07 | 396.03 | 0.46 | 0.46 |
| b. Depreciation during the year | - | 4.16 | 69.93 | 0.43 | 3.47 | 0.10 | 1.04 | 8.50 | 0.73 | 88.36 | 0.27 | 0.27 |
| Disposals / adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation / Amortisation as at the 31st March 2023 | - | 43.00 | 494.64 | 3.66 | 27.17 | 2.94 | 6.31 | 36.16 | 5.22 | 619.09 | 1.03 | 1.03 |
| Net Block | | | | | | | | | | | | |
| As at 31st March 2021 | - | 78.66 | 569.71 | 1.31 | 12.38 | 0.71 | 3.71 | 40.10 | 5.55 | 712.13 | 21.71 | 21.71 |
| As at 31st March 2022 | - | 75.64 | 576.19 | 1.16 | 11.37 | 0.56 | 2.58 | 33.15 | 4.84 | 705.49 | 21.53 | 21.53 |
| As at 31st March 2023 | 2.36 | 183.47 | 1,215.67 | 5.59 | 20.38 | 0.63 | 2.07 | 75.55 | 4.39 | 1,510.11 | 36.88 | 36.88 |

Notes:

1. The title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group, except for the immovable properties acquired through business combination where in the formal transfer of the title deeds for land and buildings acquired is in process

2. The Group has elected to continue with the carrying value of its property, plant and equipment recognised as of 1st April, 2020 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

3. Other Assets includes weigh bridge and generator set

4.The leasehold land, held under a 99-year lease, is reported as a 'right-of-use' asset, as per IND AS 116. The recognized amount represents the upfront lease premium, without a corresponding lease liability, due to the absence of ongoing lease payments

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Note 3
Investments

(Rupees in Million)

| Particulars | No. of Shares As at 31 March 2023 | No. of Shares As at 31 March 2022 | No. of Shares As at 31 March 2021 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|---|---|
| Unquoted - Investment in Associate (Equity Method) | | | | | | |
| Equity Shares of Shivalik Auto Engineering (P) Ltd. (Face Value - Rs. 10 Per Share) * | - | 55,56,400 | 55,56,400 | - | 80.29 | 80.29 |
| Total | - | 55,56,400 | 55,56,400 | - | 80.29 | 80.29 |
| Aggregate value of unquoted investment | | | | | 80.29 | 80.29 |

* Pursuant to the composit Composite Scheme, these Investments in Associates got eliminated.

Note 4
Other Financial Assets

(Rupees in Million)

| Particulars | Non-Current As at 31 March 2023 | Non-Current As at 31 March 2022 | Non-Current As at 31 March 2021 | Current As at 31 March 2023 | Current As at 31 March 2022 | Current As at 31 March 2021 |
|---|---|---|---|---|---|---|
| Bank deposits with more than 12 months maturity | 18.25 | - | - | - | 3.62 | 2.61 |
| Others; | | | | | | |
| Security Deposits | 76.30 | 33.97 | 34.02 | - | - | - |
| Salary and wage advance | - | - | - | 3.64 | 8.50 | 12.36 |
| Export Benefits receivables | - | - | - | 0.00 | 0.48 | 2.24 |
| Others; | - | - | - | 2.36 | - | 0.04 |
| Total | 94.55 | 33.97 | 34.02 | 6.00 | 12.60 | 17.25 |

Note 5
Other Assets

(Rupees in Million)

| Particulars | Non-Current As at 31 March 2023 | Non-Current As at 31 March 2022 | Non-Current As at 31 March 2021 | Current As at 31 March 2023 | Current As at 31 March 2022 | Current As at 31 March 2021 |
|---|---|---|---|---|---|---|
| Capital Advances | 2.96 | 1.02 | 2.36 | - | - | - |
| Advances other than capital advances; | | | | | | |
| Advances to suppliers | - | - | - | 271.65 | 97.92 | 144.21 |
| Sub Total | 2.96 | 1.02 | 2.36 | 271.65 | 97.92 | 144.21 |
| Others | | | | | | |
| Balance with Statutory authorities | - | - | - | - | 1.74 | 1.74 |
| Prepaid Expenses | - | - | - | 15.34 | 5.21 | 4.00 |
| Sub Total | - | - | - | 15.34 | 6.95 | 5.74 |
| Total | 2.96 | 1.02 | 2.36 | 286.99 | 104.87 | 149.95 |

Note 6
Inventories

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| (Valued at lower of Cost and Net Realisable Value) | | | |
| Raw Materials | 102.06 | 77.67 | 74.67 |
| Finished goods | 512.15 | 334.58 | 195.89 |
| Stores and spares | 157.25 | 54.52 | 58.83 |
| Total | 771.46 | 466.77 | 329.39 |

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Note 7
Trade Receivables

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Trade receivables | | | |
| Unsecured, considered good | 631.09 | 433.24 | 497.01 |
| Total | 631.09 | 433.24 | 497.01 |

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables ageing schedule

(Rupees in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| As at 31 March 2023 | 487.79 | 137.03 | 0.54 | 0.48 | 0.95 | 4.30 | 631.09 |
| As at 31 March 2022 | 198.97 | 101.68 | - | 124.55 | 8.04 | - | 433.24 |
| As at 31 March 2021 | 344.63 | 62.03 | - | 82.21 | 8.14 | - | 497.01 |

Note 8
Cash and Cash Equivalents

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Balances with Banks (of the nature of cash and cash equivalents) | 2.98 | 2.93 | 4.84 |
| Cash on hand | 2.82 | 0.84 | 0.87 |
| Deposits with original maturity of less than 3 months | 10.80 | 10.80 | 10.80 |
| Total | 16.60 | 14.57 | 16.51 |

Note 9
Bank Balances other than Cash and Cash Equivalents

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Deposits with original maturity of more than 3 months but less than 12 months | 0.10 | 3.52 | 3.52 |
| Total | 0.10 | 3.52 | 3.52 |

Note 10
Loans (Unsecured, considered good)

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Loans and Advances to related parties | - | - | 1.29 |
| Total | - | - | 1.29 |

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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

## Note 11: EQUITY SHARE CAPITAL

(Rupees in Million)

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Authorised Share Capital | 1,10,00,000 | 110.00 | 1,10,00,000 | 110.00 | 1,10,00,000 | 110.00 |
| Issued Share Capital | 75,11,910 | 75.12 | 75,11,910 | 75.12 | 75,11,910 | 75.12 |
| Subscribed Share Capital | 75,11,910 | 75.12 | 75,11,910 | 75.12 | 75,11,910 | 75.12 |
| Fully Paid-up Share Capital | 75,11,910 | 75.12 | 75,11,910 | 75.12 | 75,11,910 | 75.12 |
| Partly Paid Up Share Capital (Rs.4 paid up) | - | 7.86 | 13,25,631 | 5.30 | - | - |
| **Balance at the beginning of the year** | 88,37,541 | 80.42 | 75,11,910 | 75.12 | 75,11,910 | 75.12 |
| Changes in equity share capital during the year: | - | - | - | - | - | - |
| Issued during the year | - | - | 13,25,631 | 5.30 | - | - |
| Elimination of inter company holdings pursuant to the Composite Scheme* | (30,68,609) | (30.69) | - | - | - | - |
| Forfeited during the year** | (13,25,631) | (5.30) | - | - | - | - |
| **Balance at the end of the reporting year** | 44,43,301 | 44.43 | 88,37,541 | 80.42 | 75,11,910 | 75.12 |
| Share Forfeiture Account | - | 5.30 | - | - | - | - |
| Add: Forfeited shares acquired pursuant to the composite scheme of arrangement*** | - | 2.56 | - | - | - | - |
| **Total share capital at the end of the reporting year** | 44,43,301 | 52.29 | 88,37,541 | 80.42 | 75,11,910 | 75.12 |

* Refer Note 31 h) Business Combination

** The Company had allotted 6,45,454 partly paid equity shares on 10 November, 2021 and 6,80,177 partly paid equity shares on 27 December, 2021 through a rights issue to Camelia Grih Nirman Private Limited. As a result, Rs. 4 per share was paid-up at the time of share application. Later on making calls, the call money was not received from Camelia Grih Nirman Private Limited and, hence, the Company forfeited the above mentioned 13,25,631 partly paid equity shares by passing a resolution at the Board Meeting held on 28 June, 2022. On December ___, 2023, the Board of Directors passed a resolution confirming that the Company shall not re-issue the partly paid-up equity shares which were earlier forfeited by the Company and accordingly, such partly-paid equity shares shall cease to exist with effect from the date of the resolution.

***Shivalik Auto Engineering Private Limited (SAEPL) had allotted 6,38,042 partly paid equity shares on 10 January, 2022 through a rights issue to Camelia Grih Nirman Private Limited. As a result, Rs. 4 per share was paid-up at the time of share application. Later on making calls, the call money was not received from Camelia Grih Nirman Private Limited and, hence, the SAEPL forfeited the above mentioned 6,38,042 partly paid equity shares by passing a resolution at the Board Meeting held on 28 June, 2022.

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| Shares in the Company held by each shareholder holding more than 5 % equity shares | As at 31 March 2023 | | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|---|---|
| | No. | % | No. | % | No. | % |
| Giriraj Singhania | 26,81,400 | 60.35% | 26,81,400 | 33.34% | 26,81,400 | 35.70% |
| Neelkamal Vanijya Pvt Ltd* | - | 0.00% | 28,74,930 | 35.75% | 28,74,930 | 38.27% |
| Samarth Investment Co. | 9,64,200 | 21.70% | 9,64,200 | 11.99% | 9,64,200 | 12.84% |
| Sharda Shree Agricultural & Dev Pvt Ltd | 7,67,700 | 17.28% | 7,67,700 | 9.55% | 7,67,700 | 10.22% |
| Camelia Grih Nirmaan Pvt Ltd | - | 0.00% | 13,25,631 | 6.59% | - | 0.00% |

| Particulars of promoter's holding | As at 31st March 2023 | | | As at 31st March 2022 | | | As at 31st March 2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number | % of total shares in the class | % Change during the year | Number | % of total shares in the class | % Change during the year | Number | % of total shares in the class | % Change during the year |
| **Equity shares of Rs. 10 each, fully paid-up held by-** | | | | | | | | | |
| Giriraj Singhania | 26,81,400 | 60.35% | 27.01% | 26,81,400 | 33.34% | -2.35% | 26,81,400 | 35.70% | 0.00% |
| Raghvendra Singhania | 1 | 0.00% | 0.00% | 1 | 0.00% | 0.00% | - | 0.00% | 0.00% |

## Note 12: OTHER EQUITY

a. Other Equity

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Securities Premium | 513.44 | 236.66 | 169.05 |
| Retained Earnings | 945.66 | 309.66 | 275.65 |
| Capital Reserve | 4.05 | - | - |
| Equity Pending Allotment* | 79.19 | - | - |
| Remeasurements of Defined benefits plans | (0.44) | 0.62 | - |
| **Total** | **1,541.90** | **546.94** | **444.70** |

