MANGLA ASSOCIATES
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SAMVARDHANA MOHTERSON REFRIGERATION PRODUCT LIMITED

Report on the Financial Statements

We have audited the standalone Indian Accounting Standards (Ind AS) financial statements of SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS;

a) of the state of affairs (financial position) of the Company as at March 31, 2023; and
b) its loss (financial performance including other comprehensive income), and
c) its Cash Flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under these Standards are further described in the Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of Matter

We draw attention to the Note 37 in the Notes to the financial statement, which indicates that the Company's accumulated losses have fully eroded its capital. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the management is assured of the growth in future in view of the potential opportunities available in the existing as well as new line of business and also all-around assured support from the holding company.

The financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

However, our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including the annexures thereto but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

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preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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's or to cease operations, or has no realistic alternative to do so.

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

Auditor's Responsibility

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

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

i) 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 overrise of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) 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

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we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone

Financial Statements, or if, such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) 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.

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

D. 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.

E. 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 reasonable be thought to bear on our independence, and where applicable, related safeguards.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

6. Report on other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 'A' statement on the matters specified in paragraph 3 & 4 of the Order.

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

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid standalone Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) on the basis of written representations received from the directors as on 31 March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us.

i. the Company has disclosed the impact of pending litigations, if any on its financial positions in its Ind AS financial statements.

ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) the management of the company has represented that to the best of its knowledge and belief, the company has not advanced or leased or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds), to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall whether directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

b) it has been represented by the management, that to the best of its knowledge and belief, the company has not received any funds from any person(s) or entity(ies) including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall whether, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

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

v). The company has neither declared nor paid any dividend during the year, thus compliance with section 123 of the Companies Act, 2013 is not applicable.

vi. as proviso to rule 3(1) of the Companies (Accounts) Rule 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financials year ended March 31, 2023.

For Mangla Associates
Chartered Accountants
(FRN 006796C)

MANGLA ASSOCIATES ★ FRN: 006796C ★ CHARTERED ACCOUNTNS

Place: Noida
Date : May 08, 2023
UDIN: 23080173BGRFGH2085

(A. P. Mangla)
Partner
M.No. 080173

ANNEXURE 'A' REFERRED TO IN OUR REPORT OF EVEN DATE

I. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

© According to the information and explanations given to us the Company does not have any immovable property as on the date of financials.

II. According to the information and explanations give to us, the company does not have any inventory. Accordingly, the provisions of Para 3(ii) of the Order are not applicable to the Company.

III. (a) According to the information and explanations given to us, the Company, during the year, has not granted any loans secured or unsecured to any party covered in the register maintained under section 189 of the Act.

Clauses (b), (c), (d), (e) and (f) are not applicable

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IV. In our opinion and according to the information and explanations given to us, the clause relating to provisions of Sections 185 and 186 of the Act, ae not applicable to the company, as there are no loans granted, investments made, guarantees and security granted, during the year.

V. The company has not accepted any deposits from the Public.

VI. The Central Government of India has not prescribed the maintenance of cost records by the Company under section 148(1) of the Act.

VII. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and any other material statutory dues, where applicable. According to the information and explanations given to us there are no arrears of undisputed outstanding dues of above as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records Examined by us, there is no disputed liability of the Income Tax, Custom duty and other material statutory dues which have not been deposited on account of any dispute as on 31st March 2023.

VIII. According to the information and explanations given to us, the Company has not surrendered or disclosed any income during the year in the tax assessment under the Income Tax Act, 1961, which was not recorded in the books of accounts.

IX. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not availed any terms loans during the year.

(b) The Company has not made by preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

XI. In our opinion and as per information and explanations given and during the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year.

XII. According to the information and explanation given to us, the Company is not a Nidhi Company. Thus Para 3(xii) of the Order is not applicable to the Company.

XIII. According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

XIV. According to the information and explanations given to us, the company did not have a internal audit system. However, as per provisions of section 138 of the Companies

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Act, 2013, provisions required for appointment of internal audit are not applicable to the company.

XV. According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
(b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.
© The company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.

XVII. The Company has incurred cash losses of Rs.54.51 Lacs in the current Financial year and had also incurred cash losses of Rs.209.54 Lacs in the immediately preceding Financial Year.

XVIII. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financials liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from balance sheet date.

XX. (a) According to the information and explanations given to us the provisions of section 135(5) of the Companies Act are not applicable to the Company.

XXI. The financials of the Company are Standalone financials and thus contents of the paragraph are not applicable to the Company.

