INDEPENDENT AUDITORS' REPORT

To
The Members of
Lotus Auto Engineering Limited
Report on the audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of Lotus Auto Engineering Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of Profit and Loss and the 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 a true and fair view of in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We would like to draw your attention to Note No. 45 to the financial statements which discusses the completion of the liquidation process in the previous year on September 7, 2022, confirming the sale of the Corporate Debtor as a Going Concern without dissolution. It also covers the impact of extinguishing liabilities.
   Our opinion is not modified in respect of this matter.

2. We draw your attention to Note No. 11.4 to the financial statements for the period ended 31.03.2024, which pertains to the disputed trade receivables from a party against which the company has filed an appeal with Hon'ble NCLT for the recovery of the dues, which has been dismissed. The matter is now pending before Hon'ble NCLAT and is subjudice as on 31.03.2024. The management has assured us that the amount remains good for recovery and therefore they have not considered any provision against the same.
   Our opinion is not modified in respect of this matter.

3. We draw attention to Note 56 of the financial statements, which details that the Company has sought approval for a merger with its holding company, M/s. Deepak Industries Limited, listed

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on the Calcutta Stock Exchange Limited. This request has been submitted to the Hon'ble National Company Law Tribunal, Kolkata Bench, with the intended effective date being October 1, 2023. As of March 31, 2024, this merger scheme has not yet received approval. As a result, the financial statements do not reflect any impact of the proposed merger.
Our opinion is not modified in respect of this matter.

Information other than the financial statements and auditors' 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, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's responsibility for the standalone financial statements
The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements
Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

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considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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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 standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 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"; and

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

i. The Company does not have any pending litigations which would impact its financial position.

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

iii. There were no amounts which 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 its 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 its 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,

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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 audit procedures which we 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 (a) and (b) contain any material mis-statement.

v. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

vi. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For KBTG and Associates
Chartered Accountants
Firm Registration Number: 024946N

Bansal

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Kashish Bansal
Proprietor
M. No.: 521925

Place : Delhi
Dated : 22/05/2024.

UDIN : 24521925BKBGHJ8689

ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under "Report on other legal and regulatory requirements" of our report of even date:

(i) a. The Company has not maintained records on yearly basis for additions / deletions made during that year showing full particulars including quantitative details and situation of property, plant and equipment.

b. All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.

d. As informed and explained to us, the management 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, no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (previously known as Benami Transactions (Prohibition) Act, 1988) and rules made thereunder.

(ii) a. The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and no discrepancies were noticed in respect of such confirmations. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and the financial institutions during the year.

(iii) According to the information provided and explanations given to us, the company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties.

(iv) According to the information and explanations given to us, The company has not given any loans or guarantees or made any investments within the meaning of Sections 185 & 186 of the Companies Act, 2013.

(v) According to the information provided and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

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(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records for the company under sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax., Duty of Custom, Duty of Excise, Cess, Service Tax, Goods & Service Tax and any other statutory dues applicable to it with the appropriate authorities and there were no undisputed dues as at 31st March, 2024 for a period of more than six months from the date they become payable.

b. As mentioned in Note 45 to the standalone financial statements, pursuant to the issue of the Certificate of Sale by the liquidator, all the liabilities of the company, including contingent liabilities and statutory dues, have been extinguished. Consequently, there are no outstanding dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to information & explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries or joint ventures. Therefore, Clause 3(ix)(e) of the Order is not applicable.

(f) According to information & explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries or joint ventures. Therefore, Clause 3(ix)(f) of the Order is not applicable.

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(x) a. According to Information & explanations given to us, The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) a. Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud was noticed or reported during the course of our audit. However, in previous years, following the initiation of the Corporate Insolvency Resolution Process and in compliance with Section 25(2)(j) of The Insolvency and Bankruptcy Code, 2016 (IBC), the Resolution Professional appointed by the NCLT identified certain transactions under Sections 43 to 51 and 66 of the IBC. These transactions were submitted to the Hon'ble NCLT in those years and the matter remains pending and sub judice as of 31.03.2024. The crystallisation of amount/ future course of action will be carried out based on the judgement/ order of NCLT.

b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. As per our information and according to the explanations given to us, no whistle blower complaints were received by the company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to have internal audit system during the year. Accordingly, clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) (a) According to the information and explanations given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us by the management, the Company has not conducted any Non-Banking Financial or Housing Finance activities and is therefore not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

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(c) According to the information and explanations given to us by the management, 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 given to us by the management, the Group does not have any CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The company has incurred cash losses during the current financial year amounting to Rs. 56.51 Lakhs but has not incurred any cash losses during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios disclosed in note 50 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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 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 by the management, and on the basis of our examination of the records of the company, the company is not required to spend any amount as per the requirement of section 135 of the Companies Act, 2013. Accordingly, clause 3(xx) of the Order is not applicable.

For KBTG and Associates
Chartered Accountants
Firm Registration Number: 024946N

Bansal

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Kashish Bansal
Proprietor
M. No.: 521925

Place : Delhi
Dated : 22/05/2024

UDIN : 24521925BKBGHJ8689

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"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under "Report on other legal and regulatory requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of Lotus Auto Engineering Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

AUDITORS' RESPONSIBILITY

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

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

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

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MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For KBTG and Associates
Chartered Accountants
Firm Registration Number: 024946N

Bansal

Kashish Bansal
Proprietor
M. No.: 521925

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Place : Delhi
Dated : 22/05/2024
UDIN : 24521925BKBGHJ8689

Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057

Balance Sheet as at 31st March, 2024 **(All amount in Rs. lakhs, except otherwise stated)**

Particulars	Note no.	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	2,962.34	3,383.23
(b) Intangible assets	6	-	-
(c) Financial assets			
Other financial assets	7	43.93	28.93
(d) Deferred tax assets (net)	8	-	-
(e) Other non-current assets	9	-	-
Total non-current assets		**3,006.27**	**3,412.16**
Current assets			
(a) Inventories	10	106.45	112.61
(b) Financial assets			
(i) Trade receivables	11	2,191.82	2,244.37
(ii) Cash and cash equivalents	12	28.31	641.55
(iii) Other bank balances	13	1,493.06	650.00
(iv) Other financial assets	14	48.71	11.14
(c) Current tax assets (net)	15	16.97	11.79
(d) Other current assets	16	282.47	387.17
Total current assets		**4,167.79**	**4,058.63**
TOTAL ASSETS		**7,174.06**	**7,470.79**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	436.00	436.00
(b) Other equity	18	3,782.65	4,267.89
TOTAL EQUITY		**4,218.65**	**4,703.89**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	19	2,352.06	2,177.83
(b) Provisions	20	5.00	3.37
(c) Deferred tax liabilities (net)	8	-	-
Total non-current liabilities		**2,357.06**	**2,181.20**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	-
(ii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		6.56	4.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		27.24	35.47
(iii) Other financial liabilities	23	546.32	541.69
(b) Other current liabilities	24	4.45	4.34
(c) Provisions	25	13.78	0.07
Total current liabilities		**598.35**	**585.70**
TOTAL LIABILITIES		**2,955.41**	**2,766.90**
TOTAL EQUITY AND LIABILITIES		**7,174.06**	**7,470.79**
Accompanying notes to the financial statements	1-56		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For KBTG and Associates
Chartered Accountants
Firm Registration No.: 24946N

KBTG & ASSOCIATES Chartered Accountants NEW DELHI

Bansal

Kashish Bansal
Proprietor
Membership No.: 521925

Date: May 22, 2024
Place: New Delhi
UDIN : 24521925 BKBGHS8689

For and on behalf of the Board of Directors

Rakesh

Rakesh Kumar
Director
DIN: 08958137

Khyali

Khyali Ram
Director
DIN: 08286490

Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057

Statement of Profit and Loss for the year ended 31st March, 2024 **(All amount in Rs. lakhs, except otherwise stated)**

Particulars	Note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
INCOME			
Revenue from operations	26	648.30	645.88
Other income	27	86.56	12.55
TOTAL INCOME		**734.86**	**658.43**
EXPENSES			
Cost of materials consumed	28	4.05	17.17
Changes in inventories of finished goods	29	5.61	-18.61
Employee benefits expense	30	300.76	237.00
Finance costs	31	174.23	83.77
Depreciation and amortisation expense	32	422.58	412.89
Other expenses	33	306.35	223.14
TOTAL EXPENSES		**1,213.58**	**955.36**
Profit /(Loss) before exceptional items and tax		**-478.72**	**-296.93**
Exceptional items	34	-	-
(Loss) before tax		**-478.72**	**-296.93**
Tax expense	35		
Current tax		0.37	-
Deferred tax		45.30	-308.40
Total tax expense		**45.67**	**-308.40**
Profit/ (Loss) for the year		**-524.39**	**11.47**
Other comprehensive income	36		
Items that will not be reclassified to profit or loss		-6.15	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year (net of tax)		**-6.15**	**-**
Total comprehensive income for the year (comprising profit/ (loss) for the year and other comprehensive income for the year)		**-530.54**	**11.47**
Earnings per equity share (Par value of Rs. 10 each)	37		
Basic (Rs.)		-12.03	0.26
Diluted (Rs.)		-12.03	0.26
Weighted average number of equity shares used in computed earnings per equity share			
Basic		4,360,000	4,356,619
Diluted		4,360,000	4,356,619
Accompanying notes to the financial statements	1-56		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached
For KBTG and Associates
Chartered Accountants
Firm Registration No.: 24946N

