



INDEPENDENT AUDITOR'S REPORT

To the Members of
AMW AUTOCOMPONENT LIMITED

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the financial statements of AMW AUTOCOMPONENT LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including 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 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 31st March, 2024, its loss and its cash flows for the year ended on that date.

2. 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.



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

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

5. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditor's Responsibility for the Audit of the Standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing 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 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.

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.



7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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:
 - 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act and rules made thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
 - 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other 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 it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such 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 mis-statement.
- v. No dividend have been declared or paid during the year by the company.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated from 13.10.2024 as the company migrated to new software having audit trail feature from that date. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For AKR & Associates
Chartered Accountants

Firm's Registration No.: 021179N



per Kailash Kumar
Partner

Membership No.: 505972

Place : Chandigarh

Date : 22.05.2024

UDIN: 24505972BKAMAU3075



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AMW AUTOCOMPONENT LIMITED FOR THE YEAR ENDED 31.03.2024

[Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- 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 has no intangible assets hence the clause is not applicable.
- b) All property, plant and equipment have been physically verified by the management annually which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the immovable properties transferred by virtue of the demerger scheme of Asia Motor Works Limited ("AMWL") duly approved by The High Court Ahmedabad dtd 29th August 2012. We are informed that the necessary formalities related to transfer are in progress. Detailed break up is here below:

Sr. No.	Description of Property	Gross carrying value	Held in Name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of company (also indicate if in dispute)
1	Land	10,95,44,726.00	Asia Motor Works Limited	NA	NA	Pending due to NCLAT order*

* Resolution plan submitted by SSWL got approved by Hon'ble NCLT Ahmedabad on 12th October 2023 wherein an amount of Rs2.65cr is approved towards Land Payments and Stamp duty. The Stamp Authority preferred an appeal in NCLT and NCLAT against the approval of the resolution plan. NCLAT vide its order dt 20th May 2024 dismissed the application. Matter in NCLT is scheduled for hearing on 4th October 2024 and application will get dismissed the same day based on NCLAT order. (Copies of NCLAT and NCLT attached). Post dismissal AMW Auto Component will take up with Stamp Authorities for transfer title in name of AACL post payment of Rs2.65cr already approved in plan

- d) The company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder



- ii) a) As explained to us & on the basis of the records examined by us, in our opinion, The Company's does not have any inventories during the full year and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company
- b) The company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets at any point of time during the year hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) a) The company has not provide loans or advances in the nature of loans, secured or unsecured, but stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties during the year in respect of which:

Particulars	Guarantees	Security
- Holding Company		
- Aggregate amount granted/ provided during the year	100.00	100.00
- Balance outstanding as at balance sheet date in respect of above cases	100.00	100.00

- b) As explained to us and on the basis of the records examined by us, in our opinion, prima-facie that the guarantees provided are not prejudicial to the company's interest;
- c) The company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties hence clause 3(iii)(c),(d),(e) and (f) is not applicable to the company
- iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company
- v), In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii) a) According to the information and explanations given to us, undisputed dues in respect of goods and service tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:



Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Provident Fund	EPF	3,50,665	2017-18	2017-18	06/05/2024	due to ongoing CIRP process under the Insolvency and Bankruptcy Code, 2016
Provident Fund	EPF	25,38,765	2018-19	2018-19	06/05/2024	
Provident Fund	EPF	37,96,210	2019-20	2019-20	06/05/2024	
Provident Fund	EPF	21,76,728	2020-21	2020-21	06/05/2024	
Provident Fund	EPF	41,92,379	2020-21	2020-21	10/05/2024	
Provident Fund	EPF	50,97,968	2021-22	2021-22	10/05/2024	
Provident Fund	EPF	38,556	2022-23	2022-23	10/05/2024	

- b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of goods and service tax, income tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company
- ix) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that funds raised on short term basis have not been used for long term purposes by the company.
- e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records as per the order of The Hon'ble NCLT pronounced on October 12, 2023 had approved the Resolution Plan IS No./692/(AHM)/2021 in CP(IB)/185/(AHM)/2028 under section 31(1) of the Insolvency and Bankruptcy Code, 2016 in relation to the company. Approved resolution plan contains the provisions related to allotment of shares to the Steel Strips Wheels Limited and accordingly Monitoring committee of the company in its meeting held on January 9, 2024 had approved the allotment of 50,00,000 Equity Shares of INR 10 Each amounting to INR 5,00,00,000.
- xi) a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor on the Company.
- b) We have not come across of any instance of fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2024, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- c) The establishment of whistle blower mechanism is not applicable to the company hence reporting under clause 3(xi)(c) is not applicable to the company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv) In our opinion and based on our examination, the company does not required to have an internal audit system as per the provisions of section 138 of the Companies Act, 2013
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3 (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.



- xvii) Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	March 31, 2024 (Current year)	March 31, 2023 (Previous Year)
Cash Loss	586.66	613.00*

*As per the audit report of pervious auditor

- xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- xx)' According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For AKR& Associates
Chartered Accountants
Firm's Registration No.: 021179N





per Kailash Kumar
Partner

Membership No.: 505972

Place : Chandigarh

Date : 22.05.2024

Annexure B to Independent Auditor's Report
Referred to in paragraph 7 our Report of even date

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of AMW AUTOCOMPONENT LIMITED ("the Company") as of March 31, 2024 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

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial control over financial reporting (the "Guidance Notes") and the standards on auditing deemed to be prescribed under section 143(10) of the act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the guidance notes require that we comply with ethical requirements and planned and performed the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 system over financial reporting included obtaining an understanding of internal financial controls system over financial reporting, assessing the risks that material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.