** Pursuant to the Composite Scheme, the company has made allotment of 79,18,907 equity shares of face value of Rs.10 each on 06th January 2024.*

b. Movements in other equity

(Rupees in Million)

| Particulars | Share Suspense Account (Refer Note 31) | Reserves and Surplus | | | | TOTAL |
|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | Retained Earnings | Remeasurements of Defined benefits plans | |
| Balance as at 31st March, 2020 | - | - | 169.05 | 266.06 | - | 435.11 |
| Ind AS Adjustments | | | | | | |
| Balance at the beginning of the Year - 1st April, 2020 | - | - | 169.05 | 266.06 | - | 435.11 |
| Profit for the Year ending 31st March 2021 | - | - | - | 9.59 | - | 9.59 |
| Other Comprehensive Income for the Comparative Year ending 31st March 2021 | - | - | - | - | - | - |
| Total Comprehensive Income for the Year | - | - | - | 9.59 | - | 9.59 |
| **Balance at the end of the Year ending 31st March 2021** | - | - | 169.05 | 275.65 | - | 444.70 |
| Profit for the Comparative Year ending 31st March 2022 | - | - | - | 34.01 | - | 34.01 |
| Other Comprehensive Income for the Comparative Year ending 31st March 2022 | - | - | - | - | 0.62 | 0.62 |
| Total Comprehensive Income for the Comparative Year | - | - | - | 34.01 | 0.62 | 34.63 |
| Add: recevied during the year | - | - | 67.61 | - | 0 | 67.61 |
| **Balance at the end of the comparative reporting Year ending 31st March 2022** | - | - | 236.66 | 309.66 | 0.62 | 546.94 |
| Profit for the Current Reporting year ending 31st March 2023 | - | - | - | 260.53 | - | 260.53 |
| Other Comprehensive Income for the Current Reporting year ending 31st March 2023 | - | - | - | - | (1.06) | (1.06) |
| Total Comprehensive Income for the year | - | - | - | 260.53 | (1.06) | 259.47 |
| Add: Surplus / (Deficit) arising pursuant to the Composite Scheme | - | 4.05 | - | 375.47 | - | 379.52 |
| Add: Securities Premium acquired pursuant to the Composite Scheme | - | - | 347.72 | - | - | 347.72 |
| Add: Shares to be issued pursuant to the Composite Scheme | 79.19 | - | - | - | - | 79.19 |
| Less: Crossholding elimination | - | - | (70.94) | - | - | (70.94) |
| **Balance at the end of the reporting year ending 31st March 2023** | 79.19 | 4.05 | 513.44 | 945.66 | (0.44) | 1,541.90 |

| Nature and Purpose of each component of equity | Nature and Purpose |
|---|---|
| i. Securities Premium | Amounts received in excess of par value on issue of shares is classified as Securities Premium |
| ii. Retained Earnings | Retained earnings are the profits that the Group has earned till date, less any dividends or other distributions paid to shareholders |
| iii. Capital Reserve | Capital reserve represents the accumulated excess of the value of net assets acquired under business combination over the aggregate consideration transferred |

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Note 13
Borrowings

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| NON CURRENT | | | |
| Secured | | | |
| Term loans; | | | |
| - from Banks | 526.90 | 348.75 | 390.06 |
| Unsecured | | | |
| - Inter corporate deposits | 9.20 | 8.80 | 56.68 |
| - Loan from related parties | 0.10 | - | - |
| Sub - Total | 536.20 | 357.55 | 446.74 |
| CURRENT | | | |
| Secured | | | |
| Current maturities of long-term debt | 211.59 | 83.95 | 67.29 |
| Loans repayable on demand | | | |
| - from banks | 504.39 | 253.95 | 244.12 |
| Unsecured | | | |
| - Loan from related parties | - | - | 21.20 |
| Sub - Total | 715.98 | 337.90 | 332.61 |
| Total | 1,252.18 | 695.45 | 779.35 |

| A. Nature of Borrowings & Security | Interest Rate & Terms of repayment |
|---|---|
| **Loan from Punjab National Bank (TL I, II, III )** | |
| The loan is secured by a pari passu charge on the factory land and building at plot no.8, Hathkhoj Industrial Area, Bhilai and plant & Machineries, Electrical Installations and other fixed assets of the unit. The loan is further secured by personal guarantee of promoter directors & Corporate Gurantee of erstwhile Shivalik Power & Steel Private Limited. (Also refer Note 31) | Term Loan against Building and Plant & Machinery (TL I, II and III) - Term loan bearing ROI of 11.95% from Punjab National Bank is repayable in equated instalments as below:<br>1) TL-I - IC-56- 29 installments of Rs. 2.66 Million commencing March'23<br>IC-65 - 25 installments of Rs. 0.93 Million commencing from March'23<br>2) TL-II - 61 installments of Rs. 0.57 Million commencing March'23<br>3) TL-III - 75 installments of Rs. 0.50 Million commencing March'23. |
| **Loan from Punjab National Bank (COVID-19 Loan and GECL)** | |
| The loans are secured by extension of charge over existing primary and collateral securities. | **1) COVID-19 Emergency Credit Facility** - Repayable in equated installment in 18 months commencing from Jan'21 and carries ROI of 8.25% p.a.<br>**2) Guaranteed Emergency Credit Line (GECL)** - Repayable in equated installment in 36 months commencing from January'22 and carries ROI of 8.25% p.a.<br>**3) Guaranteed Emergency Credit Line (GECL 2.0)** - Repayable in equated installment in 48 months commencing from November'23 and carries ROI of 7.60% p.a. |
| **Term Loan from Bank of India** | |
| The loan is secured by a pari passu charge on EQM of factory land & building situated at no.8, Hathkhoj Industrial Area, Bhilai and plant & Machineries, Installations and other fixed assets of the unit. The loan is further secured by personal guarantee of promoter directors & Corporate Gurantee of erstwhile Shivalik Power & Steel Private Limited. (Also refer Note 31) | Term loan bearing ROI of 10.40% from Bank of India is repayable in monthly installments as below:<br>**1) TL-I**- Payable in 25 monthly balloning installments commencing November 2020<br>**2) TL-II**- Payable in 31 monthly balloning installments commencing November 2020<br>**3) TL-III**- Payable in 49 equated installments commencing November 2020<br>**4) TL-IV**- Payable in 72 equated installments commencing November 2020 |
| **GECL from Bank of India** | |
| The loans are secured by extension of charge over existing primary and collateral securities. | **1) GECL-1** - Repayable in equated installment in 36 months commencing from January 2022 and carries ROI of 8.35% p.a.<br>**2) GECL-2** - Repayable in equated installment in 48 months commencing from December 2023 and carries ROI of 7.65% p.a. |
| **Loan from HDFC Bank** | |
| 1) The loan is secured by hypothecation of Tractor and personal guarantee of promoter directors.<br>2) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>3) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>4) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>5) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors. | 1) Term loan bearing ROI of 11.55% from HDFC Bank repayable in equated monthly installment of Rs.11,152/- upto May'2019.<br>2) Term loan bearing ROI of 9.35% from HDFC Bank repayable in equated monthly installment of Rs.1,21,805/- upto November'2021.<br>3) Term loan bearing ROI of 8.51% from HDFC Bank repayable in equated monthly installment of Rs.30,556/- upto November'2022.<br>4) Term loan bearing ROI of 9.00% from HDFC Bank repayable in equated monthly installment of Rs.28,173/- upto November'2025.<br>5) Term loan bearing ROI of 8.5% from HDFC Bank repayable in equated monthly installment of Rs.1,15,604/-. |

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Note 13

Borrowings

(Rupees in Million)

| A. Nature of Borrowings & Security | Interest Rate & Terms of repayment |
|---|---|
| **Loan from Axis Bank** | |
| 1) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>2) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>3) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>4) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>5) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors.<br>6) The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors. | 1) Term loan bearing ROI of 9.46% from Axis Bank repayable in equated monthly installment of Rs.25401/- upto November'2021.<br>2) Term loan bearing ROI of 9.46% from Axis Bank repayable in equated monthly installment of Rs.26201/- upto November'2021.<br>3) Term loan bearing ROI of 8.95% from Axis Bank repayable in equated monthly installment of Rs.49286/- upto October'2023.<br>4) Term loan bearing ROI of 8.95% from Axis Bank repayable in equated monthly installment of Rs.24,755/-<br>5) Term loan bearing ROI of 8.95% from Axis Bank repayable in equated monthly installment of Rs.1,31,495/-<br>6) Term loan from Axis Bank is repayable in Equitable monthly balancing installments. |
| **Against Term Loan/ FITL/WCTL from State Bank of India** | |
| The loan is secured by a pari passu hypothecation charge on the entire plant and machinery and equitable mortgarge of land & building at Plot No.14, 15 and 16 at Engineering Park, Heavy Industrial Area, Hathkhoj of the of the company. The loan is further secured by personal guarantee of promoter directors & Corporate guarantee of Shivalik Engineering Industries Limited and Erstwhile Shivalik Power & Steel Private Limited. (Refer Note 31) | **Term Loan against Building and Plant & Machinery -** Repayable in balloon installment in 105 monthscommencing from October'2022 and carries ROI of 13.75%<br>**FITL - I -** Repayable in equated installment in 24 months commencing from April'21 and carries ROI of 13.75%<br>**FITL - II & III -** Repayable in equated installment in 24 months commencing from April'2022 and carries ROI of 14.75%<br>**WCTL -** Repayable in equated installment in 24 months commencing from June'2022 and carries ROI of 14.75% |
| **Against Guaranteed Emergency Credit Line WCTL (GECL) and GECL Extension** | |
| Extension of hypothecation charge over entire Current Assets of the Company by way of hypothecation of the stocks of raw materials, stock in process, finished goods etc. at the Company's premise/ godown,including goods in transit/ shipment, outstanding moneys, book debts, receivables, other current assets, etc., both present and future.GECL and GECL (Extension) shall rank second charge with the existing credit facilities in terms of cash flows (including repayments) and securities | **GECL** - Repayable in equated installment in 36 months commencing from October'2021 and carries ROI of 9.25%<br>**GECL Extension** - Repayable in equated installment in 36 months commencing from November'2023 and carries ROI of 9.25% |
| **Against Loan from Punjab National Bank** | |
| The loan is secured by a pari passu charge on the entire fixed assets of the proposed foundry & engineering project for mfg. of ready to use finished components for Automobiles, Railways and Engg. components. The loan is further secured by personal guarantee of promoter directors. | a. Term loan from PNB Bank repayable in equated monthly installment commencing from October 2021 of which rate of interest is 8.55%<br>b. Term loan from PNB Bank repayable in equated monthly installment commencing from November 2023 of which rate of interest is 8.55% |
| **Against Loan from HDFC Bank** | |
| The loan is secured by hypothecation of Vehicle and personal guarantee of promoter directors. | a. Term loan from HDFC Bank is repayable in Equitable monthly balancing installments commencing from February 2023 |
| **Against Loan from Kotak Bank** | |
| The loan is secured by a pari passu charge on the entire fixed assets of the proposed foundry & engineering project for mfg. of ready to use finished components for Automobiles, Railways and Engg. components. The loan is further secured by personal guarantee of promoter directors. | Term loan from Kotak Bank repayable in equated monthly installment commencing from October 2022 of which rate of interest is 9.55% |
| **Working Capital Demand Loan** | |
| The loan is secured by hypothecation of asset created out of bank loan | The loan is repayable on balloning instalments commencing from December 2020 and carries ROI of 7.70% |
| **Working Capital Demand Loan - In relation to Erstwhile Shivalik Engineering Industries Limited & Erstwhile Shivalik Auto Engineering Private Limited (Refer Note 31)** | The working capital facility is secured hypothecation charge over entire Current Assets of the Company by way of hypothecation of the stocks of raw materials, stock in process, finished goods etc. at the Company's premise/ godown, including goods in transit/ shipment,outstanding moneys, book debts, receivables, other current assets, etc., both present and future. |
| **Working Capital Demand Loan - In relation to Shivalik Power & Steel Private Limited (Refer Note 31)** | The working capital facilities from Banks are secured by pari-passu charge over entire current assets i.e. stocks of Raw Material, Finished Goods,Consumables, Semi-Finished Goods and trade receivables of the Company and second charge over the other movable assets and immovable assets of the Company. |

B. The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2023 with the Bank are in agreement with the books of accounts.