For **Mangla Associates**
Chartered Accountants
(FRN: 006796C)

MANGLA ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ FRN: 006796C

(A. P. Mangla)
Partner
M.No. 080173

Place: Noida
Date : May 08, 2023
UDIN: 23080173BGRFGH2085

ANNEXURE 'B' REFERRED TO IN OUR REPORT OF EVEN DATE

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

We have audited the internal financial controls over financial reporting **of SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LIMITED (the 'Company')** as of 31st March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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FRN: 006796C
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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Mangla Associates**
Chartered Accountants
(FRN: 006796C)

MANGLA ASSOCIATES ★ FRN: 006796C ★ CHARTERED ACCOUNTANTS

(A. P. Mangla)
Partner
M.No. 080173

Place: Noida
Date : May 08, 2023
UDIN: 23080173BGRFGH2085

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)
Balance sheet as on March 31, 2023

All amount are in thousands INR

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2	9
Intangible assets	3	-	-
Financial assets			
i Other financial assets	4 (a)	30	30
ii Other bank balances	4 (c)	585	585
Income tax assets (net of provisions)	5	161	(113)
Total non-current assets		**778**	**511**
Financial assets			
i Trade receivables	6	3	3
ii Cash and cash equivalents	7 (a)	648	409
iii Bank balances other than (ii) above	7 (b)	2,000	2,000
vi Other financial assets	4 (b)	2,474	4,296
Other current assets	8	1,157	1,083
Total current assets		**6,282**	**7,791**
Total assets		**7,060**	**8,302**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	2,03,490	2,03,490
Other equity			
Reserves and surplus	10	(4,98,390)	(4,92,932)
Total equity		**(2,94,900)**	**(2,89,442)**
Liabilities			
Financial Liabilities			
i. Borrowings	11	90,591	2,27,915
Non current liabilities	16	2,120	2,120
Total non-current liabilities		**92,711**	**2,30,035**
Current liabilities			
Financial Liabilities			
i Borrowings	12	1,45,350	-
ii. Trade payables	13	9,280	16,423
iii. Other financial liabilities	14	51,023	37,863
Provisions	15	902	902
Employee benefit obligations	16	1,494	1,655
Other current liabilities	17	1,200	10,866
Total current liabilities		**2,09,249**	**67,709**
Total liabilities		**3,01,960**	**2,97,744**
Total equity and liabilities		**7,060**	**8,302**

As per our report of even date attached

For **MANGLA ASSOCIATES**
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES ★ FRN: 006796C ★ CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
UDIN: 23080173BGRFGH2085
Place : NOIDA
Date: 08th May 2023

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)

Statement of profit and loss as March 31, 2023

All amount are in thousands INR

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from operations	18	-	-
Other income	19	24,143	7,792
Total income		24,143	7,792
Expenses			
Employee benefit expenses	20	7,540	7,889
Finance costs	21	20,659	18,633
Depreciation and amortization expense	22	7	19
Other expenses	23	1,389	2,224
Total expenses		29,595	28,765
Profit before tax		(5,452)	(20,973)
Tax expenses	24		
-Current tax		-	-
-Deferred tax expense/ (credit)		-	-
-Income tax for earlier years		6	-
Total tax expense		6	-
Profit for the year		(5,458)	(20,973)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	-
Deferred / Current tax on remeasurements of post-employment benefit ob		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(5,458)	(20,973)
Earnings per share: (Refer Note 26)			
Nominal value per share: Re. 10/- (Previous year : Re 10/-)			
Basic	25	(1.36)	(5.24)
Diluted	25	(1.36)	(5.24)

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES ★ FRN: 006796C ★ CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 08th May 2023

UDIN: 23080173BGRFGH2085

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD (CIN: U90000DL2007PLC169556)

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)
Statement of changes in equity as on March 31, 2023

All amount are in thousands INR

A. Equity share capital	Note	Amount
As at April 01, 2022	9	40,000
Changes in Equity Share capital		-
As at March 31, 2023		**40,000**

B. Other equity

	Note	Reserves and surplus: Retained Earning	Total
Balance as at April 01, 2022	10	**(4,92,932)**	(4,92,932)
Profit for the year		(5,458)	(5,458)
Other comprehensive income		-	-
Total comprehensive income for the year		- **(4,98,390)**	(4,98,390)
Deductions during the year			
Additions on amalgamation			
Transfer to general reserve			
Dividend paid		-	-
Tax on Dividend		-	-
Bonus issue		-	-
Additions (Deductions) during the year		-	-
Balance at March 31, 2023		- **(4,98,390)**	(4,98,390)
Total comprehensive income for the year		**(4,98,390)**	(4,98,390)
Additions during the year			
Issue of equity shares, net of transaction costs		-	-
Additions on Amalgamation		-	-
Transfer to general reserve		-	-
Dividend paid		-	-
Tax on Dividend		-	-
Retained Earning - other addition / (deletion)		-	-
Balance at March 31, 2023		**(4,98,390)**	(4,98,390)

The above statement of changes in equity should be read in conjunction with the accompanying notes

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES ★ FRN: 006796C ★ CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 08th May 2023
UDIN: 23080173BGRFGH2085

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)