Annexure B to Independent Auditor's Report
Referred to in paragraph 7 our Report of even date

Meaning of Internal financial controls over financial reporting

6. A company's internal financial controls 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 controls 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 expenditure of the company are being made only in accordance with authorization 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 Limitation of Internal financial controls over financial reporting

7. Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management over-ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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

8. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2024 based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For AKR & Associates

Chartered Accountants

Firm's Registration No.: 021179N


per Kailash Kumar

Partner

Membership No.: 505972

Place : Chandigarh

Date : 22.05.2024



AMW AUTOCOMPONENT LIMITED

CIN: U35923GJ2009PLC057269

Standalone Statement of Assets and Liabilities as on 31st March 2024

(All amounts Rs in Lakhs, unless stated otherwise)

Particulars	Note no.	As at 31st March 2024	As at 12th Oct 2023
ASSETS			
Non-current Assets			
a) Property, plant and equipment	3	17,103.31	18,530.15
b) Capital work-in-progress	4	1,671.20	1,671.20
c) Other Intangible assets		-	-
d) Financial assets			
i) Investments		-	-
ii) Loans	5	-	144.82
e) Deferred tax assets (net)	6	4,601.95	4,601.95
Total Non-Current Assets		23,376.46	24,948.11
Current Assets			
a) Inventories	7	-	795.54
b) Financial assets			
i) Trade receivables	8	-	747.77
ii) Cash and Cash equivalents	9	1,196.27	25.53
iii) Bank balances other than above	10	-	217.35
iv) Loans	11	-	251.39
v) Other financial asset	12	-	5.28
c) Other current assets	13	-	154.27
Total Current Assets		1,196.27	2,197.13
Total Assets		24,572.73	27,145.24
EQUITY AND LIABILITIES			
a) Equity Share capital	14	500.00	4,920.33
b) Other equity	15	9,701.97	(72,046.25)
Total Equity		10,201.97	(67,125.92)
Non-current Liabilities			
a) Financial liabilities			
i) Borrowings	16	-	41,733.89
ii) Others financial liabilities	17	-	31,064.48
b) Provisions	18	-	107.95
Total Non-Current Liabilities		-	72,906.32
Current Liabilities			
a) Financial liabilities			
i) Borrowings	19	13,531.83	10,491.58
ii) Trade and other payables			
Total outstanding dues of micro enterprises and small enterprises	20	-	360.03
Total outstanding dues of creditors other than micro enterprises and small enterprises		5.07	5,104.63
b) Provisions	21	-	97.99
c) Other current liabilities	22	833.86	5,310.61
Total Current Liabilities		14,370.76	21,364.84
Total Equity and Liabilities		24,572.73	27,145.24

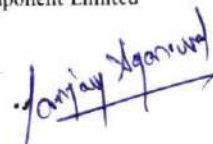
The accompanying notes are an integral part of these financial statements
As per our report of even date attached

For AKR & Associates
Chartered Accountants
ICAI Firm Registration Number: 021179N


per Kailash Kumar
Partner
Membership Number : 503972

Date: 22nd May 2024
Place: Chandigarh

For and on behalf of the Board
AMW Autocomponent Limited

 
Directors Directors

AMW AUTOCOMPONENT LIMITED

CIN: U35923GJ2009PLC057269

STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

S.No.	Particulars	Notes	For Period from 13th Oct 2023 to 31st March 2024	For Period from 01st April 23 to 12th Oct 2023
I	Revenue from operations		-	-
II	Other Income		-	-
	Total income(I+II)		-	-
III	Expenses			
a	Cost of materials consumed	23	-	-
b	Change in inventories of finished goods, stock in trade and work-in-progress		-	-
c	Employee benefit expense		-	-
d	Finance costs	24	240.92	0.08
e	Depreciation and amortisation expense	25	1,426.84	-
f	Other expenses	26	118.48	227.18
	Total Expenses III(a to f)		1,786.24	227.26
IV	Profit/(loss) before exceptional items and tax (I+II-III)		(1,786.24)	(227.26)
V	Exceptional items	27	47,310.39	-
VI	Profit/(loss) before tax after exceptional items(IV+V)		45,524.15	(227.26)
VII	Tax expense: (refer note 37)		-	-
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Prior years tax Adjustments		-	-
VIII	Profit/(loss) for the period after Tax (VI-VII)		45,524.15	(227.26)
IX	Other Comprehensive Income		-	-
X	Total Comprehensive Income for the period (VIII+IX)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)		45,524.15	(227.26)
XI	Paid-up equity share capital (Face value of Rs.10 per share)		500.00	4,920.33
XII	Earnings per equity share in Rs. (refer note 39)			
	(1) Basic (in ₹)		910.48	(0.46)
	(2) Diluted (in ₹)		910.48	(0.46)

The accompanying notes are an integral part of these financial statements
As per our report of even date attached

For and on behalf of the Board
AMW Autocomponent Limited

For AKR & Associates
Chartered Accountants
ICAI Firm Registration Number: 021179N



per Kailash Kumar
Partner

Membership Number : 505972





Directors



Directors

Date: 22nd May 2024
Place: Chandigarh

AMW AUTOCOMPONENT LIMITED

Standalone Cash flow statement for the period ended 31st March 2024

(All amounts Rs in Lakhs, unless stated otherwise)

S. No.	Particulars	For Year Ended 31st March 2024	
A.	Cash Inflow/ (Outflow) from Operating activities		
	Profit before tax		45,524.15
	Depreciation	1,426.84	
	Adjustmen for Non cash Profit(On Reduction of Liabilities)	(49,636.72)	
	Adjustmen for Non cash Profit(On Write off of Assets)	2,099.07	
	Financial charges	241.00	(45,869.81)
	Operating profit before working capital changes		(345.66)
	Adjustment for		
	- Non Current/Current Financial Liabilities and Assets provision	76.13	
	- Increase/ (decrease) in trade payables	(494.93)	(418.80)
	Cash inflow from operating activities		(764.46)
	Taxes paid		-
	Net cash from / (used) in operating activities		(764.46)
B.	Cash flows from/ (used) in Investing Activities		
	Purchase of fixed assets	-	
	Sale of fixed assets	-	
	Interest Received/(Paid)	-	
	Net cash from / (used) in investing activities		-
C.	Cash flows from/ (used) in Financing Activities		
	Proceeds from issue of equity shares incl premium	500.00	
	Proceeds from Short term borrowings	13,315.00	
	Payment of CIRP Implementation cost	(2,926.23)	
	Repayment of long term borrowings (net of fluctuation)	(9,170.93)	
	Financial charges	-	
	Net cash from / (used) in financing activities		1,717.85
	Net increase/(decrease) in cash and cash equivalents		953.39
	Cash and cash equivalents as at beginning of the period		242.88
	Cash and cash equivalents as at end of the period		1,196.27

The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended) including the Companies (Indian Accounting Standards) Amendment Rules, 2020.