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Note 14
Provisions

(Rupees in Million)

| Particulars | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
| Provision for Gratuity | 21.81 | 6.83 | - | 0.82 | 0.23 | - |
| Provision for Leave Encashment | 4.91 | - | - | 0.48 | - | - |
| Total | 26.72 | 6.83 | - | 1.30 | 0.23 | - |

Note 15
Deferred Tax Liabilities - (Net)

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Deferred Tax Liabilities (Net); | | | |
| - Arising on account of difference in carrying amount and tax base of PPE and Intang | 160.53 | 81.23 | 88.31 |
| Deferred Tax Asset: | | | |
| - Accrued Expenses allowable on Actual Payments | (9.64) | (1.78) | - |
| | 150.89 | 79.45 | 88.31 |
| Add: MAT Credit Entitlement | - | (47.49) | (52.67) |
| Total | 150.89 | 31.96 | 35.64 |

Note 16
Trade Payables

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Outstanding due of Micro and Small Enterprises (Refer Note 31(b) ) | 44.98 | 66.77 | 132.73 |
| Outstanding due of Creditors other than Micro and Small Enterprises | 146.10 | 377.69 | 329.15 |
| Total | 191.08 | 444.46 | 461.88 |

Trade Payables aging schedule (Rupees in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| Outstanding due of Creditors other than Micro and Small | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| As at 31 March 2023 | 74.04 | 69.70 | 0.17 | - | 2.19 | 146.10 |
| As at 31 March 2022 | 172.94 | 183.24 | 4.05 | 15.79 | 1.67 | 377.69 |
| As at 31 March 2021 | 249.39 | 45.66 | 23.04 | 11.06 | - | 329.15 |

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| Outstanding due to Micro and Small Enterprises | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| As at 31 March 2023 | 21.74 | 23.24 | - | - | - | 44.98 |
| As at 31 March 2022 | 25.10 | 41.67 | - | - | - | 66.77 |
| As at 31 March 2021 | 22.06 | 110.67 | - | - | - | 132.73 |

Note 17
Other Financial Liabilities

(Rupees in Million)

| Particulars | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
| **Carried at Amortised Cost :** | | | | | | |
| Others : | | | | | | |
| Payable Against Capital Assets | - | - | - | 9.13 | 3.37 | 3.36 |
| Employee benefits | - | - | - | 27.10 | 13.38 | 12.79 |
| Liabilities for expenses | - | - | - | 1.74 | 2.01 | 2.82 |
| Total | - | - | - | 37.97 | 18.76 | 18.97 |

Note 18
Other Liabilities

(Rupees in Million)

| Particulars | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
| Contract Liabilities | - | - | - | 10.32 | 23.33 | 16.28 |
| Statutory Dues | - | - | - | 86.71 | 33.80 | 36.83 |
| Total | - | - | - | 97.03 | 57.13 | 53.11 |

Movement of contract liabilities is as under ;

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| As at beginning of the year | 23.33 | 16.28 | - |
| Recognised as revenue from contracts with customers | (73.23) | (185.97) | (1.86) |
| Advance from customers received during the year | 60.22 | 193.02 | 18.14 |
| Balance at the close of the year | 10.32 | 23.33 | 16.28 |

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Note 19

**Revenue from Operations**

(Rupees in Million)

| Particulars | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| Sale Of Products | 5,504.73 | 3,117.97 | 1,749.62 |
| Sale Of Services; and | | | |
| Sale of Services | - | 11.58 | 135.82 |
| | 5,504.73 | 3,129.55 | 1,885.44 |
| Other Operating Revenues: | | | |
| Export Incentives | 2.35 | 0.50 | 1.04 |
| **Total** | **5,507.08** | **3,130.05** | **1,886.48** |

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

Reconciliation of revenue recognised with the contracted price is as follows:

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Gross Sales (Contracted Price) | 5,547.43 | 3,139.01 | 1,766.41 |
| Reductions towards variable consideration (Turnover discount, Price Variation, Other Expenses) | (42.70) | (21.04) | (16.79) |
| **Revenue recognised** | **5,504.73** | **3,117.97** | 1,749.62 |

Note 20

**Other Income**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Interest Income | 7.77 | 2.58 | 2.46 |
| Gain on Foreign Exchange Translations | 1.55 | - | - |
| Other Non-Operating Income; | | | |
| Miscellaneous Income | 7.03 | - | - |
| **Total** | **16.35** | **2.58** | **2.46** |

Note 21

**Cost of Materials consumed**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Opening Stock of Raw Materials | 77.67 | 74.67 | 72.74 |
| Opening Stock of Raw Materials on the Composite Scheme | 60.92 | - | - |
| Purchases during the year | 3,488.87 | 2,273.98 | 1,193.98 |
| Closing Stock of Raw Materials | (102.06) | (77.67) | (74.67) |
| **Total** | **3,525.40** | **2,270.98** | **1,192.05** |

Note 22

**Changes In Inventories Of Finished Goods And Work-In-Progress**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Closing Stock: | | | |
| Finished Goods | 512.15 | 334.58 | 195.89 |
| Work-in-Progress | - | - | - |
| Stock-in-Trade | - | - | - |
| | 512.15 | 334.58 | 195.89 |
| Less: Opening Stock: | | | |
| Finished goods | 334.58 | 195.89 | 167.92 |
| Finished goods on the Composite Scheme | 228.83 | - | - |
| Work-in-Progress | - | - | - |
| Stock-in-Trade | - | - | - |
| | 563.41 | 195.89 | 167.92 |
| **Total** | **51.26** | **(138.69)** | **(27.97)** |

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Note 23
**Employee Benefits Expense**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Salaries and Wages | 199.71 | 103.61 | 75.93 |
| Contribution to provident, gratuity and other funds | 18.65 | 16.72 | 3.53 |
| Staff welfare expenses | 10.16 | 14.46 | 11.80 |
| **Total** | **228.52** | **134.79** | **91.26** |

Note 24
**Finance Costs**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Interest on Loans and Deposits | 0.79 | 2.14 | 3.15 |
| Interest on Term Loan | 34.03 | 42.37 | 37.52 |
| Interest on Working Capital Facilities | 23.01 | 27.76 | 28.35 |
| Bill Discounting Charges | 46.35 | 25.17 | 16.49 |
| **Total** | **104.18** | **97.44** | **85.51** |

Note 25
**Depreciation and Amortisation expense**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Depreciation on Property, Plant And Equipment | 88.36 | 68.49 | 66.19 |
| Amortisation of ROU Assets | 0.27 | 0.18 | 0.13 |
| **Total** | **88.63** | **68.67** | **66.32** |

Note 26
**Other Expenses**

(Rupees in Million)

| Particulars | Year Ended31 March 2023 | Year Ended31 March 2022 | Year Ended31 March 2021 |
|---|---|---|---|
| Stores and Spares Consumed | 725.53 | 391.36 | 266.79 |
| Power and Fuel | 240.93 | 171.21 | 129.58 |
| Advertisement Expenses | 2.21 | 0.53 | 0.39 |
| Processing Expenses | 16.28 | 13.85 | 6.77 |
| Rent | 17.69 | 8.77 | 4.99 |
| Rates and Taxes | 0.32 | 0.37 | 0.07 |
| Insurance | 6.96 | 5.27 | 5.84 |
| Printing and Stationery | 0.41 | 0.06 | 0.11 |
| Repairs and Renewals: | | | |
| Buildings | 0.21 | - | - |
| Plant and Machinery | 21.66 | 4.24 | 4.37 |
| Other Assets | 3.63 | - | - |
| Travelling and Conveyance | 12.64 | 3.29 | 1.56 |
| Communication Expenses | 0.59 | 0.33 | 0.33 |
| Foreign Exchange Translation | - | 0.99 | 0.04 |
| Interest on Other Statutory Dues | 0.02 | 0.61 | 3.46 |
| Legal & Professional expenses | 7.38 | 4.40 | 4.21 |
| Corporate Social Responsibility Expenses | 2.50 | 1.59 | 2.13 |
| Vehicle Expenses | 0.18 | - | - |
| Auditors' Remuneration: | | | |
| As Auditors: | | | |
| Audit fee | 0.65 | 0.03 | 0.03 |
| Freight and Forwarding (Net) | 57.83 | 41.93 | 23.82 |
| Bank Charges | 4.68 | 1.99 | 2.30 |
| Miscellaneous Expenses | 13.05 | 12.34 | 5.55 |
| **Total** | **1,135.35** | **663.16** | **462.34** |

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Note 27

A. Capital Management

For the purpose of Group's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Holding Company. The primary objective of the Group's Capital Management is to maximise the Share Holder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(Rupees in Million)

| Particulars | 31st March 2023 | 1st March 2022 | 31st March 2021 |
|---|---|---|---|
| Interest bearing Loans and Borrowings | 1,252.18 | 695.45 | 779.34 |
| Less: Cash and Short Term Deposits | 16.69 | 18.09 | 20.03 |
| Net Debt | 1,235.49 | 677.36 | 759.31 |
| Equity | 52.29 | 80.42 | 75.12 |
| Other Equity | 1,541.90 | 546.94 | 444.70 |
| Total Capital | 1,594.20 | 627.36 | 519.82 |
| Capital and Net Debt | 2,829.69 | 1,304.72 | 1,279.13 |
| Gearing Ratio % | 43.66% | 51.92% | 59.36% |

B. Financial Risk Management

The Group is exposed to market risk, credit risk and liquidity risk. The Group's board of director oversees the management of these risks. The Group's board of director is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are

i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk financial instruments affected by market risk include trade receivables, trade payables and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Interest Rate Risks

The Company borrows funds in Indian Rupees to meet both the long term and short term funding requirements. Interest rate is fixed for the tenure of the Long term loans availed by the Company. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2023, 31st March, 2022, 31st March, 2021 would have been decreased/increased by

| Particulars | | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---|---|---|---|---|
| Term Loans | Rs. Million | 738.49 | 432.70 | 457.35 |
| Sensitivity (+/- 1%) | Rs. Million | 7.38 | 4.33 | 4.57 |

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures :

| Particulars | Currency | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|---|
| | | Amount in Foreign Currency - In Million | Amount- In ₹ Million | Amount in Foreign Currency - In Million | Amount- In ₹ Million | Amount in Foreign Currency - In Million | Amount- In ₹ Million |
| Financial Assets | USD | 0.43 | 35.60 | 0.34 | 25.63 | 0.29 | 21.55 |
| Net exposure | USD | 0.43 | 35.60 | 0.34 | 25.63 | 0.29 | 21.55 |

The company is mainly exposed to changes in US Dollar

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

The sensitivity to a 0.25% to 1% increase or decrease in US Dollar against INR with all other variables held constant will be as follows;

| Particulars | Currency | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|
| Sensitivity (+/- 1%) | USD | 0.36 | 0.26 | 0.22 |

ii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis

Cash and cash equivalents and deposits with bank

Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

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Note 27

**Trade Receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions.

Based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Statement of Profit and Loss within other expenses.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. The Group assesses and manages credit risk based on the Group's credit policy. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information

The ageing analysis of trade receivables is disclosed in Note 7

**Security Deposits**

Group has given security deposit to state government companies for electricity supply . Being government companies, the Group does not have exposure to any credit risk.

iii) **Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Groups financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The group has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

**Exposure to liquidity risk:**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

| Particulars | As at 31st March 2023 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-3 years | 3-5 years | More Than 5 years |
| Borrowings | 716.56 | 274.52 | 131.10 | 130.00 |
| Trade Payable | 188.72 | 0.17 | 2.19 | - |
| Other Financial Liabilities | 37.97 | - | - | - |

| Particulars | As at 31st March 2022 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-3 years | 3-5 years | More Than 5 years |
| Borrowings | 432.55 | 190.76 | 67.94 | 4.21 |
| Trade Payable | 422.94 | 19.84 | 1.68 | - |
| Other Financial Liabilities | 18.77 | - | - | - |

| Particulars | As at 31st March 2021 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-3 years | 3-5 years | More Than 5 years |
| Borrowings | 356.61 | 356.94 | 58.15 | 7.66 |
| Trade Payable | 427.77 | 34.11 | - | - |
| Other Financial Liabilities | 18.97 | - | - | - |

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**Note 28 (a)- Explanation of transition to Ind AS**

The Standalone Financial Statement for the years ended 31 March 2023, 2022 and 2021 are the Standalone Financial Statement prepared by the Company in accordance with Ind AS. For the periods upto and including the year ended 31 March 2023, 31 March 2022, and 31 March 2021, the Company prepared its Standalone Financial Statement in accordance with the Generally Accepted Accounting Principles in India (previous GAAP). Reconciliation and description of the effect of transition from previous IGAAP to Ind AS are provided below:
Accordingly, the Company has prepared Standalone Financial Statement which comply with Ind AS applicable for the year ended 31 March 2023, together with the comparative year data as at and for the years ended 31 March 2022 and 31 March 2021, as described in the summary of significant accounting policies.