Cash Flow Statement for the year ended March 31, 2023

All amount are in thousands INR

	For the year ended	
	March 31, 2023	March 31, 2022
A. Cash flow from operating activities:		
Net profit before tax	(5,452)	(20,973)
Adjustments for:		
Depreciation & Amortisation	7	19
Finance cost	20,654	18,631
Income Tax for earlier years	(6)	-
Interest income	(270)	(601)
Operating profit before working capital changes	14,933	(2,923)
Change in working Capital:		
Increase/(Decrease) in Trade Payables	(7,143)	(133)
Increase/(Decrease) in Short Term Provisions	(161)	416
Increase/(Decrease) in Long Term Provisions	0	(110)
Increase/(Decrease) in Other Current Liabilities	(10,009)	290
(Increase)/Decrease in Trade Receivables	(0)	-
(Increase)/Decrease in Other Current Assets	1,972	(727)
Cash generated from operations	(408)	(3,187)
- Taxes paid (net of refund)	(274)	689
Net cash generated from operations	(682)	(2,498)
B. Cash flow from Investing activities:		
Interest received	46	392
Net cash used in investing activities	46	392
C. Cash flow from financing activities:		
Proceeds/(Repayment) of working capital and other loans repayable on demand (net)	1,000	3,300
Interest paid	(125)	(1,224)
Proceeds from other short term borrowings	-	-
Net cash used in financing activities	875	2,076
Net Increase/(Decrease) in Cash & Cash Equivalents	239	(30)
Net Cash and Cash equivalents at the beginning of the year	409	439
Cash and cash equivalents as at current year closing	648	409
Cash and cash equivalents comprise of the following (Note 8(a))	648	409
Cash on hand	0	0
Cheques / drafts on hand		
Balances with banks	648	409
Less Bank overdraft / cash credit		
Cash and cash equivalents as per Balance Sheet	648	409
Effect of exchange differences on balances with banks in foreign currency		
Total	648	409

Ind AS 7 requires company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

Particulars	As on April 1, 2022	Cash flows	Non-cash changes			As on March 31, 2023
			Transaction costs impact	Unrealised exchange difference	Others	
Long-term borrowings from banks	-	-	-	-	-	-
0% non-cumulative non-convertible redeemable preference shares	-	-	-	-	-	-
Long-term loan from related parties	1,57,650	-	-	-	(1,44,350)	13,300
Short term borrowings (net of transaction costs)	-	-	-	-	1,45,350	1,45,350
Interest accrued on borrowings	36,368	13,503	-	-	-	49,871

Notes:

i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

ii) Figures in brackets indicate Cash Outflow.

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES
FRN: 006796C
CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 08th May 2023

UDIN: 23080173BGRFGH2065

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)
Notes to the financial statements for the year ended March 31, 2023

3. Property plant and equipment ***All amount are in thousands INR***

Particulars	Leasehold improvement	Plant and machinery	Office equipments	Furniture & fixtures	Computers	Mould	**Total Tangible Assets**	Computer Software	**Total Intangible Assets**	**Total Assets**
Year ended March 31, 2022										
Gross carrying amount										
Opening Gross Carrying amount as at April 01, 2021	-	200	10	1	0	-	**211**	-	**-**	**211**
Addition	-	-	-	-	-	-	-			**-**
Disposal	-	-	-		-	-	-			**-**
Closing gross carrying amount as at March 31, 2022	**-**	**200**	**10**	**1**	**0**	**-**	**211**	**-**	**-**	**211**
Accumulated depreciation										
Opening accumulated depreciation as at April 01, 2021	-	172	10	1	0	-	**183**	-	**-**	**183**
Depreciation charge during the year	-	19	-	-	-		**19**	-	**-**	**19**
Disposals	-	-	-	-	-					**-**
Closing accumulated depreciation as at March 31, 2022	**-**	**191**	**10**	**1**	**0**	**-**	**203**	**-**	**-**	**203**
Net carrying amount as at March 31,2022	**-**	**9**	**(0)**	**-**	**-**	**-**	**9**	**-**	**-**	**9**
Year ended March 31, 2023										
Gross carrying amount										
Deemed cost as at April 01, 2022	-	200	10	1	0	-	**211**	-	**-**	**211**
Addition	-	-	-	-	-	-	-			**-**
Disposal	-	-	-		-	-	-			**-**
Closing gross carrying amount as at March 31, 2023	**-**	**200**	**10**	**1**	**0**	**-**	**211**	**-**	**-**	**211**
Accumulated depreciation										
Opening accumulated depreciation as at April 01, 2022	-	191	10	1	0	-	**203**	-	**-**	**203**
Depreciation charge during the year	-	7	-	-	-		**7**	-	**-**	**7**
Disposals	-	-	-	-	-					**-**
Closing accumulated depreciation as at March 31, 2023	**-**	**198**	**10**	**1**	**0**	**-**	**209**	**-**	**-**	**209**
Net carrying amount as at March 31,2023	**-**	**2**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**2**

4 Other financial assets

All amount are in thousands INR

		As at March 31, 2023		As at March 31, 2022	
(a)	**(Unsecured, considered good)**	**Current**	**Non-current**	**Current**	**Non-current**
	Security Deposits	4,215	30	4,215	30
	Less: Allowances for credit loss	(4,065)	-	(4,065)	-
	Security Deposits	150	30	150	30
(b)	Other receivables	-	-	2,046	-
	Interest accrued on fixed deposits	2,324	-	2,100	-
	Total	**2,474**	**30**	**4,296**	**30**

		As At March 31, 2023	As At March 31, 2022
(c)	**Other bank balances**		
	Deposits with maturity of more than 12 months		
	- margin money deposits	585	585
	Total	**585**	**585**

All amount are in thousands INR

5	Non-current tax assets/(Current tax liabilities) (net)	As At March 31, 2023	As At March 31, 2022
	Opening balance	(113)	576
	Add: Advance tax paid / tax deducted at source	161	167
	Less: Refund received	113	(856)
	Add: Current tax payable/adjustment for the year	-	-
	Total	**161**	**(113)**