The accompanying notes are an integral part of these financial statements
As per our report of even date attached

For AKR & Associates
Chartered Accountants

ICAI Firm Registration Number: 021179N

Kumar
per Kailash Kumar

Partner

Membership Number : 505972



For and on behalf of the Board
AMW Autocomponent Limited

[Signature]
Directors

[Signature]
Directors

Date: 22nd May 2024

Place: Chandigarh

Statement of Changes in Equity for the period ended 31st March 2024
(All amounts ₹ in Lakhs, unless stated otherwise)

(₹ In lacs)

A. Equity Share Capital

As at 31st March, 2023	4,920.33
Changes in equity share capital during the year	-
As at 12th Oct, 2023	4,920.33
Extinguishment of Existing Share Capital	(4,920.33)
Share Capital after Extinguishment	-
Issue of Fresh Share Capital on account of CIRP	500.00
As at 31st March, 2024	500.00

B. Other Equity

PARTICULARS	Reserve and surplus			Total
	Securities premium reserve	Revaluation Reserve	Retained earnings	
(a) Balance at 31st March, 2023	17,707.18	3,483.89	(93,010.06)	(71,818.99)
(i) Profit for the period	-	-	(227.26)	(227.26)
(ii) Other comprehensive income for the period, net of income tax	-	-	-	-
(b) Total comprehensive income for the period	-	-	(227.26)	(227.26)
(iii) Deductions during the year	-	-	-	-
(iv) Dividends including tax thereon	-	-	-	-
(v) Transfer to General Reserve/Other Reserve	-	-	-	-
(vi) Shares issued/options exercised	-	-	-	-
(c) Balance at 12th Oct, 2023	17,707.18	3,483.89	(93,237.32)	(72,046.25)
(vii) Profit for the period	-	-	45,524.15	45,524.15
(viii) Other comprehensive income for the period, net of income tax	-	-	-	-
(d) Total comprehensive income for the period	-	-	45,524.15	45,524.15
(ix) Expenses booked in Pre Acquisition period	-	-	(227.26)	(227.26)
(x) Unsustainable Debt on implementation of resolution plan	-	-	31,531.00	31,531.00
(xi) Extinguishment of Opening Share capital on implementation of resolution plan	-	-	4,920.33	4,920.33
(e) As at 31st March, 2024	17,707.18	3,483.89	(11,489.10)	9,701.97

Pursuant to the NCLT Order, the existing equity share capital of AMW Auto Component Ltd. stands cancelled and the Company has allotted fresh 50,00,000 equity shares of Rs. 10/- each to the SSWL on 09th Jan, 2024. Accordingly, the Company became wholly owned subsidiary of SSWL.

The accompanying notes are an integral part of these financial statements
As per our report of even date attached

For AKR & Associates
Chartered Accountants
ICAI Firm Registration Number: 021179N


per Kailash Kumar
Partner
Membership Number : 505972



For and on behalf of the Board
AMW Autocomponent Limited


Directors

Directors

Date: 22nd May 2024
Place: Chandigarh

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

Note-3 Property, Plant and Equipment

Particulars	Freehold land	Building	Furniture and fixtures	Plant and machinery	Vehicle	Total
Gross Carrying Value						
Balance as at 31st March,2023	1,095.45	5,791.03	1,970.82	44,048.46	6.00	52,911.76
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 12th October,2023	1,095.45	5,791.03	1,970.82	44,048.46	6.00	52,911.76
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31st March,2024	1,095.45	5,791.03	1,970.82	44,048.46	6.00	52,911.76
Accumulated Depreciation						
Balance as at 31st March,2023	-	2,175.91	1,876.14	30,323.84	5.73	34,381.61
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 12th October,2023	-	2,175.91	1,876.14	30,323.84	5.73	34,381.61
Additions	-	275.72	-	1,151.12	-	1,426.84
Disposals	-	-	-	-	-	-
Balance as at 31st March,2024	-	2,451.63	1,876.14	31,474.95	5.73	35,808.45
Net carrying amount						
Balance as at 31st March,2023	1,095.45	3,615.11	94.69	13,724.63	0.27	18,530.15
Balance as at 12th October,2023	1,095.45	3,615.12	94.68	13,724.63	0.27	18,530.15
Balance as at 31st March,2024	1,095.45	3,339.40	94.68	12,573.51	0.27	17,103.31

Notes:

- 1) The title deeds of all the immovable properties as disclosed in Note 3 on Property, plant and equipment and Note 5 on Other Intangible Assets to the financial statements, are held in the name of the Company. However land transferred to the company by virtue of the demerger scheme of Asia Motor Works Limited ("AMWL") is not yet registered in the name of the company.
- 2) There is no change in the carrying value of Assets on the account of Revaluation of Assets.
- 3) Depreciation amounting for Rs.1426.84 Lacs accounted in period from 12th Oct 2023 to 31st March 2024 is for the complete FY 23-24.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(All amounts ₹ in Lakhs, unless stated otherwise)

Note-4 Capital Work-in-Progress

Particulars	Amount
Balance as at 12th October, 2023	1,671.20
Balance as at 31st March, 2024	1,671.20

Notes:

I) Ageing of Capital work in Progress is as below:

As on 31st March 2024

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Capital work in Progress	-	-	-	1,671.20	1,671.20

As on 12th Oct, 2023

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Capital work in Progress	-	-	-	1,671.20	1,671.20

II) Due to initiation of CIRP, projects which are lying in Capital work in progress got delayed and exceeded their timeline of completion.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(All amounts ₹ in Lakhs, unless stated otherwise)