**A. Optional Exemptions availed**
**i) Deemed Cost - Previous GAAP carrying amount**
The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2020 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

**B. Applicable Mandatory Exceptions**
**i) Estimates**
Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error

**ii) Derecognition of financial assets and financial liabilities**
The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2020 (the transition date).

**iii) Classification and measurement of financial instrument**
As required under Ind AS 101 the company has assessed the classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**iv) Impairment of financial assets**
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**C. Transition to Ind AS - Reconciliations**
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliations from IGAAP to Ind AS
**i. Reconciliation of balance sheet as at 31 March, 2023, 31 March, 2022, 31 March, 2021 and April 01, 2020**
**ii. Reconciliation of Total Comprehensive Income for the year ended March 31, 2023, March 31, 2022, March 31, 2021**
On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows

The presentation requirments under previous GAAP differs from Ind AS and hence previous GAAP infromation has been regrouped for ease of reconciliation with Ind AS.The regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

**Note 28 C (i) - Reconciliation of Equity as at 1 April 2020**

| Particulars | Previous GAAP * | Reclassificatioin | Ind AS | Adjustments | Ind AS |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 763.35 | (10.12) | 753.23 | - | 753.23 |
| Right of use assets | - | 10.13 | 10.13 | - | 10.13 |
| - Investments | 80.29 | - | 80.29 | - | 80.29 |
| - Other financial assets | 30.45 | 0.00 | 30.45 | - | 30.45 |
| Other non-current assets | - | 1.09 | 1.09 | - | 1.09 |
| Current Assets | | | | | |
| Inventories | 302.69 | 0.00 | 302.69 | - | 302.69 |
| Financial Assets; | | | | | |
| - Trade Receivables | 210.12 | (0.00) | 210.12 | - | 210.12 |
| - Cash and cash Equivalents | 15.36 | (0.00) | 15.36 | - | 15.36 |
| - Bank balances other than cash and cash equivalents | - | 3.52 | 3.52 | - | 3.52 |
| - Loans | - | 0.48 | 0.48 | - | 0.48 |
| - Others financial assets | 137.00 | (134.35) | 2.65 | - | 2.65 |
| Current Tax Assets (Net) | - | 0.34 | 0.34 | - | 0.34 |
| Other current assets | 64.36 | 76.47 | 140.83 | - | 140.83 |
| TOTAL ASSETS | 1,603.62 | (52.44) | 1,551.18 | - | 1,551.18 |
| Equity | | | | | |
| Equity Share Capital | 75.12 | 0.00 | 75.12 | - | 75.12 |
| Other Equity | 435.11 | - | 435.11 | - | 435.11 |
| Total Equity | 510.23 | 0.00 | 510.23 | - | 510.23 |
| LIABILITIES | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 362.44 | 0.00 | 362.44 | - | 362.44 |
| Deferred Tax Liabilities (Net) | 82.03 | -52.45 | 29.58 | - | 29.58 |
| Other non-current liabilities | 98.14 | -98.14 | - | - | - |
| Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 267.80 | 75.06 | 342.86 | | 342.86 |
| - Trade Payables | | | | | |
| (A) total oustanding dues of micro & small enterprises | - | - | - | - | |
| (B) total outstanding dues otherthan micro & small enterprises | 84.57 | 174.61 | 259.18 | - | 259.18 |
| - Other Financial Liabilities | - | 5.18 | 5.18 | - | 5.18 |
| Other Current Liabilities | 186.89 | -156.71 | 30.18 | - | 30.18 |
| Provisions | 11.53 | 0.00 | 11.53 | - | 11.53 |
| Total Liabilities | 1,093.40 | -52.45 | 1,040.95 | - | 1,040.95 |
| TOTAL EQUITY AND LIABILITIES | 1,603.63 | -52.45 | 1,551.18 | - | 1,551.18 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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Note 28 C (i) - Reconciliation of Equity as at 31st March 2021

(Rupees in Million)

| Particulars | Previous GAAP * | Reclassification | Ind AS | Adjustments | Ind AS |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 733.84 | (21.71) | 712.13 | - | 712.13 |
| Right of use assets | - | 21.71 | 21.71 | - | 21.71 |
| Financial Assets; | | | | | |
| - Investments | 80.29 | - | 80.29 | - | 80.29 |
| - Other financial assets | - | 34.02 | 34.02 | - | 34.02 |
| Other non-current assets | 34.02 | (31.66) | 2.36 | - | 2.36 |
| | 848.15 | 2.36 | 850.51 | - | 850.51 |
| Current Assets | | | - | | |
| Inventories | 329.39 | - | 329.39 | - | 329.39 |
| Financial Assets; | | | | | |
| - Trade Receivables | 497.01 | - | 497.01 | - | 497.01 |
| - Cash and cash Equivalents | 16.51 | - | 16.51 | - | 16.51 |
| - Bank balances other than cash and cash equivalents | - | 3.52 | 3.52 | - | 3.52 |
| - Loans | 151.12 | (149.83) | 1.29 | - | 1.29 |
| - Others financial assets | - | 17.25 | 17.25 | - | 17.25 |
| Current Tax Assets (Net) | - | 3.34 | 3.34 | - | 3.34 |
| Other current assets | 78.46 | 71.49 | 149.95 | - | 149.95 |
| | 1,072.49 | (54.23) | 1,018.26 | - | 1,018.26 |
| Total assets | 1,920.64 | (51.87) | 1,868.76 | - | 1,868.76 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | 75.12 | - | 75.12 | - | 75.12 |
| Other equity | 444.70 | - | 444.70 | - | 444.70 |
| Equity attributable to owners | 519.82 | - | 519.82 | - | 519.82 |
| Non Controlling Interest | - | - | - | - | - |
| Total equity | 519.82 | - | 519.82 | - | 519.82 |
| LIABILITIES | | | | | - |
| Non-current liabilities | | | | | - |
| Financial Liabilities | | | | | |
| - Borrowings | 446.74 | - | 446.74 | - | 446.74 |
| Deferred Tax Liabilities (Net) | 88.31 | (52.67) | 35.64 | - | 35.64 |
| Other non-current liabilities | 89.47 | (89.47) | - | - | - |
| | 624.52 | (142.14) | 482.38 | - | 482.38 |
| Current Liabilities | | | | | - |
| Financial Liabilities | | | | | |
| - Borrowings | 244.12 | 88.49 | 332.61 | - | 332.61 |
| - Trade Payables | | | | | |
| (A) total oustanding dues of micro & small enterprises | - | 132.73 | 132.73 | - | 132.73 |
| (B) total outstanding dues otherthan micro & small enterprises | 151.03 | 178.12 | 329.15 | - | 329.15 |
| - Other Financial Liabilities | - | 18.97 | 18.97 | - | 18.97 |
| Other Current Liabilities | 381.16 | (328.05) | 53.11 | - | 53.11 |
| Total current liabilities | 776.31 | 90.27 | 866.57 | - | 866.57 |
| Total liabilities | 1,400.83 | (51.87) | 1,348.95 | - | 1,348.95 |
| Total equity and liabilities | 1,920.65 | (51.87) | 1,868.76 | - | 1,868.76 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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Note 28 C (i) - Reconciliation of Equity as at 31st March 2022

(Rupees in Million)

| Particulars | Previous GAAP * | Reclassification | Ind AS | Adjustments | Ind AS |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 727.02 | (21.53) | 705.49 | - | 705.49 |
| Right of use assets | - | 21.53 | 21.53 | - | 21.53 |
| Financial Assets; | | | | | |
| - Investments | 80.29 | - | 80.29 | - | 80.29 |
| - Other financial assets | - | 33.97 | 33.97 | - | 33.97 |
| Other non-current assets | 33.97 | (32.95) | 1.02 | - | 1.02 |
| | 841.28 | 1.02 | 842.30 | - | 842.30 |
| Current Assets | | | | | |
| Inventories | 466.77 | - | 466.77 | - | 466.77 |
| Financial Assets; | | | | | |
| - Trade Receivables | 433.24 | - | 433.24 | - | 433.24 |
| - Cash and cash Equivalents | 14.57 | - | 14.57 | - | 14.57 |
| - Bank balances other than cash and cash equivalents | - | 3.52 | 3.52 | - | 3.52 |
| - Loans | 109.94 | (109.94) | - | - | - |
| - Others financial assets | - | 12.60 | 12.60 | - | 12.60 |
| Current Tax Assets (Net) | - | 4.30 | 4.30 | - | 4.30 |
| Other current assets | 73.48 | 31.38 | 104.87 | - | 104.87 |
| | 1,098.01 | (58.14) | 1,039.87 | - | 1,039.87 |
| Total assets | 1,939.29 | (57.11) | 1,882.17 | - | 1,882.17 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | 80.42 | - | 80.42 | - | 80.42 |
| Other equity | 546.95 | - | 546.94 | - | 546.94 |
| Equity attributable to owners | 627.37 | - | 627.35 | - | 627.35 |
| Non Controlling Interest | - | - | - | - | - |
| Total equity | 627.37 | - | 627.35 | - | 627.35 |
| LIABILITIES | | | | | - |
| Non-current liabilities | | | | | - |
| Financial Liabilities | | | | | |
| - Borrowings | 357.55 | - | 357.55 | - | 357.55 |
| - Lease liabilities | | | | | - |
| Provisions | 6.83 | - | 6.83 | - | 6.83 |
| Deferred Tax Liabilities (Net) | 79.45 | (47.49) | 31.96 | - | 31.96 |
| Other non-current liabilities | 45.49 | (45.49) | - | - | - |
| | 489.33 | (92.99) | 396.34 | - | 396.34 |
| Current Liabilities | | | | | - |
| Financial Liabilities | | | | | |
| - Borrowings | 337.90 | - | 337.90 | - | 337.90 |
| - Trade Payables | | | | | |
| (A) total oustanding dues of micro & small enterprises | - | 66.77 | 66.77 | - | 66.77 |
| (B) total outstanding dues otherthan micro & small enterprises | 118.96 | 258.73 | 377.69 | - | 377.69 |
| - Other Financial Liabilities | - | 18.76 | 18.76 | - | 18.76 |
| Other Current Liabilities | 365.50 | (308.38) | 57.12 | - | 57.12 |
| Provisions | 0.23 | - | 0.23 | - | 0.23 |
| Current Tax Liabilities (Net) | - | - | - | - | - |
| Total current liabilities | 822.58 | 35.87 | 858.47 | - | 858.47 |
| Total liabilities | 1,311.91 | (57.13) | 1,254.81 | - | 1,254.81 |
| Total equity and liabilities | 1,939.29 | (57.13) | 1,882.15 | - | 1,882.15 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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Note 28 C (i) - Reconciliation of Equity as at 31st March 2023

