# ANNUAL REPORT

# &

# ACCOUNTS

**FOR THE YEAR ENDED 31ST MARCH, 2024**

# DEEPAK INDUSTRIES LIMITED

# Corporate Information

| | |
|---|---|
| **Shri Pradip Kumar Daga** | **CHAIRMAN EMERITUS** |
| **Shri Yashwant Kumar Daga**<br>*Chairman cum Managing Director*<br>**Shri Sujit Chakravorti**<br>**Shri Anand Prasad Agarwalla**<br>**Shri Ganapathy Anantha Narayanan**<br>**Smt. Meera Dokania** | **BOARD OF DIRECTORS** |
| **Shri Maneesh Khanna** | **CHIEF FINANCIAL OFFICER** |
| **Ms. Nikita Puria** | **COMPANY SECRETARY & COMPLIANCE OFFICER** |
| **Lodha & Co LLP**<br>*Chartered Accountants*<br>Kolkata | **STATUTORY AUDITOR** |
| **State Bank of India**<br>**UCO Bank** | **BANKERS** |
| 62, Hazra Road Kolkata - 700019<br>Ph. : (033) 4014-2222<br>Email :secretary@dil-india.com<br>Website :www.dil-india.com | **REGISTERED OFFICE** |
| 16, Hare Street 2nd Floor, Kolkata -700001 | **CORPORATE OFFICE** |
| **Maheshwari Datamatics Pvt.Ltd.**<br>**25, R. N Mukherjee Road**<br>**5th Floor, Kolkata-700001**<br>Ph.: (033) 2248-2248, 2343-5029<br>Fax: (033) 2248-4787<br>E-mail: mdpldc@yahoo.com | **REGISTRARS & SHARE TRANSFER AGENT** |

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# **Boards' Report** For the year ended 31st March, 2024

Dear Members,

Your Directors present herewith the 69th Annual Report on the business & operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2024.

**Financial Results** **(Rs. in Lakhs)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| Profit before Finance Cost, Depreciation andAmortization & Tax | 19212.73 | 19084.65 | 19283.58 | 19187.87 |
| *Less:*Finance Cost | 647.28 | 606.35 | 647.28 | 606.36 |
| Depreciation and amortization | 2666.85 | 2688.75 | 3089.43 | 2941.46 |
| Profit/ (Loss) before Tax | 15898.60 | 15789.55 | 15546.87 | 15640.05 |
| Less:Tax Expense | | | | |
| Current Tax | 4175.97 | 4218.22 | 4176.34 | 4218.22 |
| Deferred tax - Charge/(Credit) | (174.46) | (185.65) | (140.90) | (499.10) |
| Profit for the year | 11897.09 | 11756.98 | 11511.43 | 11920.93 |
| Other Comprehensive Income for the year (net of tax) | (28.73) | (4.65) | (34.88) | (4.65) |
| Total Comprehensive Income for the year comprising profit and other Comprehensive Income for the year | 11868.36 | 11752.33 | 11476.55 | 11916.28 |

**Financial Performance 2023-24**

The Company recorded Total Revenue of Rs.80085.45 lakhs (including other income aggregating to Rs.2826.32 lakhs) during the financial year ended 31st March, 2024. The Revenue from Operations (Gross) of the Company for the year 2023-24 stood at Rs.77259.13 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at Rs. 19212.73 lakhs.

**SHARE CAPITAL**

The Authorized Share Capital of your Company as on March 31, 2024 stood at Rs. 5,30,00,000 divided into 53,00,000 equity shares of Rs. 10/- each. The Issued Share Capital of your Company is 3,95,64,330 divided into 39,56,433 equity shares of Rs. 10/- each and the Subscribed and Paid-up Share Capital is 3,95,64,330 divided into 39,56,433 equity shares of Rs. 10/- each, fully paid-up.

**DIVIDEND & RESERVES**

The Board of Directors has recommended a dividend of Rs. 10/- on Equity Shares (100%) for the Financial year 2023-24 for your approval which will be subject to applicable tax in the hands of shareholders. This dividend will be paid when approved by the shareholders in accordance with law and would involve a cash outflow of Rs.395.64 lakhs. Your Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2024.

**CREDIT RATING**

The Company has obtained Credit Rating of its various credit facilities and instruments from ICRA Limited. The details about the ratings assigned by the above-mentioned agency is clearly elaborated in the Corporate Governance report forming part of the Board's Report.

**DEPOSITS**

The Company has not accepted any deposit from the Public and as such there are no outstanding deposits in terms of the Chapter V of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**SUBSIDIARIES/ASSOCIATE COMPANIES**

The Company as on 31st March, 2024 has one wholly-owned subsidiary company namely, Lotus Auto Engineering Limited. Pursuant to Regulation 16(1) (c) of the SEBI (LODR) Regulations, 2015, it is not a material subsidiary. The Company has formulated a policy for determining material subsidiaries in line with SEBI (LODR)

Regulations, 2015. The policy has been uploaded on the website of your Company at the web-link https://www.dil-india.com/policies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's Subsidiary in Form AOC-1 is annexed herewith and marked as '**Annexure–I**' forming part of this report . Pursuant to the provisions of Section 136 of the Companies Act, 2013, the standalone and consolidated financial statements of the Company for the financial, year ended 31st March, 2024 along with the relevant documents and separate audited accounts in respect of Subsidiary is available on the website of the Company at www.dil-india.com. These documents will also be available for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day up to the date of the ensuing Annual General Meeting.