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Bansal

Kashish Bansal
Proprietor
Membership No.: 521925

For and on behalf of the Board of Directors of

Rakesh Kumar
Director
DIN: 08958137

Khyali Ram
Director
DIN: 08286490

Date: May 22, 2024
Place: New Delhi
UDIN : 24521925 BKBGHJ8689

Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057

Statement of Changes in Equity for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

(A) Equity share capital

Particulars	Amount
As at 1st April, 2022	**435.22**
Equity shares cancelled during the year (Refer note no. 17.1.1)	(435.22)
Equity shares allotted during the year (Refer note no. 17.1.1)	436.00
As at 31st March, 2023	**436.00**
Equity shares cancelled during the year	-
Equity shares allotted during the year	-
As at 31st March, 2024	**436.00**

(B) Other equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and surplus			Total
			Capital reserve	Securities premium	Retained earnings	
As at 31st March, 2022	**436.00**	-	**46,351.79**	**20,945.77**	**(64,437.89)**	**3,295.67**
Profit for the year	-	-	-	-	11.47	11.47
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	**11.47**	**11.47**
Capital reserve on cancellation of equity shares including expenses incurred in relation to liquidation proceedings	-	-	435.22	-	-	435.22
Allotment of equity shares during the year (Refer note no. 17)	(436.00)	-	-	-	-	(436.00)
Equity component on issue of optionally fully convertible debentures	-	1,269.93	-	-	-	1,269.93
Deferred tax on fair valuation of optionally fully convertible debentures	-	-	-	-	(308.40)	(308.40)
As at 31st March, 2023	-	**1,269.93**	**46,787.01**	**20,945.77**	**(64,734.82)**	**4,267.89**
Profit/ (Loss) for the year	-	-	-	-	(524.39)	(524.39)
Other comprehensive income for the year	-	-	-	-	(6.15)	(6.15)
Total comprehensive income for the year	-	-	-	-	**(530.54)**	**(530.54)**
Deferred tax on fair valuation of optionally fully convertible debentures	-	-	-	-	45.30	45.30
As at 31st March, 2024	-	**1,269.93**	**46,787.01**	**20,945.77**	**(65,220.06)**	**3,782.65**

Refer note no. 18 for nature and purpose of items of other equity

Accompanying notes to the financial statements 1-56
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For KBTG and Associates
Chartered Accountants
Firm Registration No.: 24946N

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Bansal

Kashish Bansal
Proprietor
Membership No.: 521925

Date: May 22, 2024
Place: New Delhi
UDIN : 24521925 BKBGHJ8689

For and on behalf of the Board of Directors

Rakesh Kumar	**Khyali Ram**
Director	**Director**
DIN: 08958137	**DIN: 08286490**

Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057

Statement of Cash Flows for the year ended 31st March, 2024 **(All amount in Rs. lakhs, except otherwise stated)**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	**(478.72)**	**(296.93)**
Adjustments:		
Depreciation and amortisation expense	422.58	412.89
Finance costs	174.23	83.77
Interest income on financial assets measured at amortised cost	(84.61)	(11.10)
Impairment in the carrying value of property, plant and equipment and intangible assets	-	-
Operating profit before working capital changes	**33.48**	**188.63**
Movement in working capital:		
Decrease/ (increase) in inventories	6.16	(10.84)
Decrease/ (increase) in trade receivables	52.55	(60.87)
(Increase) in other financial assets	-	(0.12)
Decrease in other current and non-current assets	104.70	970.65
(Decrease)/ increase in trade payables	(5.80)	11.59
Increase in other financial liabilities	4.63	1.76
Increase/ (decrease) in other current liabilities	0.11	(0.48)
Increase in provisions	9.19	3.44
Cash generated from/ (utilised in) operations	**205.02**	**1,103.76**
Taxes (paid)/ refund (net)	(5.55)	(8.35)
Net cash generated from/ (utilised in) operating activities	**199.47**	**1,095.41**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1.69)	(0.85)
Fixed deposits placed with banks	(858.06)	(650.00)
Interest received on fixed deposits	47.04	1.11
Net cash (utilised in)/ generated from investing activities	**(812.71)**	**(649.74)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of optionally fully convertible debentures pending allotment	-	-
Repayment of borrowings		-
Proceeds from issue of equity shares pending allotment		-
Interest paid	-	(0.01)
Net cash generated from financing activities	**-**	**(0.01)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(613.24)**	**445.66**
Cash and cash equivalents as at the beginning of the year	641.55	195.89
Cash and cash equivalents as at the end of the year	**28.31**	**641.55**

Notes to the statement of cash flows

1. Significant non-cash movements in borrowings during the year include:
(a) amortisation/effective interest rate adjustments Rs. 174.23 Lakhs (2022-23: Rs. 1,186.17 Lakhs).

Accompanying notes to the financial statements 1-56
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For KBTG and Associates
Chartered Accountants
Firm's Registration No.: 24946N

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Bansal

Kashish Bansal
Proprietor
Membership No.: 521925
Date: May 22, 2024
Place: New Delhi
UDIN : 24521925 BKBGHJ8689

For and on behalf of the Board of Directors

Rakesh

Rakesh Kumar
Director
DIN: 08958137

Khyali

Khyali Ram
Director
DIN: 08286490

Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057
Notes to the financial statements as at and for the year ended 31st March 2024

1. Corporate Information

Lotus Auto Engineering Limited ("LAEL" or "the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is situated in Kolkata in the state of West Bengal, India. The principal business activity of the Company is "Processing of machine parts" required in automobile industries and all other activities are incidental thereto.

The financial statements for the year ended 31st March 2024 was approved for issue by the Board of Directors of the Company on May 22, 2024 and is subject to the adoption by the shareholders in the ensuing Annual General Meeting.

2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared under Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act (to the extent notified) and presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) till the financial statements are approved for issue by the Board of Directors of the Company has been considered in preparing these financial statements.

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

b. Basis of measurement

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. New and revised standards adopted by the Company

On 31st March 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Indian Accounting Standards vide Companies (Indian Accounting Standards) Amendment Rules, 2023. These amendments to the extent relevant to the Company's operations were relating to:

Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies,

Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" whereby definition of 'accounting estimates' has been introduced and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates.

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Further, consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are either not material or relevant to the Company.

Revision in these standards did not have material impact on the profit/ loss and earnings per share for the year.

d. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs (up to two decimals) unless indicated otherwise.

3. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses, and related disclosures including contingent assets and contingent liabilities at the Balance Sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

To enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Critical judgments and estimates

- **Useful life of property, plant, and equipment**

  Property, plant, and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed at-least annually during each financial year end. The lives are based on technical evaluation, technological obsolesces and historical experience with similar assets as well as anticipation of future events, which may impact their lives. This re-assessment may result in a change in depreciation expense in future periods.

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- **Impairment of property, plant, and equipment**

  The Company estimates the value in use of the Cash Generating Unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates, and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note no. 5.2

- **Post retirement benefit plans**

  The Company's retirement benefit obligations, cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, inflation, future salary increments and mortality rates. 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-least annually during each financial year end.

- **Provisions and contingencies**

  The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has been made based on best judgment by management regarding probable outflow of economic resources. Such estimation can change due to unforeseeable developments.

4. Material accounting policies

Summary of the material accounting policies for the preparation of financial statements as given below have been applied consistently to all periods presented in the financial statements. These accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. These policies need not be applied when the effect of applying them is immaterial.

a) Property, plant, and equipment

- An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- Standby equipment and servicing equipment which meet the recognition criteria of property, plant and equipment are capitalised.
- Spare parts (procured along with plant and equipment or subsequently) which meet the recognition criteria are capitalised. Other spare parts are treated as "stores and spares" forming part of inventory.
- **Transition to Ind AS**

  The Company has elected to continue with carrying value of all property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e., 1st April 2021.

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Under the previous GAAP, property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment, if any) adjusted by revaluation of certain assets.

- All property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. For this purpose, cost includes deemed cost on date of transition and acquisition price, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition necessary for it to be capable of operating in the matter intended by the management. In addition, borrowing costs incurred during the period of construction of qualifying asset is capitalised as part of asset's cost until such time that the asset is ready for its intended use.

- Property, plant, and equipment acquired as replacement of the existing assets are capitalised and its corresponding replaced assets removed/ retired from active use are derecognised.

- Costs incurred after initial capitalization are included in the assets' carrying amount only when it is probable that future economic benefits will flow to Company and can be measured reliably. However, the costs of regular servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

- The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for provisions are met.

- When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components. Otherwise, these are added to and depreciated over the useful life of the main asset.

- An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the use of the asset. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

- Property, plant, and equipment include leasehold land classified as Right-of-use assets.

b) Capital work-in-progress

- Property, plant, and equipment that are not ready for its intended use as on the reporting date are disclosed as "Capital work-in-progress)

- Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes, expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation, and assembly costs, etc.

- Costs including employee benefits, professional fees, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets , other than land. Net pre-commissioning income/ expenditure is adjusted directly in the cost of related assets.

- Advances paid towards acquisition/ construction of property, plant and equipment outstanding at each reporting date are classified as capital advances under "Other non-current assets".