(Rupees in Million)

| Particulars | Previous GAAP * | Reclassification | Ind AS | Adjustments | Ind AS |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, Plant and Equipment | 1,546.97 | (36.86) | 1,510.11 | - | 1,510.11 |
| Right of use assets | - | 36.88 | 36.88 | - | 36.88 |
| **Financial Assets;** | | - | - | | |
| - Investments | - | - | - | - | - |
| - Other financial assets | 15.52 | 79.03 | 94.55 | - | 94.55 |
| Other non-current assets | 76.31 | (73.34) | 2.96 | - | 2.96 |
| | 1,638.80 | 5.71 | 1,644.50 | - | 1,644.50 |
| **Current Assets** | | | | | |
| Inventories | 771.46 | - | 771.46 | - | 771.46 |
| Financial Assets; | | | | | |
| - Trade Receivables | 631.10 | (0.01) | 631.09 | - | 631.09 |
| - Cash and cash Equivalents | 16.60 | - | 16.60 | - | 16.60 |
| - Bank balances other than cash and cash equivalents | - | 0.10 | 0.10 | - | 0.10 |
| - Loans | 274.22 | (274.22) | - | - | - |
| - Others financial assets | - | 6.00 | 6.00 | - | 6.00 |
| Other current assets | 24.56 | 262.43 | 286.99 | - | 286.99 |
| | 1,717.94 | (5.71) | 1,712.24 | - | 1,712.24 |
| Total assets | 3,356.74 | (0.00) | 3,356.74 | - | 3,356.74 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | 80.42 | (28.13) | 52.29 | - | 52.29 |
| Other equity | 1,513.78 | 28.13 | 1,541.90 | - | 1,541.90 |
| **Equity attributable to owners** | 1,594.20 | - | 1,594.20 | | 1,594.20 |
| Non Controlling Interest | - | - | - | - | - |
| **Total equity** | 1,594.20 | - | 1,594.20 | - | 1,594.20 |
| **LIABILITIES** | | | | | - |
| **Non-current liabilities** | | | | | - |
| Financial Liabilities | | | | | |
| - Borrowings | 536.20 | - | 536.20 | - | 536.20 |
| Provisions | 26.72 | - | 26.72 | - | 26.72 |
| Deferred Tax Liabilities (Net) | 150.89 | - | 150.89 | - | 150.89 |
| Other non-current liabilities | 9.13 | (9.13) | - | - | - |
| | 722.95 | (9.13) | - | - | 713.81 |
| **Current Liabilities** | | | | | - |
| Financial Liabilities | | | | | |
| - Borrowings | 715.98 | - | 715.98 | - | 715.98 |
| - Trade Payables | | | | | |
| (A) total oustanding dues of micro & small enterprises | 44.98 | - | 44.98 | - | 44.98 |
| (B) total outstanding dues otherthan micro & small enterprises | 146.09 | - | 146.10 | - | 146.10 |
| - Other Financial Liabilities | - | 37.97 | 37.97 | - | 37.97 |
| Other Current Liabilities | 125.87 | (28.85) | 97.03 | - | 97.03 |
| Provisions | 6.68 | (5.38) | 1.30 | - | 1.30 |
| Current Tax Liabilities (Net) | - | 5.38 | 5.38 | - | 5.38 |
| **Total current liabilities** | 1,039.60 | 9.12 | 1,048.74 | - | 1,048.74 |
| **Total liabilities** | 1,762.55 | (0.01) | 1,762.55 | - | 1,762.55 |
| **Total equity and liabilities** | 3,356.74 | (0.01) | 3,356.75 | - | 3,356.75 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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RAIPUR 492 001 (C.G.)
CHARTERED ACCOUNTANTS

SHIVALIK ENGINEERING INDUSTRIES LIMITED

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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

**Note 28C (ii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2021** (Rupees in Million)

| Particulars | Foot Note | Previous GAAP * | Reclassification | Ind AS Adjustments | Adjustments | Ind AS |
|---|---|---|---|---|---|---|
| INCOME | | | | | | |
| Revenue from Operations | i | 1,886.42 | 0.06 | 1,886.48 | - | 1,886.48 |
| Other Income | | 3.51 | (1.05) | 2.46 | - | 2.46 |
| TOTAL INCOME | | 1,889.93 | (0.99) | 1,888.94 | - | 1,888.94 |
| EXPENSES | | | | | | |
| Cost of materials consumed | ii | 1,465.60 | (273.55) | 1,192.05 | - | 1,192.05 |
| Employee Benefits expense | | 91.26 | - | 91.26 | - | 91.26 |
| Finance Costs | ii | 87.82 | (2.31) | 85.51 | - | 85.51 |
| Depreciation and Amortisation expense | | 66.33 | - | 66.32 | - | 66.32 |
| Other Expenses | i&ii | 187.46 | 274.87 | 462.34 | - | 462.34 |
| TOTAL EXPENSES | | 1,870.50 | (0.99) | 1,869.51 | - | 1,869.51 |
| PROFIT BEFORE TAX | | 19.43 | (0.00) | 19.43 | - | 19.43 |
| TAX EXPENSE | | | | | | |
| (1) Current Tax | | 3.78 | - | 3.78 | - | 3.78 |
| (2) Deferred Tax | | 6.27 | - | 6.27 | - | 6.27 |
| (3) MAT Credit Utilised | | 0.06 | (0.06) | - | - | - |
| (4) Earlier Years adjustments | | (0.27) | 0.06 | (0.21) | - | (0.21) |
| TOTAL TAX EXPENSE | | 9.84 | - | 9.84 | - | 9.84 |
| PROFIT FOR THE YEAR | | 9.59 | (0.00) | 9.59 | - | 9.59 |
| ADD: SHARE OF PROFIT IN ASSOCIATE | | - | - | - | - | - |
| PROFIT FOR THE YEAR | | 9.59 | (0.00) | 9.59 | - | 9.59 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that will not be reclassified to Profit or Loss | | | | | | |
| Remeasurements of Defined benefit plans | | - | - | - | - | - |
| Income Tax relating to items that will not be reclassified to Profit or Loss | | - | - | - | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | - | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 9.59 | (0.00) | 9.59 | - | 9.59 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Notes:

**i. Revenue Recognition - Ind AS 115**

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from operations is to be recognised net of variable considerations.

**ii. Other Expenses/Income**

Other expenses viz Stores Consumption and bank charges have reclassified to Other expenses. Export Incentives have been reclassified to Revenue from operations

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SHIVALIK ENGINEERING INDUSTRIES LIMITED
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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

Note 28 C (ii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2022 (Rupees in Million)

| Particulars | Foot Note | Previous GAAP * | Reclassification | Ind AS Adjustments | Adjustments | Ind AS |
|---|---|---|---|---|---|---|
| INCOME | | | | | | |
| Revenue from Operations | i | 3,133.02 | (2.97) | 3,130.05 | - | 3,130.05 |
| Other Income | ii | 3.08 | (0.50) | 2.58 | - | 2.58 |
| TOTAL INCOME | | 3,136.10 | (3.47) | 3,132.63 | - | 3,132.63 |
| EXPENSES | | | | | | |
| Cost of materials consumed | ii | 2,290.98 | (20.00) | 2,270.98 | - | 2,270.98 |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | | (138.69) | 0.00 | (138.69) | - | (138.69) |
| Employee Benefits expense | iii | 133.90 | 0.89 | 134.79 | - | 134.79 |
| Finance Costs | ii | 99.95 | (2.51) | 97.44 | - | 97.44 |
| Depreciation and Amortisation expense | | 68.67 | - | 68.67 | - | 68.67 |
| Other Expenses | i&ii | 644.11 | 19.05 | 663.16 | - | 663.16 |
| TOTAL EXPENSES | | 3,098.92 | (2.57) | 3,096.35 | - | 3,096.35 |
| PROFIT BEFORE TAX | | 37.18 | (0.90) | 36.28 | - | 36.28 |
| TAX EXPENSE | | | | | | |
| (1) Current Tax | | 6.21 | - | 6.21 | - | 6.21 |
| (2) Deferred Tax | iii | (8.86) | (0.26) | (9.12) | - | (9.12) |
| (3) MAT Credit Utilised | | 0.01 | (0.01) | - | - | - |
| (4) Earlier Years adjustments | | 5.18 | 0.01 | 5.18 | - | 5.18 |
| TOTAL TAX EXPENSE | | 2.53 | (0.26) | 2.27 | - | 2.27 |
| PROFIT FOR THE YEAR | | 34.65 | (0.64) | 34.01 | - | 34.01 |
| ADD: SHARE OF PROFIT IN ASSOCIATE | | - | - | - | - | - |
| PROFIT FOR THE YEAR | | 34.65 | (0.64) | 34.01 | | 34.01 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that will not be reclassified to Profit or Loss | | | | | | |
| Remeasurements of Defined benefit plans | iii | - | 0.88 | 0.88 | - | 0.88 |
| Income Tax relating to items that will not be reclassified to Profit or Loss | iii | - | (0.26) | (0.26) | - | (0.26) |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | - | 0.63 | 0.62 | - | 0.62 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 34.65 | (0.02) | 34.63 | - | 34.63 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Notes:

**i. Revenue Recognition - Ind AS 115**

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from oeprations is to be recognised net of variable considerations.

**ii. Other Expenses/Income**

Other expenses viz Stores Consumption and bank charges have reclassified to Other expenses. Export Incentives have been reclassified to Revenue from operations

**iii. Defined Benefit Obligation:**

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 0.88 Million and deferred tax thereon of Rs. 0.26 Million for 2021-22 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

Note 28 C (ii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023 (Rupees in Million)

| Particulars | Foot Note | Previous GAAP * | Reclassification | Ind AS Adjustments | Adjustments | Ind AS |
|---|---|---|---|---|---|---|
| INCOME | | | | | | |
| Revenue from Operations | i | 5,507.08 | - | 5,507.08 | - | 5,507.08 |
| Other Income | ii | 16.35 | - | 16.35 | - | 16.35 |
| TOTAL INCOME | | 5,523.43 | - | 5,523.43 | - | 5,523.43 |
| EXPENSES | | | | | | |
| Cost of materials consumed | ii | 3,525.41 | (0.01) | 3,525.40 | - | 3,525.40 |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | | 51.26 | (0.00) | 51.26 | - | 51.26 |
| Employee Benefits expense | iii | 229.65 | (1.13) | 228.52 | - | 228.52 |
| Finance Costs | ii | 104.19 | (0.01) | 104.18 | - | 104.18 |
| Depreciation and Amortisation expense | | 88.63 | - | 88.63 | - | 88.63 |
| Other Expenses | i&ii | 1,135.68 | (0.33) | 1,135.35 | - | 1,135.35 |
| TOTAL EXPENSES | | 5,134.82 | (1.48) | 5,133.34 | - | 5,133.34 |
| PROFIT BEFORE TAX | | 388.61 | 1.48 | 390.09 | - | 390.09 |
| TAX EXPENSE | | | | | | |
| (1) Current Tax | | 71.12 | 47.48 | 118.60 | - | 118.60 |
| (2) Deferred Tax | iii | 10.23 | 0.43 | 10.66 | - | 10.66 |
| (3) MAT Credit Utilised | | 0.30 | (0.30) | - | - | - |
| (4) Earlier Years adjustments | | 47.49 | (47.19) | 0.30 | - | 0.30 |
| TOTAL TAX EXPENSE | | 129.14 | 0.42 | 129.56 | - | 129.56 |
| PROFIT FOR THE YEAR | | 259.47 | 1.06 | 260.53 | - | 260.53 |
| ADD: SHARE OF PROFIT IN ASSOCIATE | | - | - | - | - | - |
| PROFIT FOR THE YEAR | | 259.47 | 1.06 | 260.53 | | 260.53 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that will not be reclassified to Profit or Loss | | | | | | |
| Remeasurements of Defined benefit plans | iii | - | (1.49) | (1.49) | - | (1.49) |
| Income Tax relating to items that will not be reclassified to Profit or Loss | iii | - | 0.43 | 0.43 | - | 0.43 |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | - | (1.06) | (1.06) | - | (1.06) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 259.47 | 0.00 | 259.47 | - | 259.47 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Notes:

**i. Revenue Recognition - Ind AS 115**

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from oeprations is to be recognised net of variable considerations.