Note 5: Loans

Particulars	As at 31st March 2024	As at 12th Oct 2023
(Unsecured, considered good unless otherwise stated)		144.82
Advance recoverable in cash or kind		
Less : Provisions for Doubtful Advances (Other loan & advances)		144.82

Note:6. Deferred Tax Asset (Net)

Deferred tax Asset (net)	4,601.95	4,601.95
	4,601.95	4,601.95

Note:7 Inventories

(Valued at cost, unless otherwise stated)

a) Raw material		70.83
Raw Material & Components in hand		
Raw Material & Components (in transit)		9.62
b) Work in Progress		10.85
c) Finished Goods		704.24
d) Stores & Spares		
e) Scrap		795.54

Note:- 8 Trade receivables

(Unsecured, considered good unless otherwise stated)

Unsecured, considered good		747.77
Unsecured, considered doubtful		15.84
		763.61
Less : Provisions for Doubtful Debtors		15.84
		747.77

Ageing Schedule of Trade Receivables is as below:
As at 31st March 2024

Trade receivable	Not Due	Less than 6 months	6 months - 1 year	1-2 Year	2-3 year	More than 3 Years	Total
a) Undisputed Considered good	-	-	-	-	-	-	-
b) Undisputed Considered Doubtful	-	-	-	-	-	-	-
c) Disputed Considered good	-	-	-	-	-	-	-
d) Disputed Considered Doubtful	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

As at 12th Oct 2023

Trade receivable	Not Due	Less than 6 months	6 months - 1 year	1-2 Year	2-3 year	More than 3 Years	Total
a) Undisputed Considered good	-	-	-	-	-	747.77	747.77
b) Undisputed Considered Doubtful	-	-	-	-	-	15.84	15.84
c) Disputed Considered good	-	-	-	-	-	-	-
d) Disputed Considered Doubtful	-	-	-	-	-	763.61	763.61
Total	-	-	-	-	-	-	-

Notes:

1) Trade receivables are non interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers

Note:- 9 Cash and bank balances

Balances with banks		25.53
Current account	1,196.27	
Cheques in hand		
Cash in hand	1,196.27	25.53

Note:- 10. Other Bank Balances

Fixed deposits maturing within 12 months		217.35
		217.35

Note:- 11. Loans

(Unsecured, considered good unless otherwise stated)

Advances Recoverable in Cash or in Kind (Short Term)		7.11
Advances to Suppliers		244.28
		251.39

Note:- 12. Other financial assets

Interest Accrued But Not Received		5.28
		5.28

Note:-13. Other current assets

Balance with Statutory Authorities		154.27
		154.27
Less : Provisions for Doubtful Advances		154.27



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(All amounts ₹ in Lakhs, unless stated otherwise)

Particulars	As at 31st March 2024		As at 12th Oct 2023	
Note:- 14 Equity Share Capital				
Authorised	No. of shares	Amount	No. of shares	Amount
Equity Shares of Rs.10/-each	5,00,50,000	5,005.00	5,00,50,000	5,005.00
Issued, Subscribed and Fully paid up	No. of shares	Amount	No. of shares	Amount
Equity Shares of Rs. 10/- each	50,00,000	500.00	4,92,03,251	4,920.33
a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	4,92,03,251	4,920.33	4,92,03,251	4,920.33
Less: Extinguishment of Share Capital on account of CIRP (Refer Note I)	4,92,03,251	4,920.33	-	-
Add: Issue of Share Capital (Equity shares of Rs.10/-) (Refer Note I)	50,00,000	500.00	-	-
Equity shares at the end of the year	50,00,000	500.00	4,92,03,251	4,920.33

b) Rights, Preferences and restrictions attached to shares

The Company has issued only one class of shares i.e. equity shares of face value Re. 10/- per share. All equity shares rank pari passu and carry equal rights with respect to voting and dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at 31st March 2024		As at 12th Oct 2023	
	No of shares	% holding	No of shares	% holding
1. Steel Strips Wheels Limited	50,00,000	100%	-	-
2. Asia Motor Works Holdings Ltd.	-	-	2,41,09,533	49.00%
3. EXIM Bank	-	-	48,15,533	9.79%
4. Punjab National Bank	-	-	36,75,114	7.47%
5. Central Bank of India	-	-	39,75,854	8.08%
6. UCO Bank	-	-	31,85,134	6.47%
7. Industrial Development Bank of India (IDBI)	-	-	47,55,289	9.66%

Notes:

(I) The Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, vide order delivered on 1st September 2020 ("Insolvency Commencement Date") while admitting section 7 application under the Insolvency and Bankruptcy Code, 2016 of Indian Overseas Bank, one of the financial creditors of the Company initiated Corporate Insolvency Resolution Process ("CIRP") against the AMW Auto Component Ltd. Pursuant to its order dated 12th October, 2023 ("NCLT order"), the adjudicating authority approved the resolution plan ("Approved Resolution Plan") submitted by the Steel Strips Wheels Limited ("SSWL") ("Resolution Applicant") ("RA") for the company under section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of section 31 of the Code, the approved resolution plan shall be binding on the company, its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan Pursuant to the NCLT Order, the existing equity share capital of AMW Auto Component Ltd. stands extinguished and the Company has allotted fresh 50,00,000 equity shares of Rs. 10/- each to the SSWL on 09th Jan, 2024. Accordingly, the Company became wholly owned subsidiary of SSWL.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

Particulars	As at 31st March 2024
Note:- 15 Other Equity Reserves & Surplus	
Capital Revaluation Reserve	3,483.89
	<u>3,483.89</u>
Securities Premium Reserve	
Opening Balance	17,707.18
Addition on Allotment	-
Closing Balance	<u>17,707.18</u>
Retained Earnings	
Opening Balance	(93,237.32)
Profit for the year	45,524.15
Expenses booked in Pre Acquisition period	(227.26)
Unsustainable Debt on implementation of resolution plan	31,531.00
Extinguishment of Opening Share capital on implementation of resolution plan	4,920.33
Transfer to General Reserves	-
Balance as at the year end	<u>(11,489.10)</u>
Total	<u>9,701.97</u>