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c) Intangible assets and Intangible Assets Under Development

- Expenditure on research is charged to the statement of profit and loss as and when incurred. Expenditure on development is recognised as intangible assets from the date when all of the following conditions are met:
  - completion of the development is technically feasible;
  - it is the intention to complete the intangible asset and use or sell it;
  - ability to use or sell the intangible asset;
  - it is clear that the intangible asset will generate probable future economic benefits;
  - adequate technical, financial and other resources to complete the development and to use or sell the intangible asset is available;
  - it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

  Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

  Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

- **Transition to Ind AS**

  The Company has elected to continue with carrying value of all intangible assets under the previous GAAP as deemed cost as at the transition date i.e., 1st April 2021.

  Under the previous GAAP, intangible assets were stated at their original cost (net of accumulated amortisation and impairment, if any).

- Intangible assets that are acquired by the Company and which have finite useful lives, are measured on initial recognition at cost. For this purpose, cost includes deemed cost on date of transition and any directly attributable expenses necessary to make the asset ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

- Subsequent expenditure is recognised as an increase in the carrying amount of the asset if it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

- An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the use of the asset. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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d) **Right-of-use assets**

The Company recognises 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 remeasurement 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 assets as follows (Land- 99years)
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.

e) **Depreciation and amortisation of property, plant and equipment, right-of-use assets, and intangible assets**

Depreciation or amortisation is provided to write off, on a straight-line basis, the cost/ deemed cost of property, plant and equipment and intangible assets, including right-of-use assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

Depreciation on assets under construction commences only when the assets are ready for their intended use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The estimated useful lives for categories of property, plant, and equipment and intangible assets are as follows:

Category of asset	**Estimated useful life (years)**
Building	**30**
Plant and equipment	**15**
Furniture and fixtures	**10**
Office equipment	**5**
Computers	**3**

The residual values of an item of Property, Plant and Equipment has been kept at 5 percent or less of the cost of the respective assets.

The estimated useful lives of assets, residual values and depreciation/ amortisation methods are reviewed regularly and, when necessary, revised.

f) **Impairment of property, plant, and equipment and intangible assets**

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

g) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

h) Financial assets

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual right to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Company. A financial asset is recognised when and only when the Company becomes party to the contractual provision of the instrument.

Financial assets of the Company comprise cash and cash equivalents, bank balances, trade receivables, security deposits, etc.

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- **Classification**

  The Company classifies its financial assets in the following categories:

  - at amortised cost
  - at fair value through other comprehensive income (FVTOCI) and
  - at fair value through profit or loss (FVTPL)

  The classification depends on the following:

  - the entity's business model for managing the financial assets and
  - the contractual cash flow characteristics of the financial asset.

  For assets measured at fair value, gains or losses are either recorded in the statement of profit and loss or under other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

- **Initial recognition and measurement**

  All financial assets are recognised at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit and loss.

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

- **Subsequent measurement**

  Debt instruments at amortised cost

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

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit and loss.

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Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments at FVTOCI are measured at each reporting date at fair value. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses, reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using EIR method.

Equity investments

All equity investments in entities are measured at fair value. Equity investments which are held for trading, if any, are classified at FVTPL. The Company classifies all other equity instruments, if any, at FVTOCI. The Company makes such election on an instrument-by-instrument basis. The classification for measurement at FVTOCI is made on initial recognition and is irrevocable.

All fair value changes of an equity instrument classified at FVTOCI are recognised in other comprehensive income.

There is no subsequent reclassification of fair value gains or losses to profit or loss. However, the Company may transfer cumulative gain or loss within equity. Dividends from such investments are recognised in profit or loss as "Other income" when the Company's right to receive payments is established.

Equity investments included within FVTPL category, if any, are measured at fair value with all changes recognised in profit or loss.

- **Derecognition**

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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On derecognition, the difference between the carrying amount and amount of consideration received/ receivable is recognised in the statement of profit and loss.

- **Impairment of financial assets**

  In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets:

  - Financial assets, that are debt instrument, and are measured at amortised cost.
  - Financial assets, that are debt instrument, and are measured at FVTOCI.
  - Contract assets and trade receivables under Ind AS 115 "Revenue from Contracts with Customers".

  The Company follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit loss from initial recognition on contract assets, and trade receivables resulting from transactions within the scope of Ind AS 115.

  For recognition of impairment loss on other financial assets, the Company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. 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, the Company reverts to recognize impairment loss allowance based on 12-month ECL. The amount of expected credit loss/ reversal for the period is recognized as expense/ income in the statement of profit and loss.

i) Inventories

Inventories are assets:

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Cost of inventory comprises the purchase price, cost of conversion, import duties and other taxes (other than those subsequently recoverable by the Company from taxing authorities) and other directly attributable costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Borrowing costs (other than in respect of circumstances where inventories are purchased on deferred settlement terms) are not included in the value of inventories. The cost of inventories is computed on a weighted average basis.

Inventories are valued at lower of cost and net realizable value after providing for obsolescence, if any. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs.

j) Equity share capital

Ordinary shares are classified as Equity.

An equity instrument is a contract that evidences a residual interest in the Company's assets after deducting all its liabilities.

Incremental costs directly attributable to the issuance of new equity shares and buy-back of equity shares are shown as a deduction from the Equity net of any tax effects.

k) Dividends

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the Financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity. Final dividends and interim dividends payable to the Company's shareholders are recognised as change in equity in the period in which they are approved by the Company's shareholders and the Board of Directors respectively.

l) Financial liabilities

Financial liabilities of the Company are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include borrowings, trade and other payables.

- **Classification, initial recognition, and measurement**

  Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the statement of profit and loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

  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.

- **Subsequent measurement**

  After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in the statement of profit and loss or in the carrying amount of an asset if another standard permits such inclusion, when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.

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- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

m) Offsetting of financial instruments

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

n) Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the fair value of the liability component from the fair value of the compound financial instrument as a whole. Conversion option which is required to be settled by exchange of fixed amount of cash or another financial asset for a fixed number of Company's own equity instruments is considered as equity and recognised as a separate line item under "Other Equity", net of income tax effects, and is not subsequently remeasured. The sum of the carrying amounts assigned to the liability and equity component on initial recognition is always equal to the fair value of the instrument as a whole. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to another item of equity i.e., Retained earnings. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity is transferred to Retained earnings. Upon conversion of the compound financial instrument at maturity, the liability component is derecognised and recognised as equity depending upon the terms of conversion. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

o) Provisions, Contingent Liabilities and Contingent Assets

- Provisions are recognised when the Company has a present legal or constructive obligation because of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the

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amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the statement of profit and loss or in the carrying amount of an asset if another standard permits such inclusion.

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

- Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed based on judgment of management/ independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.
- Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable based on judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.
- **Onerous contracts-** An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities)

p) Revenue from operations

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

- parties to the contract have approved the contract and are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;
- consideration in exchange for the goods or service to be transferred is collectible and determinable.

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The revenue is recognized on satisfaction of performance obligation when control over the goods or services has been transferred and/ or goods/ services are delivered/ provided to the customers. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the Company has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified in the contract with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts offered by the Company and excludes amounts collected on behalf of third parties.

q) Other income

- Dividend income is recognized when the right to receive the same is established.

- For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset 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 (for example, prepayment, extension, call, and similar options) but does not consider the expected credit losses.

r) Employee benefits

- **Short term employee benefits**

  Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

  A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

- **Defined contribution plans**

  A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

- **Defined benefit plans**

  A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date, which is calculated by external actuaries using the projected unit credit method.

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The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. The said cost is included in employee benefits expense in the statement of profit and loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

s) Borrowing costs

Borrowing costs consists of interest expense calculated using the effective interest method as described in Ind AS 109 "Financial Instruments".

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/ exploration, or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

t) Income taxes

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

- **Current tax**

Current tax is the expected tax payable on the taxable income for the year based on the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the statement of profit and loss because it excludes items of

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income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).

- **Deferred tax**
  - Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.
  - The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.
  - Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities
  - Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.
  - Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

u) Segment reporting

- In accordance with Ind AS 108 "Operating Segments", the operating segments used to present segment information are identified based on internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.
- The principal business activity of the Company is "Processing of machine parts" required in automobile industries and all other activities are incidental thereto.
- The Company has a single geographical segment as all its operations are located within the country.

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v) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

w) Earnings per share

- Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.
- Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

x) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, for balance sheet presentation, bank overdrafts, if any, are shown within "Borrowings" under current liabilities. Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 "Statement of Cash Flows".

y) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. Based on the nature of services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

- An asset is current when it is:
  - Expected to be realised or intended to be sold or consumed in the normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised within twelve months after the reporting 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 the normal operating cycle

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- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

- Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

z) Recent pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not issued, under the Companies (Indian Accounting Standards) Rules, any new standards or made amendments to the existing standards under the said Rule, which are effective from 1st April, 2024 and applicable to the Company.