**ii. Other Expenses/Income**

Other expenses viz Stores Consumption and bank charges have reclassified to Other expenses. Export Incentives have been reclassified to Revenue from operations

**iii. Defined Benefit Obligation:**

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 1.49 Million and deferred tax thereon of Rs. 0.43 Million for 2022-23 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

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Note 29
Fair Values and Hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

Financial assets and liabilities measured at amortised cost (Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| | | Carrying Value | |
| Financial Assets - Non current | | | |
| Loans | - | - | 1.29 |
| Security Deposits | 76.30 | 33.97 | 34.02 |
| Bank deposits | 18.25 | - | - |
| Other Assets | - | - | - |
| Total Financial Assets | 94.55 | 33.97 | 35.31 |
| Financial Liabilities - Non current | | | |
| Borrowings | 536.20 | 357.55 | 446.74 |
| Total Financial Liabitlites | 536.20 | 357.55 | 446.74 |

The management assessed that fair value of trade receivables, cash and cash equivalents, security deposits, recoverable from customers, other short-term financial assets, short term borrowings, trade payables and other short-term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

*The following methods and assumptions were used to estimate the fair values:
a. Term deposits- The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.

b. Non-current borrowings - The fair value of non-current borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value

c. Others- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT

Note 30
Income and deferred taxes

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(Rupees in Million)

| Particulars | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| **Accounting Profit before Income Tax** | **390.09** | **36.28** | **19.43** |
| At India's statutory income tax rate of | **29.12%** | **29.12%** | **16.69%** |
| Income Tax at Statutory Rate | 113.60 | 10.56 | 3.24 |
| Additional deduction on Expenses | (18.13) | (1.54) | - |
| Effect of exempt / Lower Tax non-operating income | (1.31) | (5.18) | - |
| Effect of non-deductible expenses | 24.45 | 2.36 | 0.54 |
| Total | **118.60** | **6.20** | **3.78** |

(b) Movement in deferred tax assets / liabilities

(Rupees in Million)

| Particulars | Opening Balance | Addition on Business Combination | Recognised in P&L | Recognised in OCI | Closing Balance |
|---|---|---|---|---|---|
| **Year Ended31 March 2023** | | | | | |
| Deferred Tax Liabilities; | | | | | |
| - Arising on account of difference in carrying amount and tax base of PPE and Intangibles | 81.23 | 61.99 | 17.31 | | 160.53 |
| Deferred Tax Asset: | | | | | |
| - Accrued Expenses allowable on Actual Payments | (1.78) | (1.64) | (6.65) | 0.43 | (9.64) |
| | **79.45** | **60.35** | **10.66** | **0.43** | **150.89** |
| **Year Ended31 March 2022** | | | | | |
| Deferred Tax Liabilities; | | | | | |
| - Arising on account of difference in carrying amount and tax base of PPE and Intangibles | 88.31 | | (7.08) | | 81.23 |
| Deferred Tax Asset: | | | | | |
| - Accrued Expenses allowable on Actual Payments | - | | (2.04) | 0.26 | (1.78) |
| | **88.31** | | **(9.12)** | **0.26** | 79.45 |
| **Year Ended31 March 2021** | | | | | |
| Deferred Tax Liabilities (Net); | | | | | |
| - Arising on account of difference in carrying amount and tax base of PPE and Intangibles | 82.03 | | 6.27 | | 88.31 |

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Note 31
**Additional / Explanatory Information**

a) Earnings Per Share

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|---|
| Profit after taxation | 260.53 | 34.01 | 9.59 |
| Weighted Average Number of equity shares (Face Value Rs. 10/-)* | 88,53,779 | 76,83,166 | 75,11,910 |
| Basic Earnings per share | **29.43** | **4.43** | 1.28 |
| Diluted Number of shares outstanding | **88,53,779** | **76,83,166** | 75,11,910 |
| Diluted earnings per share | **29.43** | **4.43** | 1.28 |

* *The Board, in its meeting held on June 4, 2024, approved the sub-division of one equity share of Rs. 10 each into two equity shares of Rs. 5 each. This decision was subsequently approved by the shareholders at the Extraordinary General Meeting held on June 5, 2024. Accordingly, the authorised share capital of the company was sub-divided from 2,86,38,500 equity shares of Rs. 10 each into 5,72,77,000 equity shares of Rs. 5 each. Additionally, the issued, subscribed, and paid-up capital of the company was sub-divided from 1,23,62,208 equity shares with a face value of Rs. 10 each into 2,47,24,416 equity shares with a face value of Rs. 5 each.*

Weighted average number of Equity Shares

| Particulars | For the year ended 31-March-2023 | For the year ended 31-March-2022 | For the year ended 31-March-2021 |
|---|---|---|---|
| Number of shares outstanding as at beginning of the year | 75,11,910 | 75,11,910 | 75,11,910 |
| Issue of Partly Paid shares ** | - | 1,71,256 | - |
| Add: Shares to be issued pursuant to the Composite Scheme * | 19,79,727 | - | - |
| Forfeiture of Partly paid shares ** | 1,29,294 | - | - |
| Cancellation of Shares pursuant to the Composite Scheme * | (7,67,152) | - | - |
| Number of shares considered as weighted average shares for basic and diluted | **88,53,779** | **76,83,166** | **75,11,910** |

* Calculated based on the period of holding for the shares issued and cancelled pursuant to the Composite Scheme.
** Calculated based on partly paid up value and period of holding.

b) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):
The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors :

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Principal amounts remaining unpaid to suppliers as at the end of the accounting year | 44.98 | 66.77 | 132.73 |

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued and paid and cumulative interest are not derived, hence not available.

c) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013:

(Rupees in Million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Gross amount required to be spent by the Company | 0.54 | 1.59 | 2.13 |
| Amount spent by the Company during the period/ year on purpose other than construction/ acquisition of assets | 2.50 | 1.59 | 2.13 |
| Shortfall at the end of the period | (1.96) | - | - |
| Total of previous year short fall | 0.03 | 0.03 | 0.03 |
| Reason for shortfall | Pertains to ongoing Projects | | |
| Nature of CSR Activities | Donation to charitable & educational institutions | | |

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Note 31

Additional / Explanatory Information

d) Disclosures under Ind AS 108 - ""Operating Segment"

(i)Entity wide disclosure required by Ind AS 108 are as detailed below:

(Rupees in Million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|---|
| Sale of products | 5,504.73 | 3,117.97 | 1,749.62 |
| Sale of Services | - | 11.58 | 135.82 |

(ii) Geographic information

The table below presents disaggregated revenues from operations with customers and non current assets by geography:

(Rupees in Million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|---|
| **Revenue from Operations** | | | |
| Country of Domicile | 5,377.58 | 2,998.75 | 1,835.05 |
| Foreign Countries | 127.15 | 130.80 | 50.39 |
| Non current Assets | | | |
| Located at Country of Domicile | 1,549.95 | 728.05 | 736.20 |
| Located at Foreign Countries | - | - | - |

(iii) There was two customers which represents 10% or more of the Company's total revenue amounting to Rs. 2,551.14 Million (46.34%) for the period ended 31 March 2023.

There were three customers which represents 10% or more of the Company's total revenue amounting to Rs. 1,855.23 Million (59.28%) for the period ended 31 March 2022.

There were four customers which represents 10% or more of the Company's total revenue amounting to Rs. 1,245.88 Million (66.08%) for the period ended 31 March 2021.

Note

The Company is predominantly a supplier of precision engineering components for commercial vehicles, tractors and off-highway vehicles, pipe fittings and rail components. These in the context of Ind AS 108 " Operating Segment" is considered to constitute one single primary segment.

In view of the above, primary and secondary reporting disclosures for business segment are not applicable.

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Note 31
**Additional / Explanatory Information**
e) Ratio

| Particulars | Numerator | Denominator | As at and for the year ended 31 March 2023 | As at and for the year ended 31 March 2022 | Variance (in %) | Explanation for change of 25% or more |
|---|---|---|---|---|---|---|
| a) Current ratio | Current assets | Current liabilities | 1.63 | 1.21 | 34.78% | Impact of Business Combination |
| b) Debt equity ratio | Long Term Borrowings | shareholders' equity | 0.79 | 1.11 | -29.14% | Increase in other equity due to Business Combination w.e.f 1.1.23 |
| c) Debt service coverage ratio | Earnings available for debt service | Debt service = Interest + Principal repayments of Long Term Borrowings | 1.57 | 0.74 | 112.33% | Increase in profit due to Business Combination w.e.f 1.1.23 |
| d) Return on equity % | Net profits after taxes | Average shareholder's equity | 23.46% | 5.93% | 295.56% | Impact of Business Combination |
| e) Inventory Turnover Ratio | Sales | Average inventory | 8.90 | 7.86 | 13.13% | |
| f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 10.35 | 6.73 | 53.78% | Impact of Business Combination |
| g) Trade payables turnover ratio | Purchases | Average trade payables | 10.98 | 5.02 | 118.80% | Impact of Business Combination |
| h) Net capital turnover ratio | Revenue from operations | Working capital | 8.30 | 17.25 | -51.90% | Impact of Business Combination |
| i) Net profit % | Net Profit After Taxes | Revenue from operations | 4.73% | 1.09% | 335.37% | Increase in profit due to Business Combination w.e.f 1.1.23 |
| j) Return on capital employed % | Earnings before interest and taxes | Capital employed | 21.42% | 13.06% | 63.95% | Increase in profit due to Business Combination w.e.f 1.1.23 |

| Particulars | Numerator | Denominator | As at and for the year ended 31 March 2022 | As at and for the year ended 31 March 2021 | Variance (in %) | Explanation for change of 25% or more |
|---|---|---|---|---|---|---|
| a) Current ratio | Current assets | Current liabilities | 1.21 | 1.18 | 3.09% | |
| b) Debt equity ratio | Long Term Borrowings | shareholders' equity | 1.11 | 1.50 | -26.06% | Repayment of loan as well as increase in other equity due to increase in profit and issue of shares |
| c) Debt service coverage ratio | Earnings available for debt service | Debt service = Interest + Principal repayments of Long Term Borrowings | 0.74 | 1.23 | -39.93% | Increase in profit for the year |
| d) Return on equity % | Net profits after taxes | Average shareholder's equity | 5.93% | 1.85% | 221.35% | Increase in profit for the year |
| e) Inventory Turnover Ratio | Sales | Average inventory | 7.86 | 5.97 | 31.73% | Increase in sales for the year |
| f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 6.73 | 5.34 | 26.12% | Increase in sales for the year |
| g) Trade payables turnover ratio | Purchases | Average trade payables | 5.02 | 4.06 | 23.63% | |
| h) Net capital turnover ratio | Revenue from operations | Working capital | 17.25 | 12.44 | 38.74% | Increase in sales for the year |
| i) Net profit % | Net Profit After Taxes | Revenue from operations | 1.09% | 0.51% | 113.71% | Increase in profit for the year |
| j) Return on capital employed % | Earnings before interest and taxes | Capital employed | 13.06% | 10.47% | 24.75% | Increase in profit for the year |