6	Trade receivables	As At March 31, 2023	As At March 31, 2022
	Receivables considered good - Unsecured	-	3
	Related Parties	-	-
	Receivables - credit impaired	91,888	91,885
		-	-
	Less: Allowances for credit loss	(91,885)	(91,885)
	Total	**3**	**3**

7 (a)	Cash and cash equivalents *	As At March 31, 2023	As At March 31, 2022
	Balances with banks:		
	- in current accounts	648	409
	- Deposits with original maturity of less than three months	-	-
		-	-
	Cash on hand	0	0
	Total	**648**	**409**

* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

7 (b)	Other bank balances	As At March 31, 2023	As At March 31, 2022
	Deposits with original maturity of more than three months but less than 12 months		
	- margin money deposits	2,000	2,000
	- Others	-	-
	Total	**2,000**	**2,000**

8	Other current assets	As At March 31, 2023	As At March 31, 2022
	(Unsecured, considered good, unless otherwise stated)		
	Advances to suppliers	1,848	1,809
	Less: Provision for debit balances of suppliers	(768)	(768)
		1,080	1,041
	Advances to employees	39	39
	Prepaid expenses	2	3
	Balances with government authorities	36	0
	Total	**1,157**	**1,083**

All amount are in thousands INR

9 Equity Share Capital	**As At March 31, 2023**	**As At March 31, 2022**
Authorised shares		
2,60,00,000 equity shares of Rs.10/- each	2,60,000	40,000
(March 31, 2023: 2,60,00,000 March 31, 2022: 40,00,000 equity shares)	-	-
2,00,00,000 Preference Shares of Rs.10/-each	-	-
(March 31, 2023: 2,00,00,000, March 31, 2022: 2,00,00,000 equity shares)	2,00,000	2,00,000
	-	-
Issued, subscribed and fully paid-up shares	-	-
4,000,000 equity shares of Rs.10/- each	40,000	40,000
(March 31, 2023: 40,00,000 March 31, 2022: 40,00,000 equity shares of Rs 10 each)	-	-
Equity component of 7% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10/- each - 19,200,000 (March 31, 2022: 19,200,000 Preference Shares)	1,63,490	1,63,490
Total issued, subscribed and fully paid-up share capital	**2,03,490**	**2,03,490**

a. Movement in equity share capital

	Numbers	**Amount**
As at April 1, 2022	40,00,000	40,000
Issued during the year	-	-
As at March 31, 2023	**40,00,000**	**40,000**

Equity component of 7% Optionally Convertible Cumulative Redeemable Preference Shares

	March 31, 2023		**March 31, 2022**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
At the beginning of the year	1,92,00,000	1,63,490	1,92,00,000	1,63,490
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,92,00,000**	**1,63,490**	**1,92,00,000**	**1,63,490**

This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities.

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

c. Terms of conversion/redemption of Convertible Redeemable Preference Shares

The preference shares shall be redeemed with in a period of 20 years from the date of issue at the discretion of the Board of Directors (8,500,000 preference shares were alloted on March 29, 2012 and 1,020,000 preference shares were alloted on March 30, 2013).

d. Details of shareholders holding more than 5% shares in the Company

	As At March 31, 2023		**As At March 31, 2022**	
Name of equity shareholders	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**
Samvardhana Motherson Innovative Solutions Limited and its nominees (w.e.f March 21, 2018)	40,00,000	100.00%	40,00,000	100.00%

e. Details of 7% optionally convertible cumulative redeemable preference shareholders holding more than 5% shares in the Company

	As At March 31, 2023		**As At March 31, 2022**	
Name of Preference shareholders	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**
Samvardhana Motherson Innovative Solutions Limited and its nominees (w.e.f March 21, 2018)	1,92,00,000	100.00%	1,92,00,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

All amount are in thousands INR

	As At March 31, 2023	As At March 31, 2022
10 Reserves and surplus		
Retained earnings	(4,98,390)	(4,92,932)
Total reserves and surplus	**(4,98,390)**	**(4,92,932)**

	As At March 31, 2023	As At March 31, 2022
Retained earnings		
Balance as at the beginning of the year	(4,92,932)	(4,71,959)
Additions during the year	(5,458)	(20,973)
Balance as at the end of the year	**(4,98,390)**	**(4,92,932)**

	As At March 31, 2023	As at March 31, 2022
11 Borrowings		
Debt component of convertible redeemable preference shares	77,291	70,265
Loan from related parties* (refer below)	13,300	1,57,650
TOTAL	**90,591**	**2,27,915**

	As At March 31, 2023	As at March 31, 2022
12 Short-term borrowings		
Unsecured		
Loan from related parties* (refer (i) below)	1,45,350	-
TOTAL	**1,45,350**	**-**

* Repayable on Demand with interest @ 9.5% on Rs. 15,86,50,000/-payable from March-2024 to Nov-2025 on ICD received from Samvardhana Motherson Innovative Solutions Limited.

	As At March 31, 2023	As at March 31, 2022
13 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	10	59
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,270	21,423
Less: Provision for written back	-	(5,059)
	-	-
Total	**9,280**	**16,423**

Note: 1. The information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSME Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. As at March 31, 2023, no amounts have fallen due for payment to suppliers who have been registered under the MSME Act.