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

5 Property, plant and equipment

Particulars	Land- right of use	Building	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross carrying amount							
As at 31st March, 2022	**1,562.99**	**5,727.95**	**23,860.06**	**21.63**	**0.99**	**6.07**	**31,179.69**
Additions during the year	-	-	-	-	-	0.85	0.85
Disposal/ adjustments during the year	-	-	-	-	-	-	-
As at 31st March, 2023	**1,562.99**	**5,727.95**	**23,860.06**	**21.63**	**0.99**	**6.92**	**31,180.54**
Additions during the year	-	-	-	-	-	1.69	1.69
Disposal/ adjustments during the year	-	-	-	-	-	-	-
As at 31st March, 2024	**1,562.99**	**5,727.95**	**23,860.06**	**21.63**	**0.99**	**8.61**	**31,182.23**
Accumulated impairment							
As at 31st March, 2022	-	**5,025.19**	**21,413.86**	**7.37**	**0.49**	**1.55**	**26,448.46**
Additions during the year	-	-	-	-	-	-	-
Disposal/ adjustments during the year	-	-	-	-	-	-	-
As at 31st March, 2023	-	**5,025.19**	**21,413.86**	**7.37**	**0.49**	**1.55**	**26,448.46**
Additions during the year	-	-	-	-	-	-	-
Disposal/ adjustments during the year	-	-	-	-	-	-	-
As at 31st March, 2024	-	**5,025.19**	**21,413.86**	**7.37**	**0.49**	**1.55**	**26,448.46**
Accumulated depreciation							
As at 31st March, 2022	**23.95**	**70.35**	**833.09**	**6.57**	**0.20**	**1.80**	**935.96**
Additions during the year	23.95	30.04	350.88	5.88	0.23	1.91	412.89
Disposal/ adjustments during the year	-	-	-	-	-	-	-
As at 31st March, 2023	**47.90**	**100.39**	**1,183.97**	**12.45**	**0.43**	**3.71**	**1,348.85**
Additions during the year	23.95	31.30	365.63	1.16	0.04	0.50	422.58
Disposal/ adjustments during the year	-	-	-	-	-	-	-
As at 31st March, 2024	**71.85**	**131.69**	**1,549.60**	**13.61**	**0.47**	**4.21**	**1,771.43**
Net carrying amount							
As at 31st March, 2023	**1,515.09**	**602.37**	**1,262.23**	**1.81**	**0.07**	**1.66**	**3,383.23**
As at 31st March, 2024	**1,491.14**	**571.07**	**896.60**	**0.65**	**0.03**	**2.85**	**2,962.34**

5.1 The title deeds of immovable properties are held in the name of the Company.

5.2 In earlier years, the Company had carried out the Impairment testing determining the Fair Value less cost to Sale and Value in Use of PPE. For the said purpose, the Company's business was divided into one Cash Generating Unit (CGU) comprising of plant situated at Bhiwadi for arriving at the value in use. Value in use has been computed as per the Discounted Cash Flow method based on future projections and assumptions.

Based on such review impairment of Rs. 26,450.14 (including Rs. 1.68 in respect of intangible assets (refer note no. 6)) was made as on 31st March, 2022. The amount of impairment has been further reviewed in the current year based on current business operations and projections and fair value of the CGU and no further adjustment in the carrying value of Property, plant and equipment and Intangible assets as estimated has been considered necessary.

6 **Intangible assets**

Particulars	Computer softw	Total
Gross carrying amount		
As at 31st March, 2022	**1.68**	**1.68**
Additions during the year	-	-
Disposal/ adjustments during the year	-	-
As at 31st March, 2023	**1.68**	**1.68**
Additions during the year	-	-
Disposal/ adjustments during the year	-	-
As at 31st March, 2024	**1.68**	**1.68**
Accumulated impairment		
As at 31st March, 2022	**1.68**	**1.68**
Additions during the year	-	-
Disposal/ adjustments during the year	-	-
As at 31st March, 2023	**1.68**	**1.68**
Additions during the year	-	-
Disposal/ adjustments during the year	-	-
As at 31st March, 2024	**1.68**	**1.68**
Accumulated amortisation		
As at 31st March, 2022	-	-
Additions during the year	-	-
Disposal/ adjustments during the year	-	-
As at 31st March, 2023	-	-
Additions during the year	-	-
Disposal/ adjustments during the year	-	-
As at 31st March, 2024	-	-
Net carrying amount		
As at 31st March, 2023	-	-
As at 31st March, 2024	-	-

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Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057

Notes to the financial statements as at and for the year ended 31st March, 2024

(All amount in Rs. lakhs, except otherwise stated)

7 Other financial assets- non-current

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
At amortised cost			
Unsecured, considered good			
Security deposits		28.93	28.93
Bank deposits with more than 12 months maturity		15.00	-
Total		43.93	28.93

8 Deferred tax assets (net)

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets	8.1 & 8.2	-	-
Deferred tax liabilities	8.1	-	-
Deferred tax assets (net)		-	-

8.1 Components of deferred tax assets/ (liabilities) are as follows

Particulars	As at 31st March, 2023	Charge/ (credit) recognised in profit or loss	Charge/ (credit) recognised in equity	As at 31st March, 2024
Tax effect of items constituting deferred tax assets				
Unabsorbed brought forward losses and depreciation as per Income Tax Act	308.40	45.30	-	263.10
Total deferred tax assets	308.40	45.30	-	263.10
Tax effect of items constituting deferred tax liabilities				
Fair valuation of optionally fully convertible debentures	308.40	-	(45.30)	263.10
Total deferred tax liabilities	308.40	-	(45.30)	263.10
Deferred tax assets/ liabilities (net)	-	45.30	(45.30)	-

Particulars	As at 31st March, 2022	Charge/ (credit) recognised in profit or loss	Charge/ (credit) recognised in equity	As at 31st March, 2023
Tax effect of items constituting deferred tax assets				
Unabsorbed brought forward losses and depreciation as per Income Tax Act	-	(308.40)	-	308.40
Total deferred tax assets	-	(308.40)	-	308.40
Tax effect of items constituting deferred tax liabilities			-	-
Fair valuation of optionally fully convertible debentures	-	-	308.40	308.40
Total deferred tax liabilities	-	-	308.40	308.40
Deferred tax assets/ liabilities (net)	-	(308.40)	308.40	-

8.2 In accordance with the Ind AS 12 "Income Taxes", deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation in the absense of virtual certainity with convincing evidence that sufficient taxable income will be available in the future against which the

8.3 Expiry schedule of losses as per Income tax Return on which deferred tax assets is not recognised is as under:

INR in Lakhs

Expiry of Losses (as per Local tax laws)	2024-25	2025-26	2026-27	2027-28	2028-29	Beyond 5 years	Indefinite	Total
i. Business Losses	300.43	2,381.03	-	-	-	243.77		2,925.23
ii. Unabsorbed Depreciation							35,628.56	35,628.56
Total	300.43	2,381.03	-	-	-	243.77	35,628.56	38,553.79

9 Other non-current assets

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good			
Capital advances		-	-
Total		-	-

10 Inventories

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Raw materials		28.78	32.83
Finished goods		49.07	55.96
Stores and spares		27.32	23.82
Scrap		1.28	-
Total		106.45	112.61

10.1 Pursuant to the takeover of the Company by the new management (Refer note no. 45), the management has reviewed the situation and condition of inventories lying as on 9th June, 2021 and valued the same at net realisable value as per their best estimate considering the factors including obsolescence.

11 Trade receivables

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
At amortised cost			
Unsecured, considered good		2,191.82	2,244.37
Total		2,191.82	2,244.37

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

11.1 Debts due from directors or any officers of the Company or any of them either severally or jointly with any other person or debts due from firms or private companies respectively in which any director of the Company is a partner or a director or a member - -

11.2 Trade receivables are non-interest bearing and are generally settled on credit terms of 30 to 90 days.

11.3 Ageing schedule of trade receivables are as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed trade receivables		
Unsecured, considered good		
Unbilled dues	-	-
Current but not due	60.86	113.41
Outstanding for following periods from due date of payment		
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total (a)	**60.86**	**113.41**
Disputed trade receivables		
Unsecured, considered good		
Unbilled dues	-	-
Current but not due	-	-
Outstanding for following periods from due date of payment		
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	
2-3 years	-	2,130.96
More than 3 years	2,130.96	-
Total (b)	**2,130.96**	**2,130.96**
Total trade receivables (a+b)	**2,191.82**	**2,244.37**

11.4 Trade receivables include Rs. 2,130.96 (31st March, 2023- Rs. 2,130.96) as of 31st March, 2024 and are associated with a party against whom the Company has initiated legal proceedings by filing an application with the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench, to recover outstanding dues. The NCLT, however, dismissed this application in an order dated August 3, 2023. On September 2, 2023, the Company filed an appeal with the Hon'ble National Company Law Appellate Tribunal (NCLAT), Delhi, challenging the NCLT's order. The Company is confident in its ability to fully recover this amount and, therefore, has deemed it as likely to be collected. Any necessary adjustments to the carrying value will be made in the company's books of accounts based on the final outcome of the appeal with the Hon'ble NCLAT. As of date of finalisation of the balance sheet, this matter remains subjudice.

12 Cash and cash equivalents

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Balances with banks in current accounts		28.31	96.55
Cheques on hand	12.1	-	545.00
Total		**28.31**	**641.55**

12.1 Represents the cheque received from Holding Company against the advance given in earlier years.

13 Other bank balances

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Fixed deposits with banks (having maturity up to 12 months)		1,493.06	650.00
Total		**1,493.06**	**650.00**

14 Other financial assets- current

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
At amortised cost			
Unsecured, considered good			
Interest accrued on financial assets measured at amortised cost		48.71	11.14
Total		**48.71**	**11.14**

15 Current tax assets (net)

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Advance income tax, including tax deducted at source (net of provision)	15.1	16.97	11.79
Total		**16.97**	**11.79**

15.1 Advance income tax, including tax deducted at source is net of provision of Nil (31st March, 2023- Nil).

16 Other current assets

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Advances other than capital advances			
Other advances			
Advances to suppliers and others		0.72	0.31
Balances with government authorities		276.95	384.33
Others			
Prepaid expenses		4.80	2.53
Total		**282.47**	**387.17**

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

17 Equity share capital

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Authorised			
45,00,000 (31st March, 2023- 45,00,000) equity shares of Rs. 10 each		450.00	450.00
		450.00	**450.00**
Issued, subscribed and paid-up			
43,60,000 (31st March, 2023- 43,52,240) equity shares of Rs. 10 each		436.00	436.00
		436.00	**436.00**

17.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
As at the beginning of the year	4,360,000	4,352,240
Equity shares cancelled during the year (Refer note no. 17.1.1)	-	(4,352,240)
Equity shares allotted during the year (Refer note no. 17.1.1)		4,360,000
As at the end of the year	**4,360,000**	**4,360,000**

17.1.1 During the previous year, on receipt of Order of Hon'ble NCLT, New Delhi Principal Bench, the cancellation and extinguishment of the equity shares held by the erstwhile shareholders and the allotment of 43,60,000 equity shares to Deepak Industries Limited and its nominees were given effect in the records.