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(Rupees in Million)

f) **Disclosures as per IND AS - 19 - Employee Benefits**
During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

| | Particulars | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|---|
| i) | Employer's contribution to Provident Fund and Family Pension Fund* | 18.65 | 16.72 | 3.53 |
| | *Included in " Contribution to Provident and other Funds" (Note 23). | | | |

iii) Defined benefit obligation:
a) Leave Encashment - Unfunded

b) The valuation results for the defined benefit gratuity plan are produced in the tables below:

**i) Changes in the Present Value of Obligation**

| Particulars | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| **Present Value of Obligation as at the beginning** | 18.04 | 5.86 | NA |
| Current Service Cost | 2.47 | 1.70 | 1.65 |
| Past Service Cost | | | 4.21 |
| Interest Expense or Cost | 0.63 | 0.40 | |
| **Re-measurement (or Actuarial) (gain) / loss arising from:** | 1.49 | | |
| - change in financial assumptions | | (0.48) | |
| - experience variance (i.e. Actual experience vs assumptions) | | (0.40) | |
| Benefits Paid | | | |
| **Present Value of Obligation as at the end** | **22.63** | **7.08** | **5.86** |

**ii) Expenses Recognised in the Income Statement**

| Particulars | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| Current Service Cost | 2.47 | 1.70 | 1.65 |
| Past Service Cost | | | 4.21 |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 0.63 | 0.40 | - |
| **Expenses Recognised in the Income Statement** | **3.10** | **2.10** | **5.86** |

**iii) Other Comprehensive Income**

| Particulars | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| Actuarial (gains) / losses | | | |
| - change in financial assumptions | 1.49 | (0.48) | - |
| - experience variance (i.e. Actual experience vs assumptions) | - | (0.40) | - |
| Return on Plan Assets excluding interest income | - | - | - |
| **Components of defined benefit costs recognised in other comprehensive income** | **1.49** | **(0.88)** | **-** |

**iv) Actuarial Assumptions**

**a. Financial Assumptions**
The principal financial assumptions used in the valuation are shown in the table below:

| Particulars | As on | | |
|---|---|---|---|
| | 31-Mar-23 | 31-Mar-22 | 31-Mar-21 |
| Discount rate (per annum) | 7.48% | 7.29% | 6.81% |
| Salary growth rate (per annum) | 10.00% | 10.00% | 10.00% |

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Note 31
**Additional / Explanatory Information**

(Rupees in Million)

f) **Disclosures as per IND AS - 19 - Employee Benefits**

**b. Demographic Assumptions**

| Particulars | As on 31-Mar-23 | 31-Mar-22 | 31-Mar-21 |
|---|---|---|---|
| Mortality Rate (% of IALM 12-14) | 100% IALM (2012-14) | 100% IALM (2012-14) | 100% IALM (2012-14) |
| Withdrawal rates, based on age: (per annum) | | | |
| Up to 40 years | 5.00% | 5.00% | 5.00% |

**v) Amount, Timing and Uncertainty of Future Cash Flows**

**a. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | As on 31 March 2023 | As on 31 March 2022 | As on 31 March 2021 |
|---|---|---|---|
| Defined Benefit Obligation (Base) | 22.63 | 7.07 | 5.85 |

| Particulars | 31-Mar-23 | | 31-Mar-22 | | 31-Mar-21 | |
|---|---|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 0.50%) | 1.34 | 1.47 | 0.46 | 0.50 | 0.41 | 0.46 |
| (% change compared to base due to sensitivity) | *-5.92%* | *6.50%* | *-6.51%* | *7.08%* | *-7.00%* | *7.86%* |
| Salary Growth Rate (- / + 1%) | 2.52 | 2.96 | 0.86 | 1.02 | 0.77 | 0.92 |
| (% change compared to base due to sensitivity) | *-11.14%* | *13.08%* | *-12.17%* | *14.44%* | *-13.15%* | *15.72%* |
| Withdrawal Rate (-/+ 5%) | 2.56 | 5.19 | 1.00 | 2.07 | 1.05 | 2.29 |
| (% change compared to base due to sensitivity) | *-11.31%* | *22.93%* | *-14.15%* | *29.30%* | *-17.94%* | *39.12%* |

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**b. Asset Liability Matching Strategies**

The scheme is unfunded

**c. Effect of Plan on Entity's Future Cash Flows**

| - Expected Contribution during the next annual reporting period | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| The Company's best estimate of Contribution during the next year (In Lacs) | 2.14 | 2.38 | 2.21 |
| **- Maturity Profile of Defined Benefit Obligation** | | | |
| Weighted average duration (based on discounted cash flows) | 15 Years | 15 Years | 15 Years |

| - Expected cash flows over the next (valued on undiscounted basis): | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|---|---|---|
| 1 year | 0.45 | 0.23 | 0.14 |
| 2 to 5 years | 5.97 | 1.18 | 0.82 |
| 6 to 10 years | 29.12 | 23.01 | 19.24 |

**vi) Other Long Term Employee Benefits;**

| Particulars | As on 31 March 2023 | As on 31 March 2022 | As on 31 March 2021 |
|---|---|---|---|
| Present value of obligation as at 31st March | | | |
| Leave Encashment | 5.39 | 0.00 | 0.00 |

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**g) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):**

(a) Names of related parties and nature of relationship where control exists are as under:

**Key Management Personnel:**

| Name | Designation |
|---|---|
| Giriraj Singhania | Managing Director |
| Raghvendra Singhania | Joint Managing Director |
| Vinay Agrawal | Whole-time Director |
| Rina Sharma | Director |
| Rajesh Tuteja | Director |
| Ajay Kumar Parasmal Pancholi | Director from 19th March 2024 |
| Vishal Sharma | Director upto 21st December 2023, retired thereafter |
| Mithlesh Kumar | Director upto 19th March 2024, retired thereafter |
| Sanjay Goenka | Director upto 19th March 2024, retired thereafter |
| Manoj Patni | Chief Financial Officer wef March 19, 2024 |
| Hardeep Choudhary | Company Secretary wef November 28, 2023 |

(b) Names of other related parties and nature of relationship:

**Other Related Party:**

| Name | Relationship |
|---|---|
| Erstwhile Shivalik Auto Engineering Pvt Ltd * | Associate Enterprise |
| Sharda Shree Agriculture (Partnership Firm) | Enterprise owned or significantly influenced by any key management personnel or their relatives |
| Sharda Shree Agriculture And Developers Pvt Ltd | Enterprise owned or significantly influenced by any key management personnel or their relatives |
| Shivalik Power & Steel Pvt Ltd* | Enterprise owned or significantly influenced by any key management personnel or their relatives |
| Shivalik Green Farms | Reporting Entity holds non-controlling ownership of 10% in the Enterprise |
| Shilpa Singhania | Relative of Key Management Personnel |
| Varsha Singhania | Relative of Key Management Personnel |

** The Board of Directors of the Company at their meeting held on 31st January, 2023 approved the Composite Scheme ("Composite Scheme") for the amalgamation of Shivalik Auto Engineering Private Limited ("SAEPL"), Neelkamal Vanijya Private Limited ("NVPL"), Adopt Commotrade Private Limited ("ACPL") and Goldmoon Vinimay Private Limited ("GVPL") (collectively referred to as the "Transferor Companies") with Shivalik Engineering Industries Limited ("SEIL" or "Transferee/Resulting Company") and demerger of the Castings Division undertaking of Shivalik Power and Steel Private Limited ("SPSPL" or "Demerged Company") and vesting of the same into SEIL and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws. An application was filed with the National Company Law Tribunal, Cuttack Bench (NCLT) on 18th March 2023. The Composite Scheme was sanctioned by the National Company Law Tribunal, Cuttack Bench, on 3rd November, 2023, and the order was filed with the Registrar of Companies on 30th November 2023. The effective date of the Composite Scheme was 1st January 2023.*

(c) Transactions with related parties

<u>Nature of Transactions</u>

(Rupees in Million)

| Particulars | 31st March 2023 | | 31st March 2022 | | 31st March 2021 | |
|---|---|---|---|---|---|---|
| | Transactions for the period | Closing Balance | Transactions for the period | Closing Balance | Transactions for the period | Closing Balance |
| **Revenue from Operations** | | | | | | |
| Erstwhile Shivalik Auto Engineering Pvt Ltd | 196.48 | - | 69.87 | - | 46.74 | - |
| Shivalik Power & Steel Pvt Ltd | 751.69 | - | 598.29 | - | 294.70 | - |
| **Job Work Income** | | | | | | |
| Erstwhile Shivalik Auto Engineering Pvt Ltd | 1.13 | - | - | - | - | - |
| **Purchases** | | | | | | |
| Erstwhile Shivalik Auto Engineering Pvt Ltd | 1,215.35 | - | 1,050.70 | (190.43) | 329.13 | (148.15) |
| Shivalik Power & Steel Pvt Ltd | 135.23 | - | 164.51 | (57.84) | 121.02 | (30.01) |
| **Commission Expense** | | | | | | |
| Sharda Shree Agriculture | 43.56 | 33.63 | 16.57 | 3.46 | 8.93 | 0.78 |
| **Job Work Expense** | | | | | | |
| Shivalik Power & Steel Pvt Ltd | 12.85 | - | - | - | 1.11 | - |
| **Rent Expense** | | | | | | |
| Giriraj Singhania | 1.32 | (0.09) | 1.20 | (0.37) | 1.08 | (0.63) |
| Raghvendra Singhania | 1.32 | (0.07) | 1.20 | (2.21) | 1.08 | (1.20) |
| Shilpa Singhania | 1.60 | 0.14 | 1.32 | (0.05) | 1.20 | (1.47) |
| Sharda Shree Agriculture And Developers Pvt Ltd | - | - | 1.29 | - | - | 1.29 |
| **Remuneration** | | | | | | |
| Giriraj Singhania | 26.30 | 3.19 | 4.42 | (0.69) | 0.50 | 2.11 |
| Vinay Agrawal | 6.90 | (0.09) | 6.60 | 1.77 | 5.40 | 0.83 |
| Raghvendra Singhania | 26.30 | 1.15 | 4.42 | 6.12 | 0.50 | 8.92 |
| Vishal Sharma | 0.68 | (0.32) | - | - | - | - |
| Loan To | | | | | | |
| Giriraj Singhania | | | | | | |
| Loan Taken | - | | - | | - | |
| Interest Expense on Loan | - | 1.50 | - | - | - | - |
| Loan Repayment | (0.32) | | - | | - | |
| Shilpa Singhania | | | | | | |
| Loan Taken | - | | 28.65 | | - | |
| Interest Expense on Loan | - | 0.14 | 1.35 | - | - | - |
| Loan Repayment | - | | (30.00) | | - | |

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Note 31

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(Rupees in Million)

| Particulars | 31st March 2023 | | 31st March 2022 | | 31st March 2021 | |
|---|---|---|---|---|---|---|
| | Transactions for the period | Closing Balance | Transactions for the period | Closing Balance | Transactions for the period | Closing Balance |
| Loan From | | | | | | |
| Raghvendra Singhania | | | | | | |
| Loan Taken | - | | - | | - | |
| Interest Expense on Loan | - | - | - | - | - | (13.70) |
| Loan Repayment | - | | (13.70) | | - | |
| Varsha Singhania | | | | | | |
| Loan Taken | - | | - | | - | |
| Interest Expense on Loan | - | - | - | - | - | (7.50) |
| Loan Repayment | - | | (7.50) | | - | |
| Vishal Sharma | - | | - | | - | |
| Loan Taken | - | (0.10) | - | - | - | - |
| Interest Expense on Loan | - | | - | | - | |
| Loan Repayment | | | | | | |

* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022 &31 March 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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**h) Business Combination**

The Board of Directors of the Company at their meeting held on 31st January, 2023 approved the Composite Scheme ("Composite Scheme") for the amalgamation of Shivalik Auto Engineering Private Limited ("SAEPL"), Neelkamal Vanijya Private Limited ("NVPL"), Adopt Commotrade Private Limited ("ACPL") and GoldmoonVinimay Private Limited ("GVPL") (collectively referred to as the "Transferor Companies") with Shivalik Engineering Industries Limited ("SEIL" or "Transferee/Resulting Company") and demerger of the Castings Division undertaking of Shivalik Power and Steel Private Limited ("SPSPL" or "Demerged Company") and vesting of the same into SEIL and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws. An application has been filed with the National Company Law Tribunal, Cuttack Bench (NCLT) on 18th March 2023.