Further, the Board of Directors of the Company at its meeting held on 3rd February, 2024 has approved the scheme of arrangement for amalgamation of its wholly-owned subsidiary, Lotus Auto Engineering Limited, with the Company with effect from the appointed date 1st October, 2023. The said scheme is however subject to other necessary approvals to be obtained in due course of time.

**CONSOLIDATED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company together with Auditors' Report for the financial year ended 31st March, 2024 prepared in compliance with Ind AS issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs (MCA), Government of India forms part of this Annual Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

The Board consists of four non-executive directors and one executive director who have wide and varied experience in different disciplines of corporate functioning. Out of four non-executive directors, three of them are Independent Directors and one Non-Independent Director

In terms of Articles of Association of the Company read with section 150, 152 of the Companies Act, 2013, Shri Yashwant Kumar Daga (DIN:00040632), is retiring by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment. The Board recommends his re-appointment to the members of the Company in the ensuing Annual General Meeting.

The brief resume and other details as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with the Secretarial Standardon General Meetings (SS-2) are provided in the Notice of the 69th Annual General Meeting.

The tenure of Shri Pradip Kumar Daga (DIN 00040692) as Chairman cum Managing Director completed on 15th December 2023. Accordingly, Shri Pradip Kumar Daga, ceased to be the Director of the Company w.e.f. 16th December, 2023. The Board of Directors of the Company at its meeting held on 3rd February, 2024 appointed Shri Pradip Kumar Daga as Chairman Emeritus of the Company for life w.e.f. 3rd February, 2024 together with the payment and facilities to be extended to him as Chairman Emeritus of the Company, which was subsequently approved by the shareholders of the Company vide Postal Ballot concluded on 13th April, 2024.

Shri Yashwant Kumar Daga (DIN - 00040632) was re-appointed as Vice Chairman cum Joint Managing Director of the Company for 5 years with effect from 15th November, 2019 to 14th November, 2024 in the Extra Ordinary General Meeting held on 28th March 2019.The terms and conditions of his re-appointment, including remuneration was approved by the Shareholders in accordance with the provisions contained in Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013. Shri Yashwant Kumar Daga was re-designated as Chairman cum Managing Director of the Company effective from 3rd February, 2024 for the remaining term of his tenure i.e. till 14th November, 2024 with all other terms and conditions of his appointment as approved by the Shareholders remaining unchanged.

The tenure of Shri Yashwant Kumar Daga (DIN 00040632) as Chairman cum Managing Director expires on 14th November 2024. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, the Board recommends re-appointment of Shri Yashwant Kumar Daga as Chairman cum Managing Director for a period of five years with effect from 15th November 2024 till 14th November 2024 to the members of the Company at the ensuing Annual General Meeting. A suitable resolution in this behalf is being proposed at the forthcoming Annual General Meeting for the approval of the members.

Based on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on May 23, 2024 had appointed Prof Ashoke Kumar Dutta (Din: 00045170)and Smt. Bhawna Khanna (Din: 06886294) as Additional Directors in the capacity of Independent Directors of the Company both effective from May 23, 2024. The said appointments are subject to approval of Members of the Company. Suitable resolutions in this behalf is being proposed at the forthcoming Annual General Meeting for the approval of the members.

The brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings (SS-2) are provided in the Notice of the 69th Annual General Meeting.

**DECLARATION BY INDEPENDENT DIRECTORS**

All Independent directors of your Company have submitted their declaration under section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and Regulation 25 read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and are eligible for continuing as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

**BOARD MEETINGS**

During the year under review, a total of 4 (four) Board meetings were held on 30.05.2023, 11.08.2023, 08.11.2023 and 03.02.2024 in respect of which proper notices were given and the proceedings were duly recorded in the minutes book maintained for the purpose. The intervening gap between any two consecutive meetings did not exceed the gap of 120 days as prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The details of the Board Meetings held during the year under review are given in the Corporate Governance Report forming a part of this Annual Report.

**COMMITTEES OF THE BOARD**

As on 31st March 2024, the Board had four Committees – the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee. During the year, all recommendations made by the Committees were approved and accepted by the Board.

A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors.

The Board on the recommendations of the Nomination and Remuneration Committee lays down the evaluation criteria for evaluation. All the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail by the Board of Directors.

A structured questionnaire for evaluation of the Board and its various Committees and individual Directors was prepared and recommended to the Board by the Nomination & Remuneration Committee for doing the required evaluation, after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning.