17.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any, proposed by the Board of Directors of the Company is subject to approval of the shareholders in the ensuing Annual General Meeting. 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 in proportion to the number of equity shares held by equity shareholders.

17.3 Shareholding pattern in respect of Holding/ Ultimate Holding Company

Deepak Industries Limited is the Holding Company of the Company.

17.4 Details of shareholders holding more than 5% of the aggregate equity shares in the Company

Name of equity shareholders	As at 31st March, 2024		As at 31st March, 2023	
	Number of equity shares	% shareholding	Number of equity shares	% shareholding
Deepak Industries Limited	4,359,940	100.00%	4,359,940	100.00%

17.5 No ordinary shares have been reserved for issue under options and contracts/ commitments for sale of shares/ disinvestment as at the balance sheet date.

17.6 The Company has neither allotted any equity shares against consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which the balance sheet is prepared. However, pursuant to the implementation of the sale of the company to the successful bidder i.e. M/s. Deepak Industries Limited during the FY 2021-22, the shareholding of all existing equity shareholders as of the date of the company's sale as a going concern was terminated, and new equity shares of the Company were subsequently issued to new shareholders.

17.7 No securities convertible into equity shares have been issued by the Company during the year except as stated in note no. 19.1

17.8 No calls are unpaid by any Director or Officer of the Company during the year.

17.9 Details of shareholding of promoters and promoter group

As at 31st March, 2024

Name of the promoters and promoter group	Number of equity shares	% shareholding	% change during the year
Deepak Industries Limited	4,359,940	100.00%	-
Mr. Pradip Kumar Daga	10	0.00%	-
Mr. Yashwant Kumar Daga	10	0.00%	-
Ms. Asha Devi Daga	10	0.00%	-
Ms. Nandani Daga	10	0.00%	-
Contransys Private Limited	10	0.00%	-
Coplama Products Private Limited	10	0.00%	-
Total	4,360,000	100.00%	-

As at 31st March, 2023

Name of the promoters and promoter group	No. of equity shares	% shareholding	% change during the year (Refer note no. 17.9.1)
Deepak Industries Limited	4,359,940	100.00%	-
Mr. Pradip Kumar Daga	10	0.00%	-
Mr. Yashwant Kumar Daga	10	0.00%	-
Ms. Asha Devi Daga	10	0.00%	-
Ms. Nandani Daga	10	0.00%	-
Contransys Private Limited	10	0.00%	-
Coplama Products Private Limited	10	0.00%	-
Total	4,360,000	100%	-

17.9.1 As mentioned in note no. 17.1.1, there were cancellation of erstwhile issued shares and allotment of new shares during the previous year. Accordingly, shareholding of all equity share holders up to 31st March, 2022 extinguished and new equity shares of the Company were allotted to equity shareholders during the previous year.

17.10 No shares have been forfeited by the Company during the year.

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18 **Other equity**

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Share application money pending allotment	18.2(a)	-	-
Equity component of compound financial instruments	18.2(b)	1,269.93	1,269.93
Reserves and surplus			
Capital reserve	18.2(c)	46,787.01	46,787.01
Securities premium	18.2(d)	20,945.77	20,945.77
Retained earnings	18.2(e)	(65,220.06)	(64,734.82)
Total		**3,782.65**	**4,267.89**

18.1 Refer Statement of Changes in Equity for movement in balances of items of other equity.

18.2 **Nature and purpose of items of other equity**

(a) **Share application money pending allotment**
During the year ended 31st March, 2022, the Company has issued 43,60,000 equity shares of Rs. 10 each amounting to Rs. 436.00 Lakhs against sale consideration received from Deepak Industries Limited (the suceessful bidder during the liquidation proceedings). Pending necessary approvals from Hon'ble NCLT, New Delhi Bench and filing of relevant forms with Registrar of Companies, Delhi, the said amount has been kept under "Share application money pending allotment" as on 31st March, 2022. During the year ended 31st March, 2023, the shares have been allotted and disclosed under "Equity share capital" on receipt of approvals thereupon and update of records with Registrar of Companies, Delhi.

(b) **Equity component of compound financial instruments**
Equity component of compound financial instrument represents the equity component of Zero Coupon Optionally Fully Convertible Debentures, which is a compound financial instrument.

(c) **Capital reserve**
Capital reserve represents adjustments made pursuant to the Order of Hon'ble NCLT, New Delhi Bench dated 7th September, 2022.

(d) **Securities premium**
Securities premium represents the amount received in excess of the par value of shares issued and will be utilised in accordance with the provisions of the Companies Act, 2013.

(e) **Retained earnings**
Retained earnings represent the undistributed profit or accumulated earnings of the Company. This includes net cumulative losses of Rs. 6.15 (31st March, 2023- Nil) as at the balance sheet date related to the re-measurement of the defined benefit plan resulting from experience adjustments and changes in actuarial assumptions, recognised in other comprehensive income.

19 **Borrowings- non-current**

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
At amortised cost			
Secured			
From Holding Company			
Zero Coupon Optionally Fully Convertible Debentures		2,352.06	2,177.83
Total		**2,352.06**	**2,177.83**

19.1 **Terms and conditions of zero coupon optionally fully convertible debentures**
During the year ended 31st March, 2023, on receipt of necessary approvals from Hon'ble NCLT, New Delhi Bench, 3,364 number of Zero Coupon Secured Optionally Fully Convertible Debentures ("SOFCDs") of par value Rs. 1,00,000 each have been issued at par on the following terms and conditions:

(i) The SOFCDs shall be issued for a tenure of 10 years from the date of allotment or such further period as may be mutually agreed between the Company and SOFCDs holder;

(ii) The SOFCDs holder shall have the right to exercise the option to convert any one or more or all of SOFCDs into equity shares, or alternatively shall also have the right to intimate the Company about its willingness to not convert any one or more or all of SOFCDs into equity shares;

(iii) The holder of SOFCDs shall not be entitled to receive any interest on the face value of the SOFCDs;

(iv) Wherein the SOFCDs holder intimates the Company about its willingness to not convert any one or more or all SOFCDs into equity shares, then the face value of such SOFCDs shall be repayble to SOFCDs holder within a period of 30 days from the date of recipt of such intimation from the SOFCDs holder alongwith the assured premium of 5% p.a. ("SOFCDs Redemption Premium") unless otherwise agreed to between the Company and the SOFCDs holder.

(v) The SOFCDs holder, at any time during the tenure, shall have the right to convert any one or more or all of SOFCDs into such number of equity shares of Rs 10 each of the Company, which shall give a minimum annual internal rate of return of 3% from the date of allotment of such SOFCDs.

19.2 **Nature of security**
SOFCDs shall be secured against all the present and future immovable and movable properties of the Company, including land leased to the Company located at Plot No. SP-501(B), Industrial Area, Bhiwadi, Rajasthan.

19.3 **Compound financial instrument- Zero Coupon Optionally Fully Convertible Debentures**

Particulars	Amount
Total value of debentures issued	3,364.00
Fair value of debentures as on date of allotment	2,094.07
Equity component as on date of allotment (Refer note no. 18)	1,269.93

Debentures being issued at 0% interest rate has been fair valued and differential has been shown as equity component of compound financial instruments under "Other equity". The Company has considered the rate of interest for amortisation at 3% p.a. as the same has been considered by the holding company in its financial statements.

19.4 **Details of debenture holders are as follows:**

Debentureholders	As at 31st March, 2024		As at 31st March, 2023	
	Number of debentures held	% of debentures held	Number of debentures held	% of debentures held
Deepak Industries Limited	3,364	100.00%	3,364	100.00%

20 **Provisions- non-current**

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits			
Gratuity	41	2.15	1.40
Leave encashment	41	2.85	1.97
Total		**5.00**	**3.37**

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

21 Borrowings- current

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
At amortised cost			
Current maturities of long-term debt			
Secured term loan from banks		-	-
Total		-	-

22 Trade payables

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises		6.56	4.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		27.24	35.47
Total		33.80	39.60

22.1 Details of dues to suppliers as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") based on the confirmation and information available with the Company regarding the status of the suppliers are as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
a) Principal amount unpaid	6.56	4.13
b) Interest due	-	-
2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the year		
a) Payment made beyond the appointed date	-	-
b) Interest paid beyond the due date	-	-
3. The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
4. The amount of interest accrued and remaining unpaid at the end of the year	-	-
5. The amount of further interest remaining due and payable even in the succeeding years	-	-

22.2 Payment towards trade payables is made as per the terms and conditions of the contract of purchase orders. The average credit period on purchases is 30 to 45 days.