Note: 2. The creditor balances are subject to confirmation and adjustment.

Note: 3 The Company has written back creditors amounting to Rs.73,70,542/-(net of provision) during the FY-2022-23

	As at March 31, 2023	As at March 31, 2022
14 Other financial liabilities		
Current		
Employee benefits payable	827	1,172
Interest on loan received from related party	49,871	36,368
Audit fee payable	31	29
Other payables	294	294
Total	**51,023**	**37,863**

All amount are in thousands INR

15 Provisions

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
For warranties	902	-	902	-
Total	**902**	**-**	**902**	**-**

Warranty

Warranty provision relates to the estimated outflow in respect of warranty for products sold by the company due to the very nature of such costs it is not possible to estimate the timing / uncertainties relating to the outflows of economic benefits.

The Company has following provisions in the books of account as at year end:

	Warranty	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	902	902
Additions during the year	-	-
Unwinding of discount	-	-
Utilised / Reversed during the year	-	-
Closing Balance	**902**	**902**
Classified as Non-Current	-	-
Classified as Current	902	902

16 Employee benefit obligations

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Gratuity	266	2,120	337	2,120
Compensated absences	1,228	-	1,318	-
Total	**1,494**	**2,120**	**1,655**	**2,120**

17 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Advance from customer*	763	9,043
Statutory dues payable	437	1,823
	1,200	**10,866**

*The Company has written back advance received from customer amounting to Rs.89,72,500/- during the FY-2022-23

All amount are in thousands INR

18 Revenue from operations	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Finished Goods	-	-
Sale of Services	-	-
Total	**-**	**-**

19 Other income	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from financial assets at amortised cost	249	233
Interest income- others	21	368
Miscellaneous income	23,873	7,191
Total	**24,143**	**7,792**

20 Employee benefit expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages & bonus	6,836	7,195
Contribution to provident & other Fund	438	467
Gratuity (refer note 16)	266	227
Staff welfare expenses	-	-
Total	**7,540**	**7,889**

21 Finance cost	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on loan	13,628	12,243
Finance cost on liability portion of Preference shares	7,026	6,388
Other borrowing costs	5	2
Total	**20,659**	**18,633**

22 Depreciation and amortization expense	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	7	19
Total	**7**	**19**

23 Other expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Repair and maintenance-Computer	64	-
Rates & taxes	853	1,983
Legal and professional fees	303	52
Payment to auditors*	34	32
Lease rent (refer note 37)	129	129
Travelling expenses	-	1
Insurance expenses	6	27
Total	**1,389**	**2,224**

* Payment to auditors:	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditor:		
Audit fees (including limited review)	34	32
Other audit and certification work to be done by statutory auditor	-	-
Reimbursement of expenses	-	-
Total	34	32

All amount are in thousands INR

24 Income tax expense

	For the year ended	
	March 31, 2023	**March 31, 2022**
(a) Income tax expense		
Current tax		
Current tax on profit for the year	-	-
Adjustments for current tax of prior periods on completion of assessment	6	-
Total current tax expense	**6**	**-**
Deferred tax		
Decrease / (increase) in deferred tax assets (net)		-
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expense / (benefit)	**-**	**-**
Income tax expense	**6**	**-**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	March 31, 2023	**March 31, 2022**
Profit from continuing operations before income tax expense	(5,452)	(20,973)
		-
Tax at India's tax rate of 26% (March 31, 2023: 26%)	(1,418)	(5,452)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		-
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt incor	-	-
Impact of unrecognised deferred tax asset	385	3,899
Effect of deferred tax	-	
Others	1,033	1,553
Income tax expense	**0**	**0**

25 Earnings per share

	For the year ended	
	March 31, 2023	**March 31, 2022**
Net profit after tax available for equity Shareholders	(5,458)	(20,973)
Weighted average number of equity shares used to compute basic earnings per share	40,00,000	40,00,000
Basic earnings per share	**(1.36)**	**(5.24)**
Diluted earnings per share	**(1.36)**	**(5.24)**
Diluted Earnings Per Share	**-**	-

7% Optionally Convertible Cumulative Redeemable Preference Shares issued by the company are anti dilutive in nature and therefore not considered for the purpose of dilutive earning per share

All amount are in thousands INR

26 Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVTPL	**FVTOCI**	**Amortised Cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**
Financial assets						
Trade receivables	-	-	3	-	-	3
Cash and cash equivalents	-	-	3,233	-	-	2,994
Other financial assets	-	-	2,504	-	-	4,326
Total financial assets	**-**	**-**	**5,740**	**-**	**-**	**7,323**
Financial Liabilities						
Borrowings	-	-	1,58,650	-		1,57,650
Trade payable	-	-	9,280	-		16,423
Other financial liabilities	-	-	51,023	-		37,863
Total financial liabilities	**-**	**-**	**2,18,953**	**-**	**-**	**2,11,936**

i. Fair value hierarchy

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	March 31, 2023			March 31, 2022		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Investments	-	-	-	-	-	-
Other financial assets	-	-	30	-	-	30
Total financial assets	**-**	**-**	**30**	**-**	**-**	**30**

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

ii. Fair value of non current financial assets and liabilities measured at amortised cost

	March 31, 2023		March 31, 2022	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets				
Other financial assets	30	30	30	30
	30	**30**	**30**	**30**

The fair value of non-current financial assets and financial liabilities carried at amortized cost is calculated using discounted cash flow method. The fair value is substantially equal to carrying amount

iii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) The carrying value of investments in deposits represents fair value since interest is at market rates.

ii) The fair value of other financial assets carried at amortized cost is calculated using discounted cash flow method.