Nature and purpose of Reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained earnings are the profits that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(iii) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(iv) Capital revaluation reserve

Cumulative gains and losses arising on revaluation of Fixed assets measured at market value are recognised in capital revaluation reserve. The reserve balance represents such changes recognised net of amounts reclassified to retained earnings on disposal of such assets.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(All amounts ₹ in Lakhs, unless stated otherwise)

Particulars	As at 31st March 2024	As at 12th Oct 2023
Note:- 16 Non-current Borrowings		
Secured		
Rupee Term loans from banks		30,210.72
Convertible Debentures		10,653.85
Unsecured		
Loans from Related Party		867.32
		41,733.89
Note:-17 Other Financial Liabilities		
Payables - Long Term		31,064.48
		31,064.48
Note:- 18 Provisions		
Provision for Gratuity		65.81
Provision for Leave Encashment		42.14
		107.95
Note:-19 Current Borrowings		
Secured		
Loan repayable on demand		
Rupee demand Loans from Banks		10,405.94
CIRP Loan		85.64
Loan from Holding Company	13,531.83	
	13,531.83	10,491.58

Nature of Securities

Loan payable on Demand

Notes:

I) For the period from 1st April 2023 to 12th Oct 2023, 1st pari passu charge by way of hypothecation of entire current asset constituted of raw materials, stock in process, finished goods, consumable stores, book debts, bills whether documentary or clean outstanding monies, receivables both present and future of the company. 2nd pari-passu charge is on

II) Pursuant to the NCLT, Ahmedabad order dated 12.10.2023 under Insolvency and Bankruptcy Code, 2016, SSWL (Acquirer Company) has infused Rs.138.15 Crores into the company through a mix of equity of Rs.5.00 Crores and inter corporate loan of Rs.133.15 Crores for the acquisition of the company. By subscribing 50 Lacs equity shares of Face Value of Rs.10 each of the company, SSWL became holding company. Inter corporate Loan amount includes Interest payable amounting to Rs.2.41 crores (Rs.2.17 crores net of TDS) on the said loan. As per the terms of loan of Rs.100 crores taken by the holding company from HDFC Bank for acquisition of the company to be secured on exclusive charge on company's assets along with its corporate guarantee.

III) The Company do not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

Particulars	As at 31st March 2024	As at 12th Oct 2023
Note:- 20 Trade payables		
Micro, Small and Medium Enterprises		360.03
Others	5.07	5,104.63
	5.07	5,464.66

III) Ageing Schedule of Trade Payable is as below:

As at 31st March 2024

Particulars	Not Due	Less than 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed MSME						
Undisputed others						
Disputed MSME					5.07	5.07
Disputed Others						

As at 12th Oct 2023

Particulars	Not Due	Less than 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed MSME	-	-	-	-	360.03	360.03
Undisputed others	-	-	-	-	5,104.63	5,104.63
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-

Note:- 21 Provisions

Provision for Employee benefits

i) Provision for Gratuity

91.90

ii) Provision for Leave Encashment

6.09

97.99

Note:- 22 Other Current liabilities

Advances from customers

957.94

Government dues

20.40 1,395.45

Other Payable (incl. Employee related payables)

813.46 2,757.25

833.86 5,310.61



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

Particulars	For the Period from 13th Oct 2023 to 31st March 2024	For the Period Ended 12th Oct 2023
Note:- 23 Change in inventories of finished goods, stock in trade and work - in-progress		
Opening stock		
Finished Goods	10.85	10.85
Scrap	-	-
Work-in-Progress	9.62	9.62
Less: Closing Stock		
Finished Goods	-	10.85
Scrap	-	-
Work-in-Progress	-	9.62
Inventory Written off on account of CIRP (Refer Note 46)	20.47	-
	<u>-</u>	<u>-</u>
Note:- 24 Finance costs		
a) Interest Expenses		
i) Paid to Banks	-	-
ii) Interest Others	240.92	0.08
b) Other borrowing Charges	-	-
	<u>240.92</u>	<u>0.08</u>
Note. 25 Depreciation and amortisation		
Depreciation on		
Property, Plant and Equipment / Intangible assets	1,426.84	-
	<u>1,426.84</u>	<u>-</u>
Note:- 26 Other Expenses		
Repair and Maintenance		
Vehicle Running, Repair & Maintenance	0.21	-
Rent	6.27	-
Insurance	0.36	23.67
Auditors' Remuneration	3.00	-
Legal & Professional Charges	78.95	195.67
Forwarding Expenses	10.10	-
Miscellaneous Expenses	19.59	7.84
Total	<u>118.48</u>	<u>227.18</u>
Note:- 27 Exceptional items		
Exception Gain	47,310.39	-
	<u>47,310.39</u>	<u>-</u>
Payment to Auditors		
As Auditor:		
Audit fee	2.00	-
Tax audit fee	1.00	-
Certificate Charges	-	-
	<u>3.00</u>	<u>-</u>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(All amounts ₹ in Lakhs, unless stated otherwise)

Note: 28 Earnings per share (EPS)

Particulars	As at 31st March 2024	As at 12th Oct 2023
Earnings per share (EPS)		
Basic	45,524.15	(227.26)
Net Profit as per profit and loss account	50,00,000	4,92,03,251
Weighted average number of equity shares outstanding during the year	910.48	(0.46)
Earning per Share- Basic		
Diluted	45,524.15	(227.26)
Net Profit as per profit and loss account	50,00,000	4,92,03,251
Weighted average number of equity shares outstanding during the year	910.48	(0.46)
Earning per Share- Diluted	10.00	10.00
Nominal Value of Equity Share		

Note: 29 Contingent Liabilities (To the Extent not provided for)

A) CONTINGENT LIABILITIES

As per approved resolution plan, contingent liabilities which have/are capable of being crystallised prior to 12th Oct, 2023 stands extinguished.