The Composite Scheme was sanctioned by the National Company Law Tribunal, Cuttack Bench, on 3rd November, 2023, and the order was filed with the Registrar of Companies on 30th November 2023. The effective date of the Composite Scheme was 1st January 2023.

The financial statements for the year ended 31st March 2023 have been prepared in accordance with the Composite Scheme and reflect the amalgamation and demerger as if they occurred on the appointed date of 1st January 2023.

In compliance to the requirements of Appendix C of the Ind AS 103, Since Transferor and Transfree Companies are under the common control of the shareholders, the Composite Scheme has been accounted for in the books of the Company using Pooling of Interest method and all assets, liabilities and reserves of the Transferor Company and the Demerged Company has been transferred to the Company at their respective carrying value from the appointed date ["Business combinations of entities under common control"].

The details of the business combinations, the carrying value of the assets, liabilities and reserves acquired and harmonized as per the revised accounting policies, and the resultant capital reserve are given below.

| Nature of business combination | Transferee | Transferor | Date |
|---|---|---|---|
| Demerger | Shivalik Engineering Industries Private Limited | Shivalik Power & Steel Private Limited | 1st Jan 2023 |
| Acquisition of associate and other companies through inter-se transfer | Shivalik Engineering Industries Private Limited | Shivalik Auto Engineering Private Limited | 1st Jan 2023 |
| | Shivalik Engineering Industries Private Limited | Neelkamal Vanijya Private Limited | 1st Jan 2023 |
| | Shivalik Engineering Industries Private Limited | Goldmoon Vinimay Private Limited | 1st Jan 2023 |
| | Shivalik Engineering Industries Private Limited | Adopt Commotrade Private Limited | 1st Jan 2023 |

Identifiable assets acquired and liabilities assumed and capital reserve arising on demerger and acquisition of subsidiary

| Particulars | Shivalik Auto Engineering Private Limited | Shivalik Power & Steel Private Limited | Neelkamal Vanijya Private Limited | Goldmoon Vinimay Private Limited | Adopt Commotrade Private Limited |
|---|---|---|---|---|---|
| Assets | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 601.09 | 218.29 | - | - | - |
| Right of use assets | 15.62 | - | - | - | - |
| Financial Assets; | | | | | |
| - Investments | - | 8.64 | 93.44 | 1.23 | 1.22 |
| - Loans | - | 89.54 | - | - | |
| - Other financial assets | 41.25 | 0.64 | - | - | |
| Other non-current assets | - | 18.29 | - | - | |
| | 657.96 | 335.40 | 93.44 | 1.23 | 1.22 |
| Current Assets | | | | | |
| Inventories | 191.58 | 174.23 | - | - | - |
| Financial Assets; | | | | | |
| - Trade Receivables | 136.08 | 218.01 | - | - | - |
| - Cash and cash Equivalents | 0.75 | 2.38 | 0.52 | 0.18 | 0.17 |
| - Bank balances other than cash and cash equivalents | - | - | - | - | - |
| - Loans | 0.65 | 9.87 | - | - | - |
| - Others financial assets | - | - | 36.31 | - | - |
| Current Tax Assets (Net) | 5.41 | - | 0.01 | - | - |
| Other current assets | 100.34 | 112.43 | - | - | - |
| | 434.81 | 516.93 | 36.84 | 0.18 | 0.17 |
| Total Assets | 1,092.76 | 852.32 | 130.28 | 1.41 | 1.39 |

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| Particulars | Shivalik Auto Engineering Private Limited | Shivalik Power & Steel Private Limited | Neelkamal Vanijya Private Limited | Goldmoon Vinimay Private Limited | Adopt Commotrade Private Limited |
|---|---|---|---|---|---|
| **Equity and Liabilities** | | | | | |
| Equity | | | | | |
| Equity Share Capital | 123.78 | 49.38 | 2.66 | 0.16 | 0.16 |
| Other Equity | 159.57 | 434.59 | 127.07 | 1.22 | 1.21 |
| **Total Equity** | 283.35 | 483.97 | 129.73 | 1.38 | 1.37 |
| **Liabilities** | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 479.58 | 35.56 | - | - | - |
| - Other Financial Liabilities | 6.00 | - | - | - | - |
| Provisions | 5.10 | 8.38 | - | - | - |
| Deferred Tax Liabilities (Net) | 35.01 | 26.20 | - | - | - |
| Other non-current liabilities | - | - | - | - | - |
| | 525.69 | 70.14 | - | - | - |
| Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 138.42 | 145.10 | - | - | - |
| - Trade Payables | 117.11 | 119.60 | - | - | - |
| - Other Financial Liabilities | 7.83 | 5.61 | 0.50 | | |
| Other Current Liabilities | 20.24 | 26.75 | 0.05 | 0.02 | 0.02 |
| Provisions | 0.12 | 0.53 | - | - | - |
| Current Tax Liabilities (Net) | - | 0.61 | - | - | - |
| | 283.72 | 298.21 | 0.55 | 0.02 | 0.02 |
| Total Liabilities | 809.41 | 368.35 | 0.55 | 0.02 | 0.02 |
| Total Equity and Liabilities | 1,092.76 | 852.32 | 130.28 | 1.41 | 1.39 |

Calculation of Capital Reserve as on 31st March 2023

| | | | | | |
|---|---|---|---|---|---|
| Net assets and reserves transferred | 121.23 | 49.38 | 2.66 | 0.16 | 0.16 |
| Purchase consideration payable in Cash | 26.27 | 21.73 | 0.04 | 15.57 | 15.58 |
| Capital Reserve as on 31st December 2022 | 94.96 | 27.65 | 2.62 | -15.41 | -15.42 |
| Add : Differences on account of net assets and reserves not transferred (net of deferred tax) | 80.29 | 7.63 | -2.44 | - | - |
| **Capital Reserve as on 31st March 2023** | 14.68 | 20.02 | 0.18 | -15.41 | -15.42 |

Details of purchase consideration payable at the end of each reporting period:

| Particulars | Shivalik Auto Engineering Private Limited | Shivalik Power & Steel Private Limited | Neelkamal Vanijya Private Limited | Goldmoon Vinimay Private Limited | Adopt Commotrade Private Limited |
|---|---|---|---|---|---|
| Purchase consideration payable as at December 31, 2022 | 26.27 | 21.73 | 0.04 | 15.57 | 15.58 |
| Paid during the year | - | - | - | - | - |
| Purchase consideration payable as at March 31, 2023 | 26.27 | 21.73 | 0.04 | 15.57 | 15.58 |

Notes:
Pursuant to the Scheme becoming effective, it is proposed that SEIL will issue equity shares to the shareholders of the Transferor Companies and the Demerged Company as follows:

a) 40 (Forty) equity shares of face value of INR 10/- each of SEIL, for every 100(One Hundred) equity shares of face value of INR 10/- each held in SAEPL.

b) 1172 (One Thousand One Hundred Seventy Two) equity shares of face value ofINR 10/- each of SEIL, for every 100 (One Hundred) equity shares of face value of INR 10/- each held in NVPL.

c) 9687 (Nine Thousand Six Hundred Eighty Seven) equity shares of face value ofINR 10/- each of SEIL, for every 100 (One Hundred) equity shares of face value of INR 10/- each held in ACPL.

d) 9679 (Nine Thousand Six Hundred Seventy Nine) equity shares of face value ofINR 10/- each of SEIL, for every 100 (One Hundred) equity shares of face value of INR 10/- each held in GVPL.

e) 44 (Forty Four) equity shares of face value of INR 10/- each of SEIL, for every100 (One Hundred) equity shares of face value of INR 10/- each held in SPSPL.

The shares held by the Transferor Companies, the Demerged Company and the Transferee/Resulting Company inter-se got cancelled.

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Note 31: Additional / Explanatory Information (Rupees in Million)

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| i) Capital Commitment | | | |
| (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for | 4.43 | - | - |
| j) Contingent Liabilities not provided for: | | | |
| (a) Bank guarantees | 824.02 | 824.02 | 824.02 |

k) Disclosures of Leases

The Company has applied para 6 of Ind AS 116 for accounting the short-term leases and leases of low-value assets and recognised the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis

The expenses relating to short-term leases and low-value assets accounted for applying paragraph 6 of Ind AS 116 during the year ended are as below:

(Rupees in Million)

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| Expenses related to Short Term Lease & Low Asset Value Lease | 17.69 | 8.77 | 4.99 |
| **Total Expenses** | 17.69 | 8.77 | 4.99 |

Annual maintenance costs associated with the leasehold land are not included in the ROU asset or lease liability since they are classified as ancillary and non-recoverable expenses, rather than part of the lease consideration. Therefore, these annual maintenance costs are recognized as expenses in the profit and loss statement in the period they are incurred

l) **Additional regulatory information required by Schedule III**

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

ii The Group is not declared wilful defaulter by any bank or financial Institution or government or any government authority.

iii The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

iv The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017.

v The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

ix The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year.

x There are no charges or satisfaction which are yet to be registered with ROC.

For RAJENDRA PRASAD
CHARTERED ACCOUNTANTS
Firm Registration No. 000203C

RAJENDRA PRASAD RAIPUR 492 001 (C.G.) CHARTERED ACCOUNTANTS

Praveen Kumar Goyal
Partner
Membership No. 426500
Raipur
Date of Signing : 28/06/2024
UDIN: 24426500BKGULZ7730

For and on behalf of the Board of Directors of
SHIVALIK ENGINEERING INDUSTRIES LIMITED

| Raghvendra Singhania | Vinay Agrawal | Manoj Patni | Hardeep Choudhary |
|---|---|---|---|
| Joint Managing Director | Whole-time Director | Chief Financial Officer | Company Secretary |
| DIN-00327732 | DIN-06954626 | PAN- AFXPP1495C | PAN- BSLPC2669B |
| Raipur | Raipur | Raipur | Membership No. A58595 |
| Date of Signing : 28/06/2024 | Date of Signing : 28/06/2024 | Date of Signing 28/06/2024 | Raipur |
| | | | Date of Signing : 28/06/2024. |

Shivalik Engineering Industries Ltd. RAIPUR (C.G.)