ashwani & associates
chartered accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
KUMAR AUTOCAST LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **KUMAR AUTOCAST LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2022, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard as we have not received any other information namely Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance from the company.
When we read the other information as stated in above para, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 preparation and presentation of the 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

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applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control.

- Obtain an understanding of internal 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 explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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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.

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

c) The Balance Sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

   i) The Company has disclosed its impact of pending litigations in the financial statements. Refer to Note no. 27 of Notes to Financial statements.

   ii) The Company has no long-term contracts including derivative contracts

   iii) The company has not paid any dividend during the year and is not required to transfer amounts to the Investor Education and Protection Fund.

   iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 27 to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly

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lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note 27 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

FOR ASHWANI & ASSOCIATES
Chartered Accountants
Firm Reg No-000497N

FRN 000497N
LUDHIANA

PLACE: LUDHIANA
DATED: 30.05.2022

Kul Bhushan Goyal
Partner
M.NO. 090569

UDIN: 22090569AJWFQW4705.

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2022, we report that:

i) **a)** (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible Assets;

b) Property, Plant and Equipment have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets and as informed, no material discrepancies were noticed on such verification;

c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year;

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) **a)** As per the information furnished, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the coverage and procedure of such verification is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stock of inventory and the books of accounts.

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b) In our opinion and according to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed with such banks or financial institutions are in agreement with the books of account of the Company.

iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under clause 3(iii) of CARO 2020 is not applicable;

iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, purchased investment, given guarantees and security which are covered under the provisions of Section 185 and 186 of the Act, therefore no comment is called for;

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

vi) According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company;

vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, excise duty, customs duty, value added tax, cess and other material statutory dues with the appropriate authorities.

There are no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31,

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2022 for a period of more than six months from the date they became payable.

b) There are no statutory dues as referred to in sub-clause (a) which have not been deposited on account of a dispute.

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

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

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

c) The term loans outstanding at the beginning of the year, and the new term loans raised during the year, were, applied for the purposes for, which, they were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) The Company does not have any subsidiary, joint venture or associate companies, hence reporting under clause 3(ix)(e) is not applicable.

f) The Company does not have any subsidiary, joint venture or associate companies, hence reporting under clause 3(ix)(f) is not applicable.

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

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

xi) **a)** According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit;

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

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c) No whistle-blower complaints were received during the year by the Company.

xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable;

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards;

xiv) The company is not required to keep an internal audit system given the size and nature of its business and hence reporting under clause 3(xiv) of the Order is not applicable;

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

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

xvii) The Company has incurred the following cash losses during the financial year covered by our audit which is as follows and has no cash losses in the immediately preceding financial year.

Financial Year	Loss (Rs. in Lacs)
2021-2022	(52.87)

xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the order is not applicable.;

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xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report. The 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 the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and future events or conditions that may cause the Company to cease to continue as a going concern. We neither give any guarantee nor any assurance that all the liabilities falling due within a period od one year from balance sheet date, will get discharged by the company as and when they fall due;

xx) The company is not required to spent under CSR activity u/s 135 of Companies Act 2013, hence reporting under clause 3(xx) of the Order is not applicable.;

FOR ASHWANI &ASSOCIATES
Chartered Accountants
Firm Reg No-000497N

PLACE: LUDHIANA
DATED: 30.05.2022

Kul Bhushan Goyal
Partner
M.NO. 090569

UDIN: 22090569AJWFQW4705

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **KUMAR AUTOCAST LIMITED**, ("the Company") as of 31st March 2022 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the

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design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 31st March 2022, 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

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on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

FOR ASHWANI & ASSOCIATES
Chartered Accountants
Firm Reg No-000497N

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FRN: 000497N
LUDHIANA
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PLACE: LUDHIANA
DATED: 30.05.2022

Kul Bhushan Goyal
Partner
M.NO. 090569

UDIN: 22090569AJWFQW4705

KUMAR AUTOCAST LIMITED
C - 179, Phase-VI, Focal Point, LUDHIANA
BALANCE SHEET AS AT 31st MARCH, 2022

(Amount Rs in Lakhs)

			AS AT 31.03.2022	AS AT 31.03.2021
I	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Property, Plant and Equipment	3	443.58	500.88
	(b) Financial Assets			
	(i) Trade Receivables	4	2.79	7.66
	(ii) Other Financial Assets	5	73.24	76.68
			519.61	**585.22**
(2)	**Current Assets**			
	(a) Inventories	6	146.61	144.36
	(b) Financial Assets			
	(i) Trade Receivable	4	1,335.10	1,360.01
	(ii) Cash and Cash equivalents	7	152.96	332.46
	(c) Current Tax Assets (Net)	8	14.65	8.87
	(d) Other Current Assets	9	8.89	23.53
			1,658.21	**1,869.23**
	TOTAL		**2,177.82**	**2,454.45**
II	**EQUITY & LIABILITIES**			
(1)	**Equity**			
	(a) Equity Share Capital	10	1,037.40	1,037.40
	(b) Other Equity	11	195.48	302.42
			1,232.88	**1,339.82**
(2)	**Liabilities**			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	26.62	105.67
	(ii) Trade Payables	16		
	(a) Outstanding dues of Small Enterprises & Micro enterprises		-	-
	(b) Outstanding dues of Small Enterprises & Micro enterprises		4.40	4.40
	(b) Long Term Provisions	13	18.61	34.88
	(c) Deferred Tax Liabilities (Net)	14	22.46	24.09
			72.09	**169.04**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	462.97	501.81
	(ii) Trade Payables	16		
	(a) Outstanding dues of Small Enterprises & Micro enterprises		108.36	61.23
	(b) Outstanding dues of Small Enterprises & Micro enterprises		132.80	110.39
	(iii) Other Financial Liabilities	17	119.17	225.74
	(b) Other Current Liabilities	18	20.87	34.19
	(c) Short Term Provision	19	28.68	12.23
			872.85	**945.59**
	TOTAL		**2,177.82**	**2,454.45**
	As per our report of even date attached			
	Significant Accounting Policies	1		
	Notes forming part of Accounts	2		

As per our report of even date attached
FOR ASHWANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 000497N)

FRN: 000497N LUDHIANA CHARTERED ACCOUNTANTS

Kul Bhushan Goyal
Partner
M. NO. 090569

PLACE: LUDHIANA
DATE: 30.05.2022
UDIN: 22090569AJNFQW4705

For and on behalf of Board of Directors

ARUN KUMAR SOOD
DIRECTOR
DIN NO. 00685937

AJAY KUMAR SOOD
DIRECTOR
DIN NO. 00685585

USHA JAYAPRAKSH
CHIEF FINANCIAL OFFICER

PRANAV KHANNA
COMPANY SECRETARY

KUMAR AUTOCAST LIMITED

C - 179, Phase-VI, Focal Point, LUDHIANA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2022

(Amount Rs in Lakhs)

		NOTE		AS AT 31.03.2022		AS AT 31.03.2021
I	**INCOME**					
	REVENUE FROM OPERATIONS	20		4,306.59		3,793.00
	OTHER INCOME	21		5.83		6.69
	TOTAL INCOME (II)			**4,312.42**		**3,799.69**
III	**EXPENSES**					
	Cost of Materials Consumed	22		3,009.02		2,236.66
	Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23		10.65		(15.51)
	Employee Benefits Expense	24		519.61		510.93
	Finance Costs	25		37.99		46.94
	Depreciation and Amortization Expense	3		60.00		60.74
	Other Expenses	26		788.02		811.29
	TOTAL EXPENSES (IV)			**4,425.29**		**3,651.05**
V	**Profit/(loss) before exceptional items and tax from continuing operations (II-IV)**			**(112.87)**		**148.64**
VI	Exceptional Items			-		-
VII	**Profit/ (loss) before tax from continuing operations (V-VI)**			**(112.87)**		**148.64**
VIII	**TAX EXPENSE :**					
	Current Tax		-		44.05	
	Earlier Year		0.04		-	
			0.04		44.05	
	Deferred Tax		(2.72)	**(2.68)**	(10.02)	**34.03**
IX	**Profit/ (Loss) for the Year from continuing operations (VII-VIII)**			**(110.19)**		**114.61**
X	**Other Comprehensive Income**					
	(A) Items that will be reclassified to profit or loss					
	Other (specify nature)					
	Income tax effect					
	(B) Items that will not be reclassified to profit or loss					
	Re-measurement (gains)/ losses on defined benefit plans		(4.33)		21.12	
	Income tax effect		1.09		(5.32)	
	Other Comprehensive Income for the year net of Tax			**(3.24)**		**15.80**
XI	**Total Comprehensive Income for the Year (IX+X) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)**			**(113.43)**		**98.80**
XII	**Earnings per equity share of Rs.10 each**					
	(1) Basic			**(1.06)**		**1.10**
	(2) Diluted			**(1.06)**		**1.10**
	As per our report of even date attached					
	Significant Accounting Policies	1				
	Notes forming part of Accounts	2				

As per our report of even date attached
FOR ASHWANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 000497N)

Kul Bhushan Goyal
Partner
M. NO. 090569

PLACE: LUDHIANA
DATE: 30.05.2022
UDIN: 22090569AJWFQW4705

For and on behalf of Board of Directors

ARUN KUMAR SOOD
DIRECTOR
DIN NO. 00685937

AJAY KUMAR SOOD
DIRECTOR
DIN NO. 00685585

USHA JAYAPRAKSH
CHIEF FINANCIAL OFFICER

PRANAV KHANNA
COMPANY SECRETARY

KUMAR AUTOCAST LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(Amount Rs in Lakhs)

		Year Ended 31.03.2022	Year Ended 31.03.2021
(A)	**Cash flows from operating activities**		
	Profit for the year	(112.87)	148.64
	Adjustments for:		
	Depreciation	60.00	60.74
	(Profit)/Loss on sale of Fixed Asset	-	4.13
	Interest and finance charges	37.99	46.94
	Interest income	(5.24)	(6.48)
	Remeasurement of acturial (gain)/loss	(4.33)	21.12
	Operating profit before working capital changes	**(15.79)**	**232.85**
	Adjustments for :		
	(Increase) / decrease in inventories	(2.26)	(19.17)
	(Increase) / decrease in trade receivables	29.78	85.17
	(Increase) / decrease in other financial assets (excluding advance tax)	3.44	(4.85)
	(Increase) / decrease in other current assets	14.64	(4.41)
	Increase / (decrease) in trade payables	69.54	(82.75)
	Increase / (decrease) in other current liabilities	(13.32)	65.54
	Increase / (decrease) in other financial liabilities and provision (excluding provision for tax)	(137.89)	135.33
	Changes in Working Capital	(36.07)	174.86
	Cash generated from operations	**(51.86)**	**407.71**
	Income tax refund/ (paid)	(5.82)	(47.70)
	Net Cash flow generated from operating activities	**(57.68)**	**360.01**
(B)	**Cash flow from investing activities**		
	Additions to PPE and intangible assets (including movement in CWIP)	(2.70)	(88.44)
	Proceeds from sale/ disposal of property, plant and equipment	-	8.85
	Interest received	5.24	6.48
	Net cash flows (used in) investing activities	**2.54**	**(73.11)**
(C)	**Cash flow from financing activities**		
	(Repayment)/Proceeds from long term borrowings	(79.06)	33.95
	Interest and finance charges paid	(37.99)	(46.94)
	Net cash flows (used in)/ generated from financing activities	**(117.05)**	**(12.99)**
	Net change in cash and cash equivalents (A+B+C)	**(172.19)**	**273.91**
	Cash and cash equivalents- opening balance	**(49.63)**	**(323.54)**
	Cash and cash equivalents- closing balance	**(221.82)**	**(49.63)**
	Notes to cash flow statement:		
	Cash and cash equivalents include :		
	Cash on hand	2.12	3.56
	Margin Money Deposit against bank guarantee	33.76	36.99
	Cash credit	(374.77)	(382.09)
	Balances with banks:	117.08	291.92
	Cash and cash equivalents at the end of the year	**(221.82)**	**(49.63)**

As per our report of even date attached
FOR ASHWANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 000497N)

Kul Bhushan Goyal
Partner
M. NO. 090569

PLACE: LUDHIANA
DATE: 30.05.2022

For and on behalf of Board of Directors

ARUN KUMAR SOOD
DIRECTOR
DIN NO. 00685937

AJAY KUMAR SOOD
DIRECTOR
DIN NO. 00685585

USHA JAYAPRAKSH
CHIEF FINANCIAL OFFICER

PRANAV KHANNA
COMPANY SECRETARY

KUMAR AUTOCAST LIMITED
C - 179, Phase-VI, Focal Point, LUDHIANA

(Amount Rs in Lakhs)

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

EQUITY

(A) Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,037.40	-	-	-	1,037.40

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
518.70	-	-	518.70	1,037.40

B. Other Equity

(1) Current reporting period

	Reserves and Surplus				Total
	Capital Reserve	**Other Reserves (General Reserve)**	**Retained Earnings**	**Other items of Other Comprehensive Income (Valuation of Gratuity)**	
Balance at the beginning of the current reporting period	14.60	113.53	190.10	(15.80)	302.42
Total Comprehensive Income for the current year	-	-	-	3.24	3.24
Transfer to retained earnings	-	-	(110.19)	-	(110.19)
Balance at the end of the current reporting period	14.60	113.53	79.90	(12.56)	195.47

(2) Previous reporting period

	Reserves and Surplus			Other items of Other Comprehensive Income (Valuation of Gratuity)	Total
	Capital Reserve	**Other Reserves (General Reserve)**	**Retained Earnings**		
Balance at the beginning of the previous reporting period	14.60	113.53	594.18	-	722.31
Total Comprehensive Income for the previous year	-	-	-	(15.80)	(15.80)
Transfer to retained earnings	-	-	114.61	-	114.61
Bonus Shares alloted	-	-	(518.70)	-	(518.70)
Balance at the end of the previous reporting period	14.60	113.53	190.10	(15.80)	302.42

Note: Remeasurment of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus "

The accompanying notes are integral part of the financial statements.

FOR ASHWANI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 000497N)

Kul Bhushan Goyal
Partner
M. NO. 090569

PLACE: LUDHIANA
DATE: 30.05.2022

KUMAR AUTOCAST LIMITED
C - 179, Phase-VI, Focal Point, LUDHIANA
Analytical Ratios

(Amount Rs in Lakhs)

S No.	Name of The Ratio	Formula	Numerator		Denominator		Ratio		% Variance	Reasons for variance more than 25%
			31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021		
a	CURRENT RATIO	CURRENT ASSETS/CURRENTS LIABILITIES	1658	1869	873	946	1.90	1.98	-4.05	N.A.
b	DEBT TO EQUITY RATIO	TOTAL DEBT/ SHAREHOLDER'S EQUITY	490	607	1233	1340	0.40	0.45	-14.18	N.A.
c	DEBT SERVICE COVERAGE RATIO	PAT+DEP+INTT+LOSS ON SALE OF FIXED ASSETS/INTT+LEASE PAYMENTS+PRINCIPAL REPAYMENTS	-18	217	46	117	-0.39	1.86	581.43	Due to current year loss
d	RETURN ON EQUITY RATIO	PAT / AVG SHAREHOLDER'S EQUITY	-110	115	1286	949	-0.09	0.12	241.00	Due to current year loss
e	INVENTORY TURNOVER RATIO	SALES/AVG. INVENTORY	4307	3793	145	135	29.60	28.14	4.93	N.A.
f	TRADE RECEIVABLES TURNOVER RATIO	NET CREDIT SALE /AVG. TRADE RECEIVABLES	4307	3793	1353	1410	3.18	2.69	15.52	N.A.
g	TRADE PAYABLES TURNOVER RATIO	NET CREDIT PURCHASE /AVG. TRADE PAYABLES	2977	2184	211	217	14.12	10.05	28.86	Increase in cost of purchases
h	NET CAPITAL TURNOVER RATIO	SALES/AVG WORKING CAPITAL	4307	3793	855	812	5.04	4.67	7.36	N.A.
i	NET PROFIT RATIO	PAT/NET SALES	-110	115	4307	3793	-0.03	0.03	218.09	Increase in cost of purchases

For and on behalf of Board of Directors

PLACE: LUDHIANA
DATE: 30.05.2022

ARUN KUMAR SOOD
DIRECTOR
DIN NO. 00685935

AJAY KUMAR SOOD
DIRECTOR
DIN NO. 00685585

USHA JAYAPRAKSH
CHIEF FINANCIAL OFFICER

PRANAV KHANNA
COMPANY SECRETARY

ASHWANI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ FRN: 000497N LUDHIANA

KUMAR AUTOCAST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. CORPORATE INFORMATION

Kumar Autocast Limited ('the Company') is a public limited Company domiciled in India and incorporated on January 9, 1985 under the provisions of the Companies Act, 1956 having its registered office C-179, Focal Point, Phase VI, Ludhiana Pb 141010. The Company is listed on Metropolitan Stock Exchange (MSE). The Company is engaged in the manufacturing of General Casting of Steel for Auto Parts. The Company's manufacturing facilities are located at Focal Point, Ludhiana, Punjab. The Financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on 30.05.2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPRATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. Financial statements for the year ended 31 March 2022 have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standard) Rules, 2015.The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Defined benefit plans-plan assets are measured using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lacs (INR 00,000), except when otherwise indicated.

2.2 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

ASHWANI & ASSOCIATES CHARTERED ACCOUNTANTS FRN:000497N LUDHIANA

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for purpose of trading

- Expected to be realized within twelve months after the reporting period, or

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of GST credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated

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as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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

Depreciation on property, plant and equipment is provided on pro rata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

2.4 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed of.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life.

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2.5 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.6 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

- Those measured at amortised cost

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)

- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments at amortised cost

- Equity instruments

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or

ASHWANI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ FRN:000497N LUDHIANA

recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

a) Business Model Test: The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

a) Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of

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LUDHIANA
CHARTERED ACCOUNTANTS

profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortised cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e, removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) The Company has transferred the rights to receive cash flows from the financial assets or

(b) The Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;

- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

- All lease receivables resulting from the transactions within the scope of IND AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings

ASHWANI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ FRN:000497N LUDHIANA

including bank overdraft, trade payable, trade deposits, retention money, liabilities towards services, sales incentives and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of

ASHWANI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ FRN:000497N LUDHIANA

loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:

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

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.8 INVENTORIES

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

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FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

b) Method of Valuation:

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using First in First out (FIFO) method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

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

2.9 TAXES

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

ii) Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be

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available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

2.10 REVENUE RECOGNITION

a) Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand- alone selling prices. Revenue from sale of by products are included in revenue.

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b) Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.11 EMPLOYEE BENEFITS

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Company. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

2. Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund.

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The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

c) Compensated Absences

Accumulated leave which is expected to be utilised within next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and is discharge by the year end.

2.12 GOVERNMENT GRANTS

Government Grants, if any are recognised at their fair value when there is reasonable assurance that the grant will be received, and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.13 SEGMENT ACCOUNTING:

The company has only single segment of business. Hence segment accounting is not required.

2.14 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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2.15 BORROWING COSTS

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.16 EXCEPTIONAL ITEMS

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

2.17 CASH AND CASH EQUIVALENTS

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

2.18 PROVISIONS AND CONTINGENT LIABILITIES

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be

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measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.19 FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

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

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in

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the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

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

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NOTE-3 Property Plant and Equipment

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK		% CHANGE IN GROSS AND NET CARRYING VALUE
	As At 01.04.2021	Additions During the Period	Adjustment during the year	Sale/Discarded During the Period	As At 31.03.2022	As At 01.04.2021	For the Period	Adjustment during the Period	Written Back during the Period	As at 31.03.2022	As At 31.03.2022	As At 01.04.2021	
Tangible Assets													
BUILDING	2.61	-	-	-	2.61	1.36	0.02			1.38	1.24	1.25	52.74
COMPUTERS AND DATA PROCESSING UNITS	3.27		-	-	3.27	1.06	0.92			1.98	1.29	2.21	60.61
FURNITURE & FIXTURE	2.85	0.19	-	-	3.04	1.01	0.23			1.24	1.80	1.84	40.81
LAND	4.28		-	-	4.28		-			-	4.28	4.28	-
MOTOR VEHICLES	140.93		-	-	140.93	74.15	17.55			91.70	49.23	66.78	65.07
PLANT & MACHINERY	591.02	2.51	-	-	593.53	166.50	41.28			207.78	385.75	424.52	35.01
Sub-total (A)	744.96	2.70	-	-	747.66	244.08	60.00	-	-	304.08	443.58	500.88	
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total (B)	-	-	-	-	-	-	-	-	-	-	-	-	
Total (A+B)	744.96	2.70	-	-	747.66	244.08	60.00	-	-	304.08	443.58	500.88	

Note:-

1. Borrowing cost capitalised during the year Rs NIL (P.Y. Rs "NIL")

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK		% CHANGE IN GROSS AND NET CARRYING VALUE
	As At 01.04.2020	Additions During the Period	Adjustment during the year	Sale/Discarded During the Period	As At 31.03.2021	As At 01.04.2020	For the Period	Adjustment during the Period	Written Back during the Period	As at 31.03.2021	As At 31.03.2021	As At 01.04.2020	
Tangible Assets													
BUILDING	2.61	-	-	-	2.61	1.19	0.17	-	-	1.36	1.25	1.42	52.35
COMPUTERS AND DATA PROCESSING UNITS	0.37	2.90	-	-	3.27	0.14	0.92	-	-	1.06	2.21	0.22	32.48
FURNITURE & FIXTURE	1.91	0.94	-	-	2.85	0.78	0.23	-	-	1.01	1.84	1.13	35.46
LAND	4.28	-	-		4.28	-	-	-	-	-	4.28	4.28	-
MOTOR VEHICLES	128.04	12.89		-	140.93	55.91	18.24			74.15	66.78	72.14	52.61
PLANT & MACHINERY	535.98	73.90		18.86	591.02	131.19	41.18		5.87	166.50	424.52	404.78	28.17
	673.19	90.63	-	18.86	744.96	189.21	60.74	-	5.87	244.08	500.88	483.97	
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total (B)	-	-	-	-	-	-	-	-	-	-	-	-	
Total (A+B)	673.19	90.63	-	18.86	744.96	189.21	60.74	-	5.87	244.08	500.88	483.97	

Note:-

1. Borrowing cost capitalised during the year Rs NIL (P.Y. Rs "NIL")

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

NOTE - 4 TRADE RECEIVABLE		
Unsecured		
Trade receivable from Related parties - Considered Good	1,067.98	923.79
Trade receivable - Considered Good	269.91	443.88
Trade Receivables – which have significant increase in credit risk	-	-
	1,337.89	**1,367.67**
Less: Allowance for Bad and Doubtful Debts	-	-
	1,337.89	**1,367.67**

Trade Receivables ageing schedule (Current Year)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,335.10	-	-	-	2.79	1,337.89

Trade Receivables ageing schedule (Previous Year)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,360.01	-	-	-	7.66	1,367.67

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTES TO ACCOUNTS (Rs in Lacs)

	AS AT 31.03.2022	AS AT 31.03.2021
NOTE - 5 OTHER FINANCIAL ASSETS		
Security Deposits	71.74	71.75
Interest accured but not due	-	2.97
Licence fees PPCB	1.50	1.96
	73.24	**76.68**
NOTE - 6 INVENTORIES*		
Raw Material	55.34	42.44
Finished Goods	32.68	55.48
Stores & Spares	11.06	8.39
Others Material	47.53	38.05
	146.61	**144.37**

* At cost or net realisable value, whichever is lower

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

NOTE - 7 CASH & BANK BALANCE		
Cash and Cash Equivalents		
Cash on Hand	**2.12**	**3.56**
Balances with Scheduled Banks		
In Current Account	**117.08**	**291.92**
Bank of Baroda	-	0.18
HDFC Bank Ltd. (Current A/c- 01953)	-	5.18
ICICI Bank Ltd. (Current A/c-12454)	1.09	0.17
ICICI Bank Ltd. (Current A/c-4052)	0.25	0.24
State Bank of India -37763416724	-	0.13
Cheques deposited but not cleared	115.74	286.02
Margin Money Deposit against bank guarantee	33.76	36.99
Total	**152.96**	**332.46**
NOTE - 8 CURRENT TAX ASSETS (NET)		
Advance Tax	14.65	8.87
	14.65	**8.87**
NOTE - 9 OTHER CURRENT ASSETS		
Other Advances		
Advances for Material & Services	4.40	18.54
HP CNG prepaid card	0.07	-
Prepaid expenses	2.18	4.54
Prepaid Insurance	1.45	-
	8.09	23.08
Balances with Statutory/Government Authorities		
GST on Audit Fees Recoverable	0.57	0.24
Paytm/NHAI Fastag	0.22	0.11
TDS Receivable on interest	-	0.09
	0.80	0.45
	8.89	**23.53**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTES TO ACCOUNTS (Rs in Lacs)

		AS AT 31.03.2022		AS AT 31.03.2021
NOTE - 10 SHARE CAPITAL				
Authorised				
105 (Previous Year -2021)(105)				
Equity Shares of Rs.10/- each		1,050.00		1,050.00
		1,050.00		1,050.00
Issued, Subscribed & Paid Up				
103.74* [Previous Year - 2021 (103.74)]				
Equity Shares of Rs. 10/- each Fully Paid up		1,037.40		1,037.40
*includes 101.27 Bonus Shares.		1,037.40		1,037.40

Note - 10.1 Details of Shareholders holding more than 5% shares in the Company (Equity Shares of Rs. 10/- each Fully Paid up)	**No. of shares**	**% Holding in the class**	**No. of shares**	**% Holding in the class**
1 Sh. Ajay Kumar Sood	1,352,280.00	13.04	1,352,400.00	13.04
2 Sh. Arun Kumar Sood	3,525,900.00	33.99	3,525,900.00	33.99
3 Sh. Ashish Kumar Sood	1,640,100.00	15.81	1,640,100.00	15.81
4 Smt. Shama Sood	569,100.00	5.49	569,100.00	5.49

Note - 10.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity shares at the beginning of the year	10,374,000.00	1,037.40	5,187,000.00	518.70
Add: Equity share issued/cancelled during the year	-	-	5,187,000.00	518.70
Less: Equity share issued/cancelled during the year	-	-	-	-
Equity shares at the end of the year	**10,374,000.00**	**1,037.40**	**10,374,000.00**	**1,037.40**

Note 10.3 Terms/Rights attached to Equity Shares

The Company has only Equity Share Capital as such no Preference Shares are subscribed and Paid up. There is no partly paid up Equity Share.Issued Capital has equal right of all shareholders including distribution of dividend and repayment of capital. No part of the share of the company has held by any holding company or its ultimate holding company including subsidiaries or associates thereof.

Note 10.4 Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet

	No. of Shares	
	As at 31.03.2022	As at 31.03.2021
1 Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-
2 Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account, surplus reserve and general reserve	-	5,187,000.00
3 Equity shares issued under the Employee Stock Option Plan/ Employee Stock Purchase Plan as part consideration for services rendered by employees	-	-
Total	-	5,187,000.00

Note 10.5 Promoter Details

Equity Shares held by promoters at the end of the year				% Change during the year
S. No.	**Promoter Name**	**No. of total shares**	**% of total shares**	
1	Sh. Arun Kumar Sood	3,525,900	33.99	-
2	Sh. Ashish Sood	1,640,100	15.81	-
3	Sh. Ajay Kumar Sood	1,352,280	13.04	-
4	Smt. Shama Sood	569,100	5.49	-
5	Smt. Seema Sood	424,200	4.09	-
6	Smt. Alka Sood	2,100	0.02	-
	TOTAL	**7,513,680.00**	**72.44**	-

NOTE - 11 OTHER EQUITY	As at 31.03.2022		As at 31.03.2021	
(i) Reserve & Surplus				
(a) Capital Reserve		**14.60**		**14.60**
(b) General Reserve				
As Per Last Balance Sheet		**113.53**		**113.53**
(c) Retained Earning				
As Per Last Balance Sheet	174.30		594.18	
(Add)/ Less: Loss for the current year	(110.19)		114.61	
Less: Bonus Share Alloted during the year	-		518.70	
		64.11		**190.10**
(ii) Other Comprehensive Income				
(a) Remeasurement of Defined benefit plan				
Re-measurement (gains)/ losses on defined benefit plans (Net of Income Tax effect)		**(3.24)**		**15.80**
		195.48		**392.42**

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NOTES TO ACCOUNTS (Rs in Lacs)

			AS AT 31.03.2022		AS AT 31.03.2021
NOTE -	**12 LONG TERM BORROWINGS**				
	SECURED LOANS				
	Term Loans From Banks				
	Rupee Loans				
	a) Vehicle Loan				
	-From HDFC Bank '(Instalment of Rs.36390/-. Due date of loan payment is 05.12.2023, secured against Truck purchased)		3.35		3.35
	-From Kotak Mahindra Prime Ltd '(Instalment of Rs. 47360/-. Due date of loan payment is 01.02.2023, secured against car purchased)		-		4.99
	b) Plant & Machinery				
	-From SIDBI		23.27		45.20
	(Loan a/c D0000YO9- Principal amount of Rs. 115500, loan repayable by 10.08.2023) (Loan a/c D000128L Principal amount of Rs. 59500, loan repayable by 10.08.2023) (Loan a/c D00031FY- Principal amount of Rs. 44600, loan repayable by 10.11.2025)				
	(Loans are secured against Plant & Machinery)				
	c) COVID LOAN				
	--From ICICI Bank Ltd		-		37.50
	--From SIDBI		-		14.64
			26.62		**105.67**
NOTE -	**13 LONG TERM PROVISIONS**				
	Provisions for Employee Benefits				
	Provision for Gratuity		18.61		34.88
			18.61		**34.88**
NOTE -	**14 DEFERRED TAX LIABILITIES (NET)**				
	Income Tax expense in statement of profit and loss comprises:				
	Current Income Tax Charge		-		44.05
	Adjustment of Tax relating to earlier years		0.04		-
	Deferred Tax				
	Relating to Origination and reversal of Temporary differences		(2.72)		(10.02)
	Income Tax expense reported in the statement of Profit or Loss		**(2.68)**		**34.03**
	Other Comprehensive Income				
	Re-measurement (gains)/losses on defined benefit plans		1.09		(5.32)
	Income Tax related items recognised in OCI during the year		**1.09**		**(5.32)**
	Reconciliation of Tax expense and the accounting profit multiplied by India's domestic tax rate:				
	Accounting Profit Before Tax		(112.87)		148.64
	Applicable Tax rate		0.25		0.25
			(28.41)		37.41
	Difference in Tax rate		25.73		(3.39)
			(2.68)		34.03
		BALANCE SHEET		**STATEMENT OF PROFIT AND LOSS**	
	Deferred Liabilities Comprises of :	**As at 31.03.2022**	**As at 31.03.2021**	**Year ended March 31,2022**	**Year ended March 31,2021**
	Accelerated Depreciation for Tax purposes	34.37	35.92	(1.55)	(8.79)
	Expenses allowable on Payment basis	(11.90)	(11.86)	(0.04)	(6.54)
	Others	-	0.04	(0.04)	(0.00)
		22.47	**24.09**	(1.63)	(15.34)
	Reconciliation of Deferred Tax Liability (Net)				
	-Opening Balance	24.09		39.43	
	-Deferred Tax Charge Created during the year	(1.63)		(15.34)	
	-Deferred Tax credited during the year	-		-	
	-Closing Balance		**22.46**		**24.09**
NOTE -	**15 CURRENT BORROWINGS**				
	Credit Card Balances				
	HDFC Bank Credit Card	8.00		7.50	
	American Express Corporate Card	24.04		20.91	
	Indusind Credit Card	20.66	52.70	18.34	46.75
	SECURED LOANS (WORKING CAPITAL)				
	From Banks				
	-Cash Credit - ICICI Bank Ltd.		374.77	-	382.09
	Current Maturities of Long Term Borrowings				
	- HDFC Bank Vehical Loan	4.17		8.04	
	- ICICI Bank Ltd, Covid Loan	-		12.50	
	- Kotak Mahindra Prime Ltd Vehical Loan	4.99		5.01	
	- SIDBI Covid Loan	-		4.16	
	- SIDBI	26.34	35.50	43.25	72.96
			462.97		**501.81**

Note:
Security:

1) The Cash Credit limit avail from ICICI Bank ltd is fully secured by hypothecation of the company's entire stock of Raw Materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, recievables, both present and future, in a form and manner satisfactory to bank.

2) The Working capital is further secured by Equitable mortgage, in a form and manner satisfactory to bank, on the industrial property owned by company at C-179, Focal point, Phase VI Ludhiana.

Guarantee:
1) Cash Credit limit is secured by personal guarantee of Mr Ajay Kumar (Director), Mr. Arun Kumar (Director) & Mr. Ashish Sood (Director)

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NOTES TO ACCOUNTS (Rs in Lacs)

	AS AT 31.03.2022	AS AT 31.03.2021
NOTE - 16 TRADE PAYABLE		
Outstanding dues to Micro & Small Enterprises	108.36	61.23
Outstanding dues to other than Micro & Small Enterprises	137.20	110.39
	245.56	**171.62**

- Trade Payable Ageing Schedule (Current Year)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	108.36	-	-	-	108.36
(ii) Others	132.80	-	-	4.40	137.20

- Trade Payable Ageing Schedule (Previous Year)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	61.23	-	-	-	61.23
(ii) Others	105.99	-	-	4.40	110.39

Note:
The amount due to Micro and Small Enterprises as defined in the " The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2022 are as under :

S No.	Particulars	For the year ended 31st March,2022	For the year ended 31st March,2021
(i)	The principal amount remaining unpaid to supplier as at the end of the year	108.36	61.23
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii)	The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv)	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
		108.36	61.23

Note:
1) Trade payable include due to related parties NIL (March 31,2021 NIL)
2) Trade payables are unsecured and are usually paid within 30 to 90 days.
3) Trade payable are non interest bearing.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTES TO ACCOUNTS (Rs in Lacs)

	AS AT 31.03.2022	AS AT 31.03.2021
NOTE - 17 OTHER FINANCIAL LIABILITIES		
Other Payable	**119.17**	**225.74**
<u>Sundry Payables</u>	**38.59**	**139.58**
Audit Fee Payable	-	0.52
Statutory Audit Fee Payable	0.44	0.22
Electricity Exp. Payable	12.73	14.87
Expenses Payable	1.93	0.42
Interest accrued but not due	0.30	0.64
Insurance Fund Payable	0.03	0.04
Cheques issued but not yet cleared	22.89	122.58
Security Deposit Receipt	0.15	0.15
Telephone Exp. Payable	0.12	0.12
<u>Employee Benefits Payable</u>	**80.58**	**86.16**
Director remuneration Payable	19.03	19.08
Bonus Payable	16.85	17.37
Leave with wages Payable	14.74	14.35
Wages & Salary Payable	29.97	35.35
	119.17	**225.74**
NOTE - 18 OTHER CURRENT LIABILITIES		
<u>ADVANCES FROM CUSTOMERS</u>	-	0.06
<u>Statutory Dues Payable</u>	**20.87**	**34.13**
E.S.I. Payable	1.06	1.29
Pension Fund Payable	0.38	0.69
Provident Fund Payable	0.88	1.47
Professional Tax	0.06	0.08
GST payable	14.52	21.17
TDS Payable	3.57	8.49
TCS Payable	0.01	0.50
Punjab Labour Welfare Fund Payable	0.39	0.45
	20.87	**34.19**
NOTE- 19 SHORT TERM PROVISION		
Acturial Value of Gratuity Liability	28.68	12.23
	28.68	**12.23**

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NOTES TO ACCOUNTS (Rs in Lacs)

	Year Ended 31.03.2022	Year Ended 31.03.2021
NOTE - 20 REVENUE FROM OPERATIONS		
Sales	4306.59	3793.00
Gross Revenue from Operations	**4306.59**	**3793.00**
NOTE - 21 OTHER INCOME		
Interest Income	5.24	6.48
Cash Discount	0.59	0.21
	5.83	**6.69**
NOTE - 22 COST OF RAW MATERIAL CONSUMED		
Raw Material Consumed	3009.02	2236.66
	3009.02	**2236.66**
NOTE - 23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Opening Stock		
Finished Goods	55.48	22.43
Others Materials	46.44	63.98
	101.92	**86.41**
Closing Stock		
Finished Goods	32.68	55.48
Others Materials	58.59	46.44
	91.27	**101.92**
Net	**10.65**	**-15.51**

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KUMAR AUTOCAST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTES TO ACCOUNTS (Rs in Lacs)

	Year Ended 31.03.2022	Year Ended 31.03.2021
NOTE - 24 EMPLOYEES BENEFITS EXPENSES		
Salary, Wages & Bonus	479.42	467.75
Gratuity Expenses	10.65	10.15
Contribution to PF & Other Funds	21.24	24.85
Staff Welfare Expenses	8.30	8.17
TOTAL	**519.61**	**510.93**
NOTE - 25 FINANCE COSTS		
Interest Expenses	32.33	37.78
Other Borrowing Costs	5.66	9.15
TOTAL	**37.99**	**46.94**
NOTE - 26 OTHER EXPENSES		
Auditors Remuneration	0.68	0.20
Commission	26.94	18.33
Director's Remuneration	126.00	132.83
Electricity Expense	532.83	528.20
Freight (Outward)	11.21	3.90
Insurance Exp.	3.31	3.96
Legal & Professional Charges	8.60	6.08
Listing Fee Expenses	0.55	1.02
Loss on sale of Fixed Asset	-	4.13
Machinery Repair	21.03	18.51
Medical expense	4.56	-
Misc. Expenses	16.80	15.02
Penalty and Fines	-	10.02
Rebate & Discount	0.14	21.94
Rent Rates & Taxes	7.06	5.88
Repair & Maint.	20.46	28.71
ROC Charges	0.01	3.75
Sundry Balances w/off	1.90	-
Testing Charges	0.47	0.01
Travelling & Conveyance (Others)	2.07	5.99
Vehicle Expenses	3.40	2.81
TOTAL	**788.02**	**811.29**

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NOTES TO FINANCIAL STATEMENTS

Note No. 27

27.1 COMMITMENTS AND CONTINGENCIES:

A) Contingent liabilities (to the extent not provided for) **(Amount Rs in Lacs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Liability towards Bank against Bank Guarantee availed	246.85*	286.99
Others	-	-
Total	246.85	286.99

*Bank Guarantee given by the company to Environmental engineer Punjab Pollution Control Board, Ludhiana of Rs.1 Lakh and Modern Coach Factory Raebarelli Rs. 245.85 lacs

B) Commitments: NIL

C) Undrawn Committed borrowing facility:
The Company has availed working capital limits amounting to Rs 1,000 lacs (March 31, 2021 Rs 1,000 Lacs) from ICICI Bank, amount of Rs. 625.23 lacs (March 31, 2021 Rs 617.91 Lacs) remain undrawn as at March 31, 2022.

D) Other Litigation: NIL
E) Leases: NIL
F) Contingent Asset: NIL

27.2 Disclosures pursuant to Ind AS-19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below:

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(Rs in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31,2021
Employer's Contribution towards Provident Fund (PF)	3.68	4.27
Leave encashment	17.82	16.63
Employer's Contribution towards Employee State Insurance (ESI)	10.79	10.85
Pension Fund	5.74	8.54

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Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Company itself. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Year ended March 31, 2022	Year ended March 31, 2021
Present value obligation as at beginning of the year	47.11	19.10
Interest cost	2.98	1.18
Current Service Cost	7.66	8.97
Benefits paid	(6.14)	(3.26)
Remeasurement of (Gain)/Loss		
- Experience Adjustment	(2.23)	21.00
- Difference in Present Value of Obligation	(2.09)	1.12
Present value of obligation as at close of the year	47.29	47.11

b) Reconciliation of opening and closing balances of fair value of plan assets

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
Return on plan assets excluding interest income	-	-
Benefits paid	-	-
Fair value of plan assets at year end	-	-

c) Net defined benefit asset/ (liability) recognised in the balance sheet

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets	-	-
Present value of defined benefit obligation	47.29	47.11
Amount recognised in Balance Sheet- Asset / (Liability)	(47.29)	(47.11)

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d) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)

	Year ended March 31, 2022	Year ended March 31, 2021
Current Service Cost	7.66	8.97
Net Interest Cost	2.98	1.18
Net defined benefit expense debited to statement of profit and loss	10.64	10.15

e) Remeasurement (gain)/ loss recognised in other comprehensive income

	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement of (Gain)/Loss		
- Experience Adjustment	(2.23)	21.00
- Difference in Present Value of Obligation	(2.10)	0.11
Recognised in other comprehensive income	(4.33)	21.11

f) Principal assumptions used in determining defined benefit obligation

	Year ended March 31, 2022	Year ended March 31, 2021
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
Imputed rate of Interest (D)	7.24% p.a.	6.76% p.a.
Imputed rate of Interest (IC)	6.76% p.a.	6.75% p.a.
Salary Escalation	5.00% p.a.	7.00% p.a.
Attrition Rate	0/20/60.00% p.a.	00/50.00% p.a.

g) Quantitative sensitivity analysis for significant assumptions is as below

	Year ended March 31, 2022	Year ended March 31, 2021
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount Rate		
Increase by 1%	(0.59)	(0.73)
Decrease by 1%	0.62	0.76
Salary Increase		
Increase by 1%	0.63	0.75
Decrease by 1%	(0.61)	(0.74)
Attrition Rate		
Increase by 1%	(0.01)	(0.09)
Decrease by 1%	0.01	0.10
i) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	30.26	12.49
Between 2 and 5 years	18.82	39.15

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Between 5 and 10 years	1.95	1.07
Above 10 years	1.53	0.04

1. The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
2. Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
3. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

27.3 Segment Reporting

The Company has one Operating segment as identified by the Chief decision maker of the company in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). Therefore, no additional disclosure is required to be given.

27.4 The related parties as per the terms of Ind AS-24," Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below: -

a) Details of Related Parties:

Sr. No	Particulars	Name of Related Parties
1	Enterprises in which directors are interested	**1. Kumar Exports** **2. Kumar Export Industries Pvt. Ltd.**
2	Key Management Personnel	**1. Sh. Arun Kumar Sood (Managing Director)** **2. Sh. Ajay Kumar Sood (Director)** **3. Sh. Ashish Kumar Sood (Director)** **4. Sh. Shrey Bhutani (Independent Director)** **5. Sh. Rakesh Dhanda (Independent Director)** **6. Sh. Aravind Prasad (Independent Director)** **7. Smt. Neha Sood (Woman Director)** **8. Sh. Pranav Khanna (Company Secretary)** **9. Smt. Usha Jayaprakash (Chief Financial Officer)**

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b) Transactions with the Related Parties: **(Rs. in Lacs)**

Nature of Transactions during the year	**Enterprises in which directors are interested**		**Key Management Personnel**	
	2021-22	2020-21	2021-22	2020-21
Purchases/Labour Job from Kumar Exports	369.50	228.66	---	---
Sales to Kumar Exports	2299.86	1851.84	---	---
Remuneration				
Ashish Kumar Sood	---	---	42	45.87
Ajay Kumar Sood	---	---	42	45.87
Arun Kumar Sood	---	---	42	45.87
Pranav Khanna	---	---	2.35	2.12
Lalit Kumar Jha (Former CFO)	---	---	-	2.82
Usha Jayaprakash (Current CFO)			5.41	-
Medical Reimbursement				
Ashish Kumar Sood	---	---	0.51	0.86
Ajay Kumar Sood	---	---	3.24	1.52
Arun Kumar Sood	---	---	0.82	1.40
Amount Receivable				
Kumar Exports	1067.98	923.79	---	---
Amount Payable				
Kumar Exports	---	---	---	---
Ashish Kumar Sood	---	---	6.51	8.13
Ajay Kumar Sood	---	---	6.43	8.13
Arun Kumar Sood	---	---	6.09	8.13
Pranav Khanna			0.37	0.32
Lalit Kumar Jha			-	0.42
Usha Jayaprakash			0.66	---

27.5 Corporate Social Responsibility

The provisions of section 135 of Companies Act, 2013 are not applicable on company. Therefore, no disclosure is required to be made under this clause.

27.6 Fair Value Measurements

Set out below, is the comparison by class of the carrying amounts and fair value of the Company's Financial Instruments, other than those with carrying amounts that are reasonable approximations of fair values:

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Financial Instruments by category	Carrying Value		Fair Value	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Financial Assets at amortised cost				
Other Financial Assets (Non-Current)	73.24	76.68	73.24	76.68
Trade Receivables (Current and Non-current)	1337.89	1367.67	1337.89	1367.67
Cash & Cash Equivalents	152.96	332.46	152.96	332.46
Financial Liabilities at amortised cost				
Borrowings	489.59	607.48	489.59	607.48
Trade Payables	241.16	171.62	241.16	171.62
Other Financial Liabilities (current)	119.17	225.74	119.17	225.74

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, and individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022, are as shown below.

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Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Quantitative disclosures of fair value measurement hierarchy as on March 31st 2022

	Carrying Value	Fair Value		
	March 31 2022	**Level 1**	**Level 2**	**Level 3**
Financial Assets at amortised cost				
Other Financial Assets (Non-Current)	73.24	-	-	73.24
Trade Receivables	1337.89	-	-	1337.89
Cash & Cash Equivalents	152.96	-	-	152.96
Financial Liabilities at amortised cost		-	-	
Borrowings	489.59	-	-	489.59
Trade Payables	241.16	-	-	241.16
Other Financial Liabilities (current)	119.17	-	-	119.17

Quantitative disclosures of fair value measurement hierarchy as on March 31st, 2021

	Carrying Value	Fair Value		
	March 31,2021	**Level 1**	**Level 2**	**Level 3**
Financial Assets at amortised cost				
Other Financial Assets (Non-Current)	76.68	-	-	76.68
Trade Receivables	1367.67	-	-	1367.67
Cash & Cash Equivalents	332.46	-	-	332.46
Financial Liabilities at amortised cost		-	-	
Borrowings	607.48	-	-	607.48
Trade Payables	171.62	-	-	171.62
Other Financial Liabilities (Current)	225.74	-	-	225.74

27.7 Earnings per share

Amount Rs in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic Earnings per share		
Numerator for earnings per share		

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- Profit after taxation	-110.19	114.61
Denominator for earnings per share		
- Weighted number of equity shares outstanding (Nos. in lacs) during the year	103.74	103.74
Earnings per share-Basic (one equity share of Rs 10/- each) (Amount in Rs)	**(1.06)**	**1.10**
Diluted Earnings per share		
Numerator for earnings per share		
- Profit after taxation	-110.19	114.61
Denominator for earnings per share		
- Weighted number of equity shares outstanding (Nos. in lacs) during the year	103.74	103.74
Earnings per share-Diluted (one equity share of Rs 10/- each) (Amount in Rs)	**(1.06)**	**1.10**

27.8 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 15 to 35%.

Particulars	March 31,2022	March 31,2021
Loans and borrowings (Net of Cash and Cash Equivalents)	336.63	275.02
Net Debt	**336.63**	**275.02**
Equity	1232.88	1339.82
Total Capital	**1232.88**	**1339.82**
Capital and Net Debt	**1569.51**	**1614.84**
Gearing ratio (Net Debt/Capital and Net Debt)	**21.45%**	**17.03%**

27.9 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans,

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trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2022. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022.

(b) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligation at floating interest rates. The Company's Term loan outstanding as at March 31, 2022 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

(c) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit

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risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by the company based on its established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally reviewed regularly by the management of the company.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low.

(ii) **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the policy.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 is the carrying amounts. The Company's maximum exposure relating to financial instruments is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	**As at March 31 2022**	**As at March 31 2021**
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash & Cash Equivalents	152.96	332.46
Other Non-Current financial assets	73.24	76.68
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivable	1337.89	1367.67

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of trade receivables has been considered from the date the invoice falls due.

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Particulars	As at March 31 2022	As at March 31 2021
0 to 180 Days due past due date	1335.10	1360.01
More than 180 days past due date	2.79	7.66
Total	**1337.89**	**1367.67**

(d) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31,2022	Less than 1 Year	More than 1 Year	Total
Borrowings	462.97	26.62	489.59
Other Current Financial Liabilities	119.17	-	119.17
Trade Payables	241.16	-	241.16
As at March 31,2021	**Less than 1 Year**	**More than 1 Year**	**Total**
Borrowings	501.81	105.67	607.48
Other Current Financial Liabilities	225.74	-	225.74
Trade Payables	171.62	-	171.62

27.10 The balances of Trade Receivables, Loans & Advances, Deposits and Trade Payables are subject to confirmation/ reconciliation and subsequent adjustments if any.

27.11 In opinion of the Board, all the current assets, loans & advances have the value on realization in the ordinary course of business at least equal to amount at which they are stated.

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27.12 The company enjoys revenue from sale of single product and segment of cost resulting. There is no disaggregation of revenue and hence no disclosures are being made separately.

27.13 Additional Information

(i) **Details of Benami Property held**
As per information provided by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The company has no such immovable properties whose title deeds are not held in the name of the company and no such immovable property is jointly held with others. The company has not revalued its Property, Plant & Equipment during the year.

(iii) The Company has borrowings from banks or financial institutions on the basis of security of current assets, Monthly returns or statements of current assets filed by the Company and are in agreement with the books of accounts.

(iv) **Wilful Defaulter**
The company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(v) **Relationship with Struck off Companies**
The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vi) **Registration of charges or satisfaction with Registrar of Companies**
All charges or charges or satisfaction with Registrar of Companies have been made on time.

(vii) **Compliance with number of layers of companies**
Provisions of restrictions on number of layers prescribed under clause (87)of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, are not applicable on the company, as the company has no subsidiary.

(viii) **Compliance with approved Scheme(s) of Arrangements**
The company has never been involved in the Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

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

(a) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries). The company has not provided any guarantee, security or the like to any person or entity

(b) The company has not received any fund from any person(s) or entity (ies), including

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foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise). Further the company has not received any guarantee, security or the like any guarantee, security or the like to any person or entity

(x) **Undisclosed income**
The Company has no such transactions unrecorded in the books of accountsthat has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(xi) **Details of Crypto Currency or Virtual Currency**
Where the Company has not traded or invested in Crypto currency or Virtual Currency duringthe financial year.

(xii) **Registration of charges or satisfaction with Registrar of Companies**
There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

27.13 Previous year amounts have been reclassified wherever necessary to confirm with current year presentation.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

ARUN KUMAR SOOD **DIRECTOR** **DIN- 00685937**	**AJAY KUMAR SOOD** **DIRECTOR** **DIN- 00685585**

Pranav

PLACE: LUDHIANA
DATED: 30.05.2022

USHA JAYAPRAKSH **CHIEF FINANCIAL OFFICER**	**PRANAV KHANNA** **COMPANY SECRETARY**

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