27 ***Additional disclosures required by Schedule III (Division II) of Companies Act 2013*** :

Key financial ratios:

Particulars	**As at 31th March 2023**	**As at 31st March 2022**
Current Ratio	0.03	0.12
Debt Equity Ratio	-0.31	-0.79
Debt Service Coverage Ratio	0.24	-0.01
Return on Equity (ROE)	0.02	0.08
Inventory Turnover	0	0
Trade Receivable Turnover	0	0
Trade Payable Turnover	0	0
Net Capital Turnover	0	0
Net Profit Ratio	0	0
Return on Capital Employed	-0.12	0.02
Return on Investments	0	0

The ratios have been computed as below:

Current Ratio	Current Assets = Total current assets as per financials
(Current Assets / Current Liabilities)	Current Liabilities = Total current liabilities as per financials
Debt – Equity Ratio	Debt = Long term borrowing, current maturities of long term borrowing and short term borrowing
[(Long term borrowing including current maturities + short term borrowing) / Share holder's equity]	Share holder's equity = Equity attributable to equity share holder
Debt Service Coverage ratio	EBITDA = EBITDA as per financials less interest income and dividend income
[(Earnings before interest, depreciation, tax and exceptional items) / (Interest expense on short term and long term borrowings + scheduled principal repayment of long term borrowing during the year)]	Debt Service = Current maturities of long term borrowing, interest expense (except Ind AS 116 finance cost)
Return on Equity ratio	PAT = PAT as per financials
(Net Profits after taxes / Average Shareholder's Equity)	Share holder's equity = Equity attributable to equity share holder
Inventory Turnover ratio	Cost of goods sold = Cost of material consumed, Change in Inventory, Purchase of traded goods
(Cost of goods sold / Average inventories)	Average inventories = Average of opening and closing inventories as per financials
Trade Receivable Turnover Ratio	Revenue from contract with customers
(Revenue from contract with customers / Average trade receivables)	Trade Receivables = Average Trade Receivables as per financials (Net of Provisions, ECL)
Trade Payable Turnover Ratio	Net purchases = Purchase of RM and traded goods
(Cost of goods sold / Average trade payable)	Trade Payable = Average Trade Payable as per financials
Net Capital Turnover Ratio	Revenue from contract with customers
(Revenue from contract with customers / Average working capital)	Average Working Capital = Average of Opening and closing
	[Current Assets less current liabilities (except current maturity of long term borrowings)]
Net Profit ratio	PAT = PAT as per financials
(Profit / (loss) for the period / Revenue from operations)	Revenue from Operations = Total revenue from operations
Return on Capital Employed	EBIT = Earnings before interest and taxes
(Earnings before interest and taxes / Average capital employed)	Average capital employed
Return on Investment	Net profit = Net profit as per financials
(Net profits / Cost of investment)	Cost of Investments

All amount are in thousands INR

28. Financial risk management

The Company, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

A Foreign currency risk:

The exchange variations in India has mainly impacted the imports, but however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchase and has considerably increased its export sales during last few years to attain natural hedge. The Company also does selective hedging to hedge its risks associated with foreign currency.

The company does not have derivative instruments and unhedged foreign currency exposure as on closing of financial statemen

B Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2023	March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	1,58,650	1,57,650
Total borrowings	**1,58,650**	**1,57,650**

C Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, other financial assets. Trade receivables, if any are typically unsecured and are derived from revenue earned from customers.
The carrying amount of financial assets represents the maximum credit exposure.
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 Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, and other financial assets.

The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

D Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure,as far as possible,that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions,without incurring unacceptable losses or risking damage to the Company's reputation.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

Year Ended March 31, 2023	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,45,350	13,300	-	**1,58,650**
Trade payables	9,280	-	-	**9,280**
Other financial liabilities	51,023	-	-	**51,023**
Total non-derivative liabilities	**2,05,653**	**13,300**	**-**	**2,18,953**

Year Ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	1,57,650	-	1,57,650
Trade payables	16,423	-	-	16,423
Other financial liabilities	37,863	-	-	37,863
Total non-derivative liabilities	**54,286**	**1,57,650**	**-**	**2,11,936**

All amount are in thousands INR

29. Capital management

Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2023	March 31, 2022
Net Debt	10,067	1,54,656
EBITDA	15,214	(2,321)
Net Debt to EBITDA	0.66	(66.63)

30 (I). Related Party Disclosures

Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

Entities having control over the company
Samvardharna Motherson Innovative Solutions Limited
Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) and (Ultimate Holding Company)

Key Management Personnels
Mr. Manish Kumar Goyal
Mr. Rohitash Gupta
Mr. Roopak Dharmvir Sharma

Other KMPs of the Company
Mr. Ajay Kumar Abbi
Mr.Nikhil Singhal
Mr.Kaushal Gupta
Mr.Himanshu Bhardwaj