22.3 Ageing schedule of trade payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed, micro enterprises and small enterprises		
Unbilled dues	-	-
Current but not due	-	-
Outstanding for following periods from due date of payment		
Less than 1 year	6.56	4.13
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Sub-total (a)	6.56	4.13
Undisputed, creditors other than micro enterprises and small enterprises		
Unbilled dues	-	-
Current but not due	-	-
Outstanding for following periods from due date of payment		
Less than 1 year	27.24	35.47
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Sub-total (b)	27.24	35.47
Total (a+b)	33.80	39.60

23 Other financial liabilities- current

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
At amortised cost			
Others			
Security deposits		2.75	0.75
Liabilities for accrued expenses		535.18	535.18
Payable to employees		8.39	5.76
Total		546.32	541.69

24 Other current liabilities

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Advance received from customers		2.65	0.31
Others			
Statutory dues (includes goods and services tax, provident fund, tax deducted at source, etc.)		1.80	4.03
Total		4.45	4.34

25 Provisions- current

Particulars	Refer note no.	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits			
Gratuity	41	7.80	0.01
Leave encashment	41	5.98	0.06
Total		13.78	0.07

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

26 Revenue from operations

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of services		370.28	337.23
Sale of Goods		-	-
Other operating revenue			
Sale of scrap		278.02	308.65
Total		**648.30**	**645.88**

27 Other income

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income on financial assets measured at amortised cost		85.76	12.30
Interest on income tax refund		0.34	-
Other non-operating income (net of expenses directly attributable to such income)			
Income Accrued on Job work			
Miscellaneous income		0.46	0.25
Total		**86.56**	**12.55**

28 Cost of materials consumed

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening stock	10	32.83	50.00
Add: Purchases during the year		-	-
Less: Closing stock	10	28.78	32.83
Total		**4.05**	**17.17**

29 Changes in inventories of finished goods and scrap

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening stock			
Finished goods	10	55.96	37.35
Scrap	10	-	-
Closing stock			
Finished goods	10	49.07	55.96
Scrap	10	1.28	-
Decrease/ (increase) in inventories of finished goods and scrap		**5.61**	**(18.61)**

30 Employee benefits expense

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and wages		287.31	226.15
Contribution to provident and other funds		3.44	2.15
Staff welfare expense		10.01	8.70
Total		**300.76**	**237.00**

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

31 Finance costs

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expense on optionally fully convertible debentures		174.23	83.76
Interest on others		-	0.01
Total		**174.23**	**83.77**

32 Depreciation and amortisation expense

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment	5	422.58	412.89
Total		**422.58**	**412.89**

33 Other expenses

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Consumption of stores and spares		116.73	69.03
Power and fuel		94.94	77.57
Repair and maintenance			
Building		18.72	12.25
Plant and equipment		36.75	22.64
Others		8.94	0.82
Freight and handling charges		0.22	0.34
Premium on debentures		-	-
Insurance		3.01	3.63
Rent		0.69	-
Rates and Taxes		1.04	-
Professional, consultancy and legal charges	33.1	20.78	28.82
Miscellaneous expenses		4.53	8.04
Total		**306.35**	**223.14**

33.1 Includes auditors' remuneration

Particulars	Refer note no.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Fee in respect of:			
Statutory audit		2.50	2.50
Total		**2.50**	**2.50**

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

34 Exceptional items

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Provision for impairment in the carrying value of property, plant and equipment	-	-
Provision for impairment in the carrying value of intangible assets	-	-
Total (Refer note no. 5.2)	**-**	**-**

35 Tax expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax		
In respect of current year	-	-
In respect of earlier years	0.37	-
Deferred tax (Refer note no. 8.1)	45.30	(308.40)
Total tax expense as per profit or loss	**45.67**	**(308.40)**

35.1 **Reconciliation of tax expense**

In the absence of taxable profits during the years ended 31st March, 2024 and 31st March, 2023, reconciliation of tax expense has not been provided.

35.2 **Amounts recognised directly in equity**

Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/ (credited) to equity

Current tax	Nil	Nil
Deferred tax- charge/ (credit) (Refer note no. 8.1)	(45.30)	308.40

35.3 **Tax losses**

Unused tax losses and depreciation for which no deferred tax asset has been recognised	38,627.25	38,818.23
Potential tax benefit @ 26.00%	10,043.09	10,092.74

36 Other comprehensive income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Items that will not be reclassified to profit or loss		
Re-measurement of defined benefit plan	(6.15)	-
Items that will be reclassified to profit or loss	-	-
Total	**(6.15)**	**-**
Income tax relating to items that will not be reclassified to profit or loss		
Re-measurement of defined benefit plan	-	-
Income tax relating to items that will be reclassified to profit or loss	-	-
Total	**-**	**-**
Total other comprehensive income for the year (net of taxes)	**(6.15)**	**-**

37 Earnings per share

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Amount used as numerator- Profit/ (loss) after tax as per statement of profit and loss	(524.39)	11.47
(b) Weighted average number of equity shares used as the denominator for computing basic earnings per share	4,360,000	4,356,619
(c) Weighted average number of equity shares used as the denominator for computing diluted earnings per share	4,360,000	4,356,619
(d) Par value of equity shares	Rs. 10	Rs. 10
(e) Basic earnings per share (Rs.)	(12.03)	0.26
(f) Diluted earnings per share (Rs.) *(Refer note no. 37.1)*	(12.03)	0.26

37.1 Optionally Fully Convertible debentures could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period ended 31st March, 2024.

38 Contingent liabilities and commitments (to the extent not provided for)

(a) **Contingent liabilities**- Nil (31st March, 2023- Nil)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Claims against the Company not acknowledged as debt	-	-

(b) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for- Nil (31st March, 2023- Nil)

Other commitments- Nil (31st March, 2023- Nil)

38.1 **Disclosures as required by Indian Accounting Standard 37 "Provisions, Contingent liabilities and Contingent assets"**

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remain outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

39 Related party disclosures
Information under Ind AS 24 "Related party disclosures" are as follows:

(I) Name of the related parties and description of relationship

(a) Holding Company — Deepak Industries Limited (with effect from 7th September, 2022)

(b) Key management personnel ("KMP") — Mr. Rakesh Kumar, Mr. Khyali Ram, Mr. Rajan Dhiman

(II) Transactions with related parties

Sl. no.	Nature of transaction/ Name of related party	Holding Company
(i)	Issue of debentures	- (3,364.00)
(ii)	Issue of shares	- (436.00)
(iii)	**Balances outstanding**	
	Equity share capital	436.00 (436.00)
	Zero Coupon Optionally Fully Convertible Debentures (Refer note no. 19 & 39(V))	2,352.06 (2,177.83)
	Cheques on hand	- (545.00)

Footnote:
Figures in () pertain to balances as at and for the year ended 31st March, 2023

(III) No remuneration/ sitting fees has been paid/ payable to KMP during the reporting period.

(IV) Other notes:

i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

ii) The amounts outstanding are unsecured and will be settled in cash. No provision for bad or doubtful debts has been recognised in current year and previous year

(V) The Company had issued 3,364 number of Zero Coupon Optionally Fully Convertible Debentures of Rs. 3,364.00 as above which, as required in terms of Ind AS 109 "Financial instruments", had been fair valued to Rs. 2,094.07 and corresponding effect had been given in equity component of compound financial instruments under "Other equity ". Carrying value of such debentures as on 31st, March 2024 is Rs. 2,352.06 (31st March, 2023- Rs. 2,177.83).

40 Segment reporting

(a) The Company is engaged primarily in the business of "Processing of machine parts" required in automobile industries and all other activities are incidental thereto.

(b) Geographical information

(i) Revenues from external customers

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations (Refer note no. 26)		
India	648.30	645.88
Overseas	-	-
Total	**648.30**	**645.88**

(ii) Non-current assets (other than financial instruments and deferred tax assets)

Particulars	As at 31st March, 2024	As at 31st March, 2023
India	2,962.34	3,383.23
Overseas	-	-
Total	**2,962.34**	**3,383.23**

(c) Information about major customers

Revenue from transactions with a single external customer amounting to 10 percent or more of the Company's revenue are as follows:

Name of the customer	Revenue from customer		Revenue from customer as a % of total revenue	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Customer 1	129.38	277.22	19.96%	42.92
Customer 2	138.96	264.87	21.43%	41.01
Customer 3	-	70.24	-	10.88

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

41 Employee benefits:

As per Ind AS- 19 "Employee benefits", the disclosures of Employee benefits are as follows:

Defined contribution plan:

The contributions to defined contribution plan recognised as expense in the Statement of Profit and Loss are as under:

Defined contribution plan	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contribution to provident fund (including pension)	3.40	2.15

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of continuous service is entitled to the gratuity. The gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits depends on the member's length of service and salary at the time of cessation of the employment contract with the Company.