B) COMMITMENTS

There is no Pending Commitments as on 31st March, 2024

Note: 30 Related party disclosure

1) Related Party Disclosure

a) Key Managerial Personnel of Company (w.e.f 09th Jan 2024)	Sh. Sarander Singh (Director) Sh. Sanjay Agarwal (Director) Sh. Kamal Mehta (Director)
b) Key Managerial Personnel of Holding Company	Sh. Dhireraj Gaig (Managing Director) Sh. Andra Veetil Unnikrishnan (Deputy Managing Director) Sh. Manohar Lal Jain (Executive Director) Sh. Naveen Sorot (Chief Financial Officer) Sh. Shaman Jindal (Company Secretary)
c) Non-Executive and Independent Directors of Holding Company	Sh. Sanjay Gaig, Non-Executive Director Sh. Sanjay Surajprakash Sahni, Nominee Director (TATA Steel Limited) Sh. Ajit Singh Chatha, Independent Director Sh. Virander Kumar Arya, Independent Director Sh. Shashi Bhushan Gupta, Independent Director Sh. Sunder Singh Virdi, Independent Director Sh. Siddharth Bansal, Independent Director Smt. Deva Bharathi Reddy, Independent Director
d) Holding Company	Steel Strips Wheels Limited

2) Transactions with Related Parties during the year

Related Party Transactions	Key management Personnel (KMP)	Key management Personnel (KMP) of Holding Company	Enterprises over which KMP are able to exercise significant influences	Holding Company	Total for current Period from 13th Oct 2023 to 31st March 2024
Issue of Equity Shares	-	-	-	500.00	500.00
Loan Received	-	-	-	13,315.00	13,315.00
Interest on Loan	-	-	-	240.92	240.92
	-	-	-	14,055.92	14,055.92
B.OUTSTANDING BALANCES	Key management Personnel (KMP)	Key management Personnel (KMP) of Holding Company	Enterprises over which KMP are able to exercise significant influences	Holding Company	Total Outstanding as at 31st March 2024
Loan Received	-	-	-	13,315.00	13,315.00
Interest on Loan	-	-	-	240.92	240.92
Dividend	-	-	-	-	-
	-	-	-	13,555.92	13,555.92

Notes:

I) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except the interest bearing loan received from holding company. The settlement for these balances occurs through payment. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

II) Inter corporate Loan amount of Rs.133.15 crores received holding company "SSWL". Interest payable amounting to Rs.2.41 crores (Rs.2.17 crores net of TDS) on the said loan.

III) There are no outstanding loans/advances in nature of loan to Promoters, Key Management Personnel, Director, and Related Party of the Company.

Note: 31. Prior period comprises of the following

Particulars	As at 31st March 2024	As at 12th Oct 2023
Expenses	-	-
Freight and Others	-	-
Total	-	-

Note: 32. Segment Reporting

A) PRIMARY SEGMENT (BUSINESS SEGMENT)

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. The Company's Operation predominantly comprise of only one segment i.e Automotive components. In view of the same, separate segmental information is not required to be given as per the requirements of IND AS 108 "Operating Segments".

B) SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

The analysis of geographical segment is based on the geographical location of the customers. The Company operates in only one Geographical Segment.

Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of depreciation and amortisation during the year are all as reflected in the financial statement as at and for the year ended March 31, 2024.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

Note: 33. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Section 135 of the companies Act, 2013 is not applicable as none of the threshold limit as specified in the section exceeds as per financial statements. Thus, the company is not required to spend amount towards Corporate Social Responsibility.

Note: 34. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a Business Risk Management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This Business Risk Management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk

a) Price Risk

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its products. The key raw material for the Company's business is HR Steel. The Company has arrangements with its major customers for passing on the price impact. The Company is also regularly taking initiatives like VA VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs.

b) Interest rate risk

Interest rate risk 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 long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate.

Interest rate sensitivity

For the Purpose of computing interest rate sensitivity on the above borrowings, management has estimated a reasonably possible change in interest rate as 50bps based on current as well as expected economic conditions. This analysis is based on Long Term Risk exposures outstanding at the reporting date and assumes that all other variables, in particular foreign currency exchange rates, remains constant. The period and balances are not necessarily representative of the average amounts outstanding during the periods.

c) Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions.

d) Liquidity risk

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom in its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Note: 35 Capital Management

a) Risk Management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. Consistent with peers in the industry, the Company monitors Net Debt to EBITDA ratio i.e. Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus Finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

Particulars	As at 31st March 2024	As at 12th Oct 2023
Net Debt	12,335.56	51,982.59
EBITDA	46,964.73	(227.18)
Net Debt/EBITDA	0.26	(228.82)

b) Loan covenants

No loan has been taken from financial institution.

Note: 36. Deferred tax balances (Net)

	As at 31st March 2024	As at 12th Oct 2023
Deferred tax balances (Net)		
(a) Deferred tax assets	4,601.95	4,601.95
(b) Deferred tax liabilities	4,601.95	4,601.95

Note: 37. Income Tax Expenses

Reconciliation of tax liability on book profit vis-à-vis actual tax liability	For Period from 13th Oct 2023 to 31st March 2024	For Period from 01st April 23 to 12th Oct 2023
Accounting profit before tax and Exceptional Items	(1,786.24)	(227.26)
Exceptional Items due to implementation of Resolution Plan	47,310.39	
Net Profit Before Tax	45,524.15	(227.26)
Applicable tax rate	-	-
Computed Tax Expense	-	-
Income tax charged to Statement of Profit and Loss	-	-

Notes:

1) Since the gain is on the account of the implementation of the resolution plan, income tax is not applicable as per the Insolvency and Bankruptcy Code, 2016.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