A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013 the Directors to the best of their knowledge and belief hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) theyhave taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis; and

(e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively,

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDIT COMMITTEE**

The Board of Directors of your Company has duly constituted an Audit Committee in compliance with the provisions of Section 177 of the Act, the Rules framed thereunder read with Regulation 18 of the Listing Regulations. The recommendations made by the Audit Committee are accepted by your Board.

Name of the Audit Committee members, number of meetings held during the year under review, terms of reference and other requisite details have been provided in the Corporate Governance Report which forms part of this Annual Report.

**VIGIL MECHANISM /WHISTLE BLOWER POLICY**

In terms of Section 177 of the Act and Rules framed thereunder read with Regulation 22 of the Listing Regulations, your Company has a Vigil Mechanism / Whistle Blower Policy in place for the Directors and Employees of your Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be raised. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. No person has been denied an opportunity to have access to the Audit Committee Chairman.

The Policy on Vigil Mechanism has been uploaded on the website of your Company at the web-link https://www.dil-india.com/policies

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION &REDRESSAL) ACT, 2013**

Your Company has zero tolerance for sexual harassment at work place and is committed to provide a safe and conducive work environment to its employees. The Company has not received any complaint under 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, during the year.

**NOMINATION & REMUNERATION POLICY**

The Board has on the recommendations of the Nomination and Remuneration Committee adopted a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration and the said policy was amended from time to time. The details of the said Policy is annexed herewith and marked as '**Annexure–II'** forming part of this report. The complete policy is available at the website of the Company at web-link https://www.dil-india.com/policies

**DISCLOSURE REGARDING EMPLOYEES**

a) The Statement of Details of Remuneration as required under Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as **'Annexure – III'** and forms a part of this Board's Report.

b) The details as required pursuant to provisions of sub-rule (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment and re-enactment thereof) and forming part of this report is given in separate annexure to this Report.

   The said annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the Members at the Registered office of the Company, twenty-one days before the 69th Annual General Meeting and up to the date of the said Annual General Meeting during business hours on working days.

c) No employee, other than Shri Yashwant Kumar Daga Chairman cum Managing Director by himself or along with his relatives holds 2% or more of the equity shares of the Company.

**LOANS, GUARANTEES & INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the notes to the financial statements of the Company forming part of the Annual Report.

**RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered into by the Company during the year with Related Parties were on an arm's length basis and in the ordinary course of business. There were no materially significant transactions made by the Company with the Promoters, the Directors or the Key Managerial Personnel which may be in conflict with the interests of the Company at large.

Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore, details required to be provided in the prescribed Form AOC-2 is not applicable. Necessary disclosures required under the Ind AS 24 have been made in the notes to the Financial Statements.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for transactions which could be foreseen and are of repetitive nature for a period of one year. The transactions entered into pursuant to the omnibus approval so granted for review are placed before the Audit Committee on a quarterly basis.

The Policy on Related Party Transactions, as approved by the Board has been uploaded on the website of your Company at the web-link https://www.dil-india.com/policies

**RISK MANAGEMENT**

On the recommendations of Audit Committee, Board of Directors has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Several factors such as advancements in technology, prevalent geo-political environment, stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. The Company has an efficient Risk Management framework to identify and evaluate business risks and opportunities. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures. The risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the quarterly financial results of the Company.

**INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

The Company has in place proper policies and procedures designed to ensure sound management

of your company's operations. Internal Financial Control System commensurate with the size, scale and nature of its operations. The Internal Financial Control Systems of the Company are appropriate for safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. During the year under review, the Company has not come across any incidence of fraud.

The Company has adopted accounting policies, which are in line with the applicable accounting standards and the Companies Act, 2013. Systems and procedures are periodically reviewed to keep pace with the changing circumstances.

Internal Audit is conducted by independent Chartered Accountants, on quarterly basis. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Based on the reports of the Internal Auditors, the respective departments undertake corrective actions in their respective areas and thereby strengthen the controls.

**CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee, the terms of reference and other details of which are provided in the Corporate Governance Report. The CSR Policy has been framed and posted on the website of the Company at web-linkhttps://www.dil-india.com/policies As required by Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility ) Rules, 2014, Annual Report on CSR activities is annexed herewith and marked as **'Annexure – IV'** and forms integral part of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A report for the year under review as required under Regulation 34 and as stipulated under Part B of Schedule V of Listing Regulations, is annexed herewith and forms part of this report.

**CORPORATE GOVERNANCE**

A report on Corporate Governance as required under Regulation 34 and as stipulated in Part C of Schedule V of Listing Regulations is annexed herewith and forms part of this report. Compliance Certificate issued by Practising Company Secretary,regarding compliance of Corporate Governance is also annexed therewith.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return as on March 31, 2024 is available on the Company's website at https://www.dil-india.com/anual-return

**STATUTORY AUDITORS AND THEIR REPORT**

In terms of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s. Lodha & Co., Chartered Accountants(Firm Registration No. 301051E), Statutory Auditors, were re-