The following tables summarizes the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in the Balance sheet for the said plan:

(a) Details of unfunded post retirement benefit plans are as follows:

Sl. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I.	**Expenses recognised in the profit or loss**		
1	Current service cost	2.29	0.60
2	Past service cost including curtailment gains/ losses	-	0.81
3	Interest on the defined benefit liability	0.10	-
4	Expense recognised in the profit or loss	2.39	1.41
II.	**Other comprehensive income**		
1	Actuarial (gain)/ loss arising from:		
	- changes in financial assumptions	0.02	-
	- changes in experience adjustments	6.13	-
2	Components of defined benefit costs recognised in Other comprehensive income	6.15	-
III.	**Change in present value of defined benefit obligation**		
1	Present value of defined benefit obligation at the beginning of the year	1.41	-
2	Interest expense	0.10	-
3	Current service cost	2.29	0.60
4	Past service cost including curtailment gains/ losses	-	0.81
5	Benefits paid	-	-
6	Actuarial (gain)/ loss arising from:		
	- changes in financial assumptions	0.02	-
	- changes in experience adjustments	6.13	-
7	Present value of defined benefit obligation at the end of the year	9.95	1.41
IV.	**Liability recognised in the Balance sheet as at the year end**		
1	Present value of defined benefit obligation	9.95	1.41
2	Liability recognised in Balance sheet	9.95	1.41
	- Current	7.80	0.01
	- Non-current	2.15	1.40
V.	**Actuarial assumptions**		
1	Discount rate (per annum) (in %)	7.23%	7.34%
2	Expected rate of salary increase (in %)	6.00%	6.00%
3	Retirement/ superannuation age (in years)	58	58
4	Mortality rates	IALM 2012-2014	IALM 2012-2014
VI.	**Maturity profile**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	7.80	0.01
	Between 2 and 5 years	0.11	0.40
	More than 5 years	2.04	1.00
	Total expected payments	9.95	1.41
	The average duration of the defined benefit plan obligation at the end of the balance sheet date (in years)	13.97	12.82
VII.	**Sensitivity analysis on present value of defined benefit obligations**		
	Discount rates		
	0.50% increase	(0.10)	(0.05)
	0.50% decrease	0.11	0.05
	Expected rates of salary increases		
	0.50% increase	0.11	0.05
	0.50% decrease	(0.11)	(0.05)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

(b) Details of other long term benefits are as follows:

(i) Earned leave (unfunded)

Sl. No.	Particulars	Leave encashment (Earned leave) (Unfunded)	
		For the year ended 31st March, 2024	For the year ended 31st March, 2023
I.	**Components of employer expense**		
1	Current service cost	1.97	0.61
2	Past service cost including curtailment gains/ losses	-	0.98
3	Interest cost	0.12	-
4	Actuarial (gain)/ loss recognised in the year	4.57	-
5	Expense recognised in the Statement of Profit and Loss	6.66	1.59
II.	**Change in present value of obligation**		
1	Present value of obligation at the beginning of the year	1.59	-
2	Interest cost	0.12	-
3	Current service cost	1.97	0.61
4	Past service cost including curtailment gains/ losses	-	0.98
5	Benefits paid	-	-
6	Actuarial (gain)/ loss recognised in the year	4.57	-
7	Present value of obligation at the end of the year	8.25	1.59
III.	**Liability recognised in the Balance sheet as at the year end**		
1	Present value of defined benefit obligation	8.25	1.59
2	Liability recognised in Balance Sheet	8.25	1.59
IV.	**Actuarial assumptions**		
1	Discount rate (per annum) (in %)	7.23%	7.34%
2	Expected rate of salary increase (in %)	6.00%	6.00%
3	Retirement/ superannuation age (in years)	58	58
4	Mortality rates	IALM 2012-2014	IALM 2012-2014
V.	**Maturity profile**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	5.96	0.03
	Between 2 and 5 years	0.15	0.50
	More than 5 years	2.14	1.06
	Total expected payments	**8.25**	**1.59**

(ii) Sick leave (unfunded)

Sl. No.	Particulars	Leave encashment (Sick leave) (Unfunded)	
		For the year ended 31st March, 2024	For the year ended 31st March, 2023
I.	**Components of employer expense**		
1	Current service cost	0.13	0.19
2	Past service cost including curtailment gains/ losses	-	0.25
3	Interest cost	0.03	-
4	Actuarial (gain)/ loss recognised in the year	(0.02)	-
5	Expense recognised in the Statement of Profit and Loss	0.14	0.44
II.	**Change in present value of obligation**		
1	Present value of obligation at the beginning of the year	0.44	-
2	Interest cost	0.03	-
3	Current service cost	0.13	0.19
4	Past service cost including curtailment gains/ losses	-	0.25
5	Benefits paid	-	-
6	Actuarial (gain)/ loss recognised in the year	(0.02)	-
7	Present value of obligation at the end of the year	0.58	0.44
III.	**Liability recognised in the Balance sheet as at the year end**		
1	Present value of defined benefit obligation	0.58	0.44
2	Liability recognised in Balance Sheet	0.58	0.44
IV.	**Actuarial assumptions**		
1	Discount rate (per annum) (in %)	7.23%	7.34%
2	Expected rate of salary increase (in %)	6.00%	6.00%
3	Retirement/ superannuation age (in years)	58	58
4	Mortality rates	IALM 2012-2014	IALM 2012-2014
V.	**Maturity profile**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	0.02	0.03
	Between 2 and 5 years	0.38	0.13
	More than 5 years	0.18	0.28
	Total expected payments	**0.58**	**0.44**

(c) **Risks related to defined benefit plans:**
The major risks to which the Company is exposed in relation to defined benefit plans are:

(i) **Salary inflation risk:**
Higher than expected increases in salary will increase the defined benefit obligation.

(ii) **Discount rate:**
Reduction in discount rate can increase the defined benefit obligation.

(iii) **Mortality and disability:**
Actual deaths and disability cases proving lower or higher than assumed can impact the defined benefit obligation.

(d) **Other disclosures**
The provident fund expenses have been recognised under "Contribution to provident and other funds" and gratuity and leave encashment (earned leave and sick leave) has been clubbed with "Salaries and wages" under note no. 30 "Employee benefits expense".

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

42 Financial instruments- Accounting, Classification and Fair value measurements

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:

Particulars	Refer note no.	Carrying amount and fair value			Total
		Amortised cost	FVTPL	FVTOCI	
Financial assets (current and non-current)					
Security deposits	7	28.93 (28.93)	- (-)	- (-)	28.93 (28.93)
Trade receivables	11	2,191.82 (2,244.37)	- (-)	- (-)	2,191.82 (2,244.37)
Cash and cash equivalents	12	28.31 (641.55)	- (-)	- (-)	28.31 (641.55)
Other bank balances	13	1,493.06 (650.00)	- (-)	- (-)	1,493.06 (650.00)
Other financial assets	7 &14	63.71 (11.14)	- (-)	- (-)	63.71 (11.14)
Total		**3,805.83 (3,575.99)**	**- (-)**	**- (-)**	**3,805.83 (3,575.99)**
Financial liabilities (current and non-current)					
Borrowings	19	2,352.06 (2,177.83)	- (-)	- (-)	2,352.06 (2,177.83)
Trade payables	22	33.80 (39.60)	- (-)	- (-)	33.80 (39.60)
Other financial liabilities	23	546.32 (541.69)	- (-)	- (-)	546.32 (541.69)
Total		**2,932.18 (2,759.12)**	**- (-)**	**- (-)**	**2,932.18 (2,759.12)**

Footnote:
Figures in () pertain to balances as at 31st March, 2023

43 Financial risk management objectives and policies

The Company's principal financial liabilities include trade payables and other financial liabilities and principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other financial assets.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management under the supervision of Board of Directors oversees the management of these risks. The Company's financial risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(a) Market risk

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value or future cash flows of a financial instrument. The major components of market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include borrowings.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any transactions in foreign currencies and as such, is not exposed to foreign currency risk.

(ii) 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 borrowing obligation as on reporting date is limited to borrowings availed from the Holding Company in the form of zero coupon optionally fully convertible debentures which is strategic in nature and accordingly, the exposure to changes in interest rate is minimal.

(iii) Commodity price risk

The Company being engaged in processing of machine parts for automobile industries, as such, is not exposed to commodity price risk.

(iv) Other price risk

The Company is not exposed to any other price risk.

(b) Credit risk

Credit risk is the risk that a customer or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of amounts outstanding, taking into account the financial conditions, current economic trends and ageing of amounts receivable.

The carrying amount of respective financial assets recognised in the financial statements represents the Company's maximum exposure to credit risk.

The credit risk on cash and cash equivalents, investment in fixed deposits are insignificant as counterparties are banks with high credit ratings.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Company which was under liquidation till previous periods and was under insolvency process has come out from these on being funds infused by one of the company by way of purchase of shares and debentures and becoming its 100% Holding Company. Currently, the Company is getting job works not as per their capacity, however, they are in the continuous process of searching the best opportunities to expand the operations. Although, the management of the Company being controlled by its Holding Company which is listed and financially so much stable to financially support the Company in case of requirement of funds.

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Notes to the financial statements as at and for the year ended 31st March, 2024 (All amount in Rs. lakhs, except otherwise stated)

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

Maturity analysis of unamortised financial liabilities

Particulars	Carrying value	Contractual cash flows	Maturity analysis of contractual cash flows		
			Less than 1 year	Between 1 to 5 years	More than 5 years
(A) As at 31st March, 2024					
(i) Borrowings (Refer note no. 19)	2,352.06	Rs. 3,364 plus 3% p.a. from date of allotment till date of conversion to			
(ii) Trade payables (Refer note no. 22)	33.80	33.80	33.80	-	-
(iii) Other financial liabilities (Refer note no. 23)	546.32	546.32	546.32	-	-
Total	**2,932.18**	**580.12**	**580.12**	**-**	**-**
(B) As at 31st March, 2023					
(i) Borrowings (Refer note no. 19)	2,177.83	Rs. 3,364 plus 3% p.a. from date of allotment till date of conversion to			
(ii) Trade payables (Refer note no. 22)	39.60	39.60	39.60	-	-
(iii) Other financial liabilities (Refer note no. 23)	541.69	541.69	541.69	-	-
Total	**2,759.12**	**581.29**	**581.29**	**-**	**-**

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses and obligations.