Directors of Samvardhana Motherson Innovative Solutions Limited (SMISL):
Mr. Ashok Tandon
Mr. Parthasarathy Srinivasan
Mr. Sanjay Mehta
Mr. Sanjay Kalia
Mr. Shailesh Prabhakar Prabhune
Ms. Madhu Bhaskar

Key Managerial Personnel (KMP) of SMISL:
Mr. Kumarpal Jawaharlal Kothari (CFO)
Mr. Vineeth Chandran (Manager)
Ms. Ritu Seth (Company Secretary)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 30 (I)

(a) Transactions with related parties

All amount are in thousands INR

Particulars	Entities having control over the Company 31-Mar-23	Key management personnel 31-Mar-23	Total 31-Mar-23	Entities having control over the Company 31-Mar-22	Key management personnel 31-Mar-22	Total 31-Mar-22
<u>Transactions during the year</u>						
Inter corporate deposit received	1,000	-	1,000	3,300	-	3,300
Interest on Inter corporate deposit received	13,628	-	13,628	12,243	-	12,243
	-	-	-	-	-	-
			-			-
Legal and professional expenses			-			-
		-	-	-	-	-
		-	-	-	-	-
			-			-
Key managerial personnel compensation	-	7,784	7,784	-	7,561	7,561
				-		-

(b) Balance outstanding as at the year end:

Particulars	Entities having control over the Company 31-Mar-23	Key management personnel 31-Mar-23	Total 31-Mar-23	Entities having control over the Company 31-Mar-22	Key management personnel 31-Mar-22	Total 31-Mar-22
Amounts payable to related parties						
Interest on loan	49,871	-	49,871	36,368	-	36,368
			-			-
Long term borrowings	13,300	-	13,300	1,57,650	-	1,57,650
			-			-
Short term borrowings	1,45,350	-	1,45,350	-	-	-

All amount are in thousands INR

31. Segment Information:

Description of segments and principal activities

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments . The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

Information about geographical areas:
The following information discloses revenue from external customers based on geographical areas:

	March 31, 2023	March 31, 2022
i) Revenue from external customers		
India	-	-
Outside India	-	-
	-	-

ii) Segment Assets
Total of non-current assets other than financial instruments, non-current tax assets and deferred tax assets broken down by location of the assets, is shown below:

	March 31, 2023	March 31, 2022
India	2	9
Outside India	-	-
	2	**9**

iii) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company’s revenues is as follows:

	March 31, 2023	March 31, 2022
	-	-

32. Leases

Operating Leases:
The Company has operating leases for vehicles. These lease arrangements are cancellable and for the period of 4 to 5 years, renewable for further period on mutually agreeable terms and also include escalation clauses.

	March 31, 2023	March 31, 2022
With respect to all operating leases:		
Lease payments recognized in the Statement of Profit and Loss during the year	129	129

All amount are in thousands INR

33. Trade payables

(i) In terms of notification no. G.S.R 719(E) dated September 4, 2015 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2022 are as follows:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Balance of Trade payables as at the end of the year		
- Principal amount due to Micro, Small and Medium Enterprises	10	59
- Principal amount due to Others	9,270	21,423
	9,280	**21,482**
Interest accrued and due as at the end of the year		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to Others	-	-
- Interest due and payable on amounts paid during the year to	-	-
Micro, Small and Medium Enterprises	-	0
Paid during the year		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date		
- Principal amount	-	-
- Interest thereon	-	-
Interest on principal amount paid to others beyond the appointed date	-	-
Others		
- Interest accrued in the prior year and paid during the year	-	-
	-	-
- Interest accrued in the prior years and remaining unpaid as at the end of the year		
- Interest accrued during the year and remaining unpaid as at the end of the year	-	0

(ii) **Trade Payables ageing schedule as at March 31, 2023**

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(i) MSME	10	-	-	-	10
(ii) Others	-	-	-	9,270	9,270
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	10	**-**	**-**	**9,270**	**9,280**

Trade Payables ageing schedule as at March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(i) MSME	59	-	-	-	59
(ii) Others	-	-	-	21,423	21,423
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	59	**-**	**-**	**21,423**	**21,482**

All amount are in thousands INR

34. Trade receivables

Particulars	As at 31-Mar-23	As at 31-Mar-22
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered good	-	3
- Unsecured, Considered doubtful	91,888	91,885
	91,888	91,888
Less: Allowance for credit loss	(91,885)	(91,885)
Total	**3**	**3**

Trade Receivables ageing schedule as at March 31, 2023

Particulars	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	91,888
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**91,888**

All amount are in thousands INR

Trade Receivables ageing schedule as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	91,885
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**91,885**

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)
Notes to the financial statements for the year ended March 31, 2023

All amount are in thousands INR

35. Contingent liabilities:

Claims against the Company not acknowledged as debts	March 31, 2023	March 31, 2022
(a) Sales tax matters - Assessment under UPVAT Act (excluding interest)	-	-

(b) Legal matters - Following cases / legal notices are pending against the company.
However the management is expecting the favorable results of the same

Complainent Name	Claim Amount (Rs.)	Case Description
Competent Conveyor System Pvt Ltd	1,195	Legal notice regarding payment of outstanding amount along with interest @ 24% per annum from date of last bill i e 03-08-2012 and Rs 21,000/- as legal notice charges.
APMC Rajpipla	3,430	Recovery notice for payment of Rs 1 34 crore plus Rs 10,001/- as advoate fee sent by APMC Rajpipla
Jagdish Singh	3,966	Jagdish Singh filed Consumer Complaint No 11/235 of 2011 before State Consumer Redressal Commission at ITO in 2011 against M/s Sawastik Enterprises as O P No 1 and MOZAR as O P No 2 demanding compensation of Rs 39,65,663/- alongwith the interest @ 18% p a O P No 1 is the Sales Partner of MOZAR By order dated 01 07 2016 the Comlaint was allowed
Deptt of Agriculture Dharmanagar, Tripura	14,602	Contract number F 8 (10)- Agri(Engg)/N/2006-07/1054-66 dated 16 12 2010 - Rs 3,67,39,500 Contract short closed by MOZAR Department terminated the contract, forfeited the EMD, security deposit Department sent Memorandum for realization of final demand / claim due to termination of contract - Rs 1,46,01,870/- at the risk & cost of the contractor and excess payment made by way of Running account bills
West Bengal State Marketing Board	93,842/-/- (SMRPL has demanded Rs 54,626/-)	Legal notice sent through Mr Manoj Garg on 02 01 2015 w r t reply to WBSMB letters dt 23 05 2014 and 08 12 2014 towards recovery of dues of Rs 5,46,26,132/- SLP filed in Supreme court through Adv K V Mohan for staying the appointment of arbitrator Petition was admitted and Hon'ble court has granted leave

(c) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(d) It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

36 In view of carry forward tax loss / unabsorbed depreciation and absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, the Company has recognised deferred tax asset only to the extent of the deferred tax liability.

37. Accumulated losses and going concern:
The accumulated losses of the company have fully eroded the capital of the company. The conditions present indicate the material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.
However, the management is not only confident to continue to provide services in the existing line but is also contemplating to undertake new business opportunities which has good potential in different entities including Government. The management is also confident that owing to developments anticipated for future and current resources availability in terms of money, manpower and other assets, the holding company shall support with sufficient funds to accomplish the above object and assuring growth in future.

38 Authorised Captial of the Company was increased from Rs 4,00,00,000/- to Rs 26,00,00,000/- contaning 2,60,00,000 equity shares of Rs 10/- each.

39 Last year figures have been regrouped/reclassified wherever required to conform with current year figures.

As per our report of even date attached

For **MANGLA ASSOCIATES**
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES FRN: 006796C CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 08th May 2023
UDIN: 23080173BGRFGH2085

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

Samvardhana Motherson Refrigeration Product Limited (CIN NO. U90000DL2007PLC169556)

Notes of Financial Statement

Note:-1. Company Overview:

Samvardhana Motherson Refrigeration Product Limited was incorporated on 18/10/2007 and have its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi-110044, India. The Company is engaged in marketing, selling, exports, service, manufacturing and assembly of Refrigeration units for automobiles and stationary application, home composting, on-site household & garden waste containment systems.

Note:-2. SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Discount rate used to determine the carrying amount of the Company's defined benefit obligation: In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments: In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

Key sources of estimation uncertainty the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income taxes: The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Useful lives of property, plant and equipment: The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

2.3 Property, plant and equipment:

Property, plant and equipment (PPE) are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM") in the manner prescribed in Schedule II of the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.4 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Examples of such estimates include provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Actual results could differ from those estimates and are given effect to as and when determine.

2.5 Depreciation

"During the year ended March 31, 2022, pursuant to the requirements of Schedule II to the Companies Act, 2013, Depreciation on fixed assets is provided on a pro-rata basis at Useful life prescribed in schedule II Part C to companies Act 2013.

Assets	**Life (Years) Considered**
Plant & Machinery	9.67
Office Equipments	5.00
Furniture & Fixtures	6.00
Computers and Printers	3.00

Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortization rates used are:

Assets	**Life (Years)**
Software	3.00

2.6 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.7 Operating Lease: Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding in inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

2.8 Impairment of assets

Financial assets : The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company 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.

PPE and intangibles assets: Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

2.10 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.11 Inventories:

Inventories of Traded goods and Finished Goods are stated at lower of cost or net realizable value. Raw Material is stated at cost. Cost is determined weighted average basis. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

2.12 Employee Benefits:

The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss Account of year. Gratuity liability as per payment of Gratuity Act and Leave Encashment benefit as per Company's policy are determined / accrued at year end, based on the actual calculations.

2.13 Revenue Recognition IND AS 115:

Revenue is recognized when control of a good or service transfers to a customer.

Five-step processes are applied before revenue can be recognized:

- ❖ Identify contracts with customers
- ❖ Identify the separate performance obligation
- ❖ Determine the transaction price of the contract
- ❖ Allocate the transaction price to each of the separate performance obligations and
- ❖ Recognize the revenue as each performance obligation is satisfied.

Interest income Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.14 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a. *Financial assets – Subsequent measurement*

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these 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.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements 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.

2.15 Earnings Per share (EPS):

In arriving at the EPS, the company's net profit after tax, computed in terms of Indian GAAP, is dividend by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The dates of issue of such potential shares determine the amount of the weighted average number of potential equity shares.