Note 38

- I The Hon'ble National Company Law Tribunal, Ahmedabad Bench on 12th Oct, 2023 under the Corporate Insolvency Resolution Process ("CIRP") of Insolvency and Bankruptcy Code, 2016 ("Code") passed an order regarding the implementation of the resolution plan.
- II Pursuant to the resolution plan approved by the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench on 12th Oct, 2023 under section 30 & 31 of the Insolvency and Bankruptcy Code, 2016 ("Code") for relief, concessions and approvals sought thereon:
- A **Constitution of the Board**
The office of the directors who were suspended during the CIRP stands vacated and new Board of Directors as nominated by the SRA (Steel Strips Wheels Limited) is constituted to takeover the control of the AACL.
- B **Alteration of Capital**
The entire issued, subscribed and paid up equity share capital of the company comprising 4,92,03,251 shares of Rs.10 each shall stands extinguished, the Company has allotted fresh 50,00,000 equity shares of Rs. 10/- each to the SSWL on 09th Jan, 2024. Accordingly, the Company became wholly owned subsidiary of SSWL.
- C **Others**
- The secured and unsecured financial creditor's outstanding dues as admitted in the CIRP have been settled as per the approved terms of the Resolution Plan.
 - In respect of de-recognition of financial & operational creditors, differences between the carrying amount of financial liabilities extinguished and consideration paid, are recognized in the statement of Profit & Loss Account as "Exceptional Items" amounting to Rs.9012.47 Lakhs for Financial Creditors and Rs.40377.69 Lakhs for Operational Creditors and other liabilities and recognised in Other Equity amounting to Rs.31531 Lacs for Financial Creditors.
 - All liabilities in relation to any period prior to the completion date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to the Resolution Plan shall be written off in full and shall stand permanently extinguished and the Company shall at no point of time be directly or indirectly held responsible or liable in relation thereto.
 - The Company recasted its books of accounts to give effect to this Resolution Plan i.e., to inter alia give effect to extinguishment of capital, set off the balance in the security premium reserve, impairment of assets, write back/write off the debt/Liabilities etc., and make the consequential adjustment in retained earning or profit and loss.

Note 39: Impact of implementation of Resolution Plan on the results of the company

Particulars	Moved to Other Equity	Amount credited in Exceptional Gain
A		
- Financial Creditors	31,531.00	9,031.77
-Operational Creditors	-	36,029.14
-Other Liabilities	-	4,348.55
-Extinguishment of existing Equity Share Capital	4,920.33	-
Total (A)	36,451.33	49,409.46
B		
Write Down of Inventory and Other Assets	-	2,009.07
Total Gain (A+B)	36,451.33	47,310.39



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts ₹ in Lakhs, unless stated otherwise)

NOTE 40 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

I) The Company does not have any Benami Property where any proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.

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

III) The Company do not have any balance with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

IV) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

V) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

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

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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(VII) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).

(VIII) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(IX) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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

(XI) The Company has not obtained any borrowing from banks and financial institutions.

NOTE 41-Other

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For AKR & Associates

Chartered Accountants

ICAI Firm Registration Number: 021179N

per Kailash Kumar

Partner

Membership Number : 505972

Date: 22nd May 2024

Place: Chandigarh



For and on behalf of the Board

AMW Autocomponent Limited

[Signature]
Directors

[Signature]
Directors

1. CORPORATE INFORMATION

AMW Autocomponent Limited ('the company') was incorporated on June 16, 2009. The Company is engaged in the manufacturing of Automotive Wheel Rims and other auto components.

The Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, vide order delivered on 1st September 2020 ("Insolvency Commencement Date") while admitting section 7 application under the Insolvency and Bankruptcy Code, 2016 of Indian Overseas Bank, one of the financial creditors of the Company initiated Corporate Insolvency Resolution Process ("CIRP") against the company. Pursuant to its order dated 12th October, 2023 ("NCLT order"), the adjudicating authority approved the resolution plan ("Approved Resolution Plan") submitted by the Steel Strips Wheels Limited ('SSWL') ("Resolution Applicant") ("RA") for the company under section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of section 31 of the Code, the approved resolution plan shall be binding on the company, its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.

Pursuant to the NCLT Order, the existing equity share capital of the company stands cancelled and the company has allotted fresh 50,00,000 equity shares of Rs. 10/- each to the SSWL on 09th Jan, 2024. Accordingly, the company became wholly owned subsidiary of SSWL. Information prior to the order of the NCLT is based on the data shared by the Resolution Professional ("RP").

The financial statements were approved for issue in accordance with a resolution of the board of directors on 22nd May 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

1) BASIS OF PREPARATION

1.1 Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to these standalone financial statements.



The Company has prepared the standalone financial statements on the basis that it will continue to operate as going concern. These policies have been consistently applied to all the years presented, unless otherwise stated.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities

- (i) Certain financial assets and liabilities that is measured at fair value.
- (ii) Assets held for sale-measured at fair value less cost to sell
- (iii) Defined benefit plans-plan assets measured at fair value
- (iv) Share based payments.

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:

- 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.

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

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.

Basis of measurement

1.3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies



and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

2) Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or services are 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.

A receivable is recognized when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers. The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue

Revenue from sales of products.

Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Company considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of product provide customers with a right of return the goods within a specified period. The Company also provides retrospective volume rebates to certain customers once the quantity of product purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the



Company recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company is not required to adjust the promised amount of consideration for the effects of a significant financing component because it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

Sale of service

The Company recognizes revenue from sales of services over period of time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

Contract assets

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Upon completion of the attached condition and acceptance by the customer, the amounts recognized as contract assets is reclassified to trade receivables upon invoicing. A receivable represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the



Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Trade receivables

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments).

3) LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for shortterm leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives



receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Companies' lease liabilities are included in other current and non-current financial liabilities.

Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

4) ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the **Minimum Alternative tax (MAT)** credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

5) IMPAIRMENT OF NON FINANCIAL ASSETS

A. At each Balance Sheet date, the carrying amount of assets is tested based on internal/external factors, for impairment so as to determine:

- (i) The provision for impairment loss, if any; and
- (ii) The reversal of impairment loss recognized in previous periods, if any,

B. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) In the case of an individual asset, higher of the net selling price and the value in use.



(ii) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows discounted to their present value at the weighted average cost of Capital, from the continuing use of an asset and from its disposal at the end of its useful life).

Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

6) CASH AND CASH EQUIVALENTS

Cash and cash equivalents balances include cash in hand, fixed deposits, margin money deposits, earmarked balances with banks, other bank balances such as dividend accounts, which have restrictions on repatriation, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet

7) INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- a) In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- b) In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- c) In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- d) In case of finished goods at raw material cost plus conversion costs, packing cost, GST/Taxes/Duties (if applicable) and other overheads incurred to bring the goods to their present location and condition.



8) FINANCIAL INSTRUMENT

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.

A) Financial Assets

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 amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.



The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

- a) **Business Model Test:** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and
- b) **Cash flow characteristics test:** The contractual terms of the financial asset 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 other 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.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and
- 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 and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. 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.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of



part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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 substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 amortized cost;

- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL



- Financial guarantee contracts which are not measured as at FVTPL

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For recognition of impairment loss on financial assets other than mentioned below and risk exposure, the Company determines that 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. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If, in a 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 entity reverts to recognizing impairment loss allowance based on 12-month ECL

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 116 -Leases

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.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying



amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) Debt instruments measured at FVTOCI: For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost is recognized in other comprehensive income as the accumulated impairment amount.

(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. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortized cost (loans and borrowings)

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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

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.

Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

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 payable basis varying trade term. 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 amortized cost using Effective interest rate method.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that requires payment to be made to reimburse the holders for a loss it incurs because the specified debtors fail to make a payment when due in accordance with the term of debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction cost that are directly attributed to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of IND AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with principles of IND AS 115.

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 modification 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/ financial liabilities

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.

9) PROPERTY, PLANT AND EQUIPMENT(PPE)

Fixed assets are stated at original cost net of tax/duty credit availed, if any, less accumulated depreciation and cumulative impairment and those which have been revaluated are stated at the values determined by the values less accumulated depreciation and cumulative impairment. Cost of acquisition is inclusive of freight and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the company and cost of the item can be measured reliably. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and shall be depreciated over the balance useful life of the asset.

Die Tooling, developed in-house, includes cost of material and other direct/ incidental expense on in-house development.

Tangible Assets not ready for the intended use on the date of the balance Sheet are disclosed as "capital work in progress".

10) DEPRECIATION / AMORTIZATION ON TANGIBLE FIXED ASSETS

Depreciation is the systematic allocation of the depreciable amount of an asset over useful life. The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value.

A. OWNED ASSETS

(i) Pursuant to applicability of Schedule II, of Companies Act 2013, with effect from 1st April 2014, Management has reassessed the useful life of tangible assets based on the internal and external technical evaluation. The Depreciation on fixed assets is provided on straight line method in accordance with applicable Schedule of the Companies Act, 2013.

(ii) Depreciation for addition to/ deductions from, owned assets is calculated on pro-rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

(iii) Residual values of assets have been considered at 5% of the original cost of the assets.

(iv) Difference of Exchange Rate fluctuation on imported plant and machineries procured out of long term foreign currency loans is amortized over the residual life of relevant plant and machineries.

(v) The depreciation calculation is based on the balance useful lives of assets and shift working. Depreciation on assets used on double shift basis have been increase by 50% for that period and Depreciation on assets used in triple shift basis have be calculated on the basis of 100% for that period, Except for assets in respect of which no extra shift depreciation is permitted (indicated by NESD in Part C of the schedule).

(vi) The estimated useful lives for the categories of property, plant and equipment are:

Particulars	Estimated useful life (years)
Buildings	30-60 Years
Plant and machinery	15-28 Years
Furniture and fixtures	3-10 Years
Office Equipment	3-10 Years
Vehicles	5-8 Years



11) INTANGIBLE ASSETS AND AMORTIZATION

Intangible assets are stated at original cost net of tax/duty credit availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the future economic benefits are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. Intangible assets are amortized over their estimated useful life. The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence etc.

Intangible Assets not ready for the intended use on the date of balance sheet are disclosed as "intangible assets under development"

12) BORROWINGS

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

13) BORROWING COST

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 (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.



14) PROVISION

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

15) CONTINGENT LIABILITIES

Contingent liabilities are disclosed when there is a possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is 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 recognized because it cannot be measured reliably.

16) EMPLOYEE BENEFITS

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Provident Fund & Employee State Insurance

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. The Company recognises 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.

Gratuity

The Employee's Gratuity Scheme is a defined benefit plan to employees under the Gratuity Act. Liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. 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 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:

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

b) Net interest expense or income.

Re-measurements, 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 other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

17) Foreign currency translation

A) Functional and Presentation currency

The functional currency of the Company is Indian Rupee. These financial statements are presented in Indian Rupee (rounded off to lakhs).



B) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

18) SEGMENT REPORTING

The Company deals in only one business segment of manufacturing and sale of auto ancillary equipment's and the chief operating decision maker (CODM) reviews the operations of the Company as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another.

19) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for event of bonus issue/right issue etc.; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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 effects of all dilutive potential equity shares.



20) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the standalone financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

A) Company as a leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

B) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

C) DEFINED BENEFIT PLANS

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit



obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

D) FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

E) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

F) 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 assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. 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 estimated based on past trend and 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 no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.



G) Provision for warranty

Provisions for warranties is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence

H) Provision for expected credit losses (ECL) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Notes.

I) Property, Plant and Equipment, investment properties and intangible assets

Property, Plant and Equipment, investment property, and intangible assets represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Company's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets in anticipation of future events, which may have impact on their life such as change in technology.



J) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

K) Revenue from contracts with customers

The Company applies the judgements in respect to transactions relating to tooling development, Principal versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers for more details, refer accounting policy on revenue from contract with customers.

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.

For AKR & Associates

Chartered Accountants

ICAI Firm Registration Number: 021179N


per Kailash Kumar
Partner



Membership Number :505972

Place: Chandigarh

Date: 22nd May 2024

For and on behalf of the Board

AMW Autocomponent Limited


Directors


Directors