44 Capital management

Risk management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective 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 stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings.

The Company monitors capital using debt-equity ratio, which is total long-term debt divided by total equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total long-term debt	2,352.06	2,177.83
Total equity	4,218.65	4,703.89
Debt-equity ratio	0.56	0.46

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45 Liquidation proceedings, Certificate of sale and Hon'ble NCLT, New Delhi Bench order dated 7th September, 2022

Corporate Insolvency Resolution Process (CIRP) was initiated in respect of Lotus Auto Engineering Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 (Code) by an order of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ("NCLT") vide its order dated 1st August, 2018 and Mr. Ashok Kumar Gulla was appointed as Interim Resolution Professional (IRP). Mr. Ashok Kumar Gulla was subsequently confirmed by the Committee of Creditors (CoC) as Resolution Professional (RP).

Since no resolution plan came forth, the CoC in its meeting held on 15th November, 2019 resolved to liquidate the Company following which the Hon'ble NCLT on 1st June, 2020 ordered the liquidation of the Company and Mr. Ashok Kumar Gulla was appointed as Liquidator for the Company vide order dated 12th June, 2020.

During the liquidation process, Deepak Industries Limited ("DIL") filed its proposal for the acquisition of the Company (Corporate debtor) and was adjudged as the successful bidder. On payment of entire sale consideration of Rs. 3,800.00 by DIL on 28th May, 2021, the Liquidator issued sale certificate on 9th June, 2021 for sale of the Company to DIL as a going concern without dissolution, which is akin to resolution plan under IBC.

The Liquidator, subsequent to the issuance of Certificate of Sale, fied an application before the Hon'ble NCLT, Principal Bench, New Delhi, seeking confirmation of sale of the Corporate Debtor as a going concern, without dissolution, which is akin to resolution plan under IBC. Vide order dated 7th September, 2022, the Hon'ble NCLT confirmed the sale of the Corporate Debtor as a going concern without dissolution. Thus, effectively from 7th September, 2022, on receipt of order from Hon'ble NCLT, DIL has become the 100% Holding Company.

a. As per the sale certificate, sale proceeds of Rs. 3,800.00 from CIRP process has been distributed by the Liquidator as per the waterfall mechanism under section 53 of IBC.

b. All the liabilities of the Corporate Debtor including contingent liabilities and statutory dues has been extinguished and assets got vested with the Corporate Debtor, unless specified otherwise.

c. Entire existing share capital of the Company had been cancelled and extinguished and in place of it, the Company had allotted 43,60,000 equity shares to DIL and its nominee at par value of Rs. 10 each. The effect of the same had been taken in the previous year.

d. Issue of 3364 secured optionally fully convertible debentures of face value Rs. 1 lakh each at par was shown as advance received for issue of debentures as on 31st March, 2022. The effect of the same has been taken in the previous year on allotment thereof.

e. Change in control of the Corporate Debtor by suspending existing directors and appointing new directors.

f. As per Hon'ble NCLT, New Delhi Bench order, an amount of Rs. 77.75 Lakhs is payable by the Company to a creditor out of the amount to be received from a debtor. Therefore, the same has been shown as Nil (net) under contingent liabilities.

g. Pursuant to the issuance of certificate of sale dated 9th June, 2021 and order of Hon'ble NCLT, New Delhi Bench dated 7th September, 2022 approving the sale of the Company as a going concern, necessary write off of assets and write back of liabilities/ provisions has been carried out in the books of accounts of the Company. Debit or credit being the balancing figure has been adjusted by the Company in capital reserve in FY 2021-22 which is detailed as follows:

Particulars	Amount
(A) Details of liabilities written back (income)	
Unsecured Loan from bodies corporate	3,529.62
Current maturities of long-term secured debt from banks	28,635.71
Interest accrued and due on secured loan from banks	10,096.49
Trade payables	4,313.68
Other current liabilities	44.38
Total income	**46,619.88**
B. Details of assets written off (expenses)	
Capital advance	12.95
Security deposit and others	3.92
VAT refundable	56.64
Trade receivables	44.75
Duty under rebate	28.11
TDS receivable	13.55
Other current assets	9.19
Other advances	98.97
Total expenses	**268.08**
Transfer to capital reserve pursuant to effect of liquidation proceedings (net)	**46,351.80**

46 Mantainance of Fixed assets register and other registers required to be maintained under the Companies Act 2013

The Company is in the process of maintaining the fixed assets register and also identifying the fixed assets which are retired from active use and held for disposal. Further, the Company is also in the process of maintinaing other registers as prescribed under the Companies Act 2013.

47 Certain trade receivables, security deposits, loans, advances, other assets and trade payables are subject to confirmation/ reconciliation and consequential

48 In the opinion of the management, property, plant and equipment and current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the financial statements and provision for all liabilities have been made in the financial statements, which has been relied upon by the auditors.

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Lotus Auto Engineering Limited
CIN- U74120WB2010PLC267057

Notes to the financial statements as at and for the Period ended 31st March , 2024

(All amount in Rs. lakhs, except otherwise stated)

49 The Company, neither had any transactions during the Period ended 31st March, 2024 and 31st March, 2023 with companies, which have been struck off by the Registrar of Companies, nor any balance is outstanding from such companies as at the end of reporting period.

50 Ratio analysis and its elements

Sl. No.	Ratio	Numerator	Denominator	2023 - 2024	2022 - 2023	% change with respect to previous year	
(1)	Current ratio	Current assets	Current liabilities	6.97	6.93	0.58%	
(2)	Debt-equity ratio	Long term borrowings (+) Current maturities of long term debt	Equity computed as: Equity share capital (+) Other equity	0.56	0.46	20.42%	
(3)	Debt service coverage ratio	Profit/ (loss) for the year (i.e., Profit/ (loss) after tax) (+) Depreciation and amortisation expense (+) Finance costs (-) Exceptional items	Finance costs (+) Current maturities of long term debt	0.38	6.07	(93.74%)	Deferred tax assets recognised during the previous year
(4)	Return on equity ratio	Profit/ (loss) for the year (i.e., Profit/	Average equity	(11.89%)	0.27%	(4503.70%)	Deferred tax assets recognised during the previous year coupled with increase in finance costs during the current year
(5)	Inventory turnover ratio	Revenue from operations	Average inventory	5.92	6.03	(1.82%)	
(6)	Trade receivables turnover ratio	Revenue from operations	Closing trade receivables	0.30	0.29	3.45%	
(7)	Trade payables turnover ratio	Purchases	Closing trade payables	9.17	5.87	56.11%	Increase in purchases during the current year
(8)	Net capital turnover ratio	Revenue from operations	Working capital	0.18	0.19	(2.34%)	
(9)	Net profit ratio	Profit/ (loss) for the year (i.e., Profit/	Revenue from operations	(0.82)	0.02	(4200.00%)	Deferred tax assets recognised during the previous year coupled with increase in finance costs during the current year
(10)	Return on capital employed	Profit/ (loss) before tax (+) Interest on long term borrowings (-) Exceptional items	Capital employed computed as Equity (-) Intangible assets (+) Long term borrowings (+) Current maturities of long term debt (+)/ (-) Deferred tax liabilities/ deferred tax assets	0.76%	0.53%	41.74%	Increase in operational losses during the current year
(11)	Return on investments	Not applicable					

51 **Other statutory information:**

(i) 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

52 The Company does not have any transactions 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

53 The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

54 **First time adoption of Indian Accounting Standards- Disclosures, Reconciliation, etc.**

(a) **Explanation of transition to Ind AS**
The financial statements, for the year ended 31st March, 2023, were the first financial statements, the Company has prepared in accordance with Ind AS.
In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2021, i.e. the date of transition to Ind AS.
This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2021 and the financial statements for the year ended 31st March, 2022.
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

(I) The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2021, as adjusted for the effect of depreciation on land- right of use as per the provisions of Ind AS 116 "Leases". Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment).

(II) The Company has elected to continue with the carrying value for intangible assets as recognized under the previous GAAP as deemed cost as at the transition date. Under the previous GAAP, intangible assets were stated at its original cost, net of accumulated amortization and impairment.

55 Comparative figures of the previous year have been regrouped/ rearranged and disclosed wherever applicable to conform with financial statements of the current year.

56 The Company has applied for a merger with its holding company, M/s. Deepak Industries Limited, a company listed on the Calcutta Stock Exchange Limited. This application has been submitted to the Hon'ble National Company Law Tribunal, Kolkata Bench, with an appointed date (effective date) of October 1, 2023. As of March 31, 2024, the scheme is pending approval. Therefore, no effects of the proposed merger have been considered in these financial statements.

For KBTG and Associates
Chartered Accountants
Firm's Registration No.: 24946N

KBTG & ASSOCIATES NEW DELHI Chartered Accountants

Bansal
Kashish Bansal
Proprietor
Membership No.: 521925
Date: May 22, 2024
Place: New Delhi
UDIN : 24521925 BKBGHS8689

For and on behalf of the Board of Directors

Rakesh Kumar
Director
DIN: 08958137

Khyali Ram
Director
DIN: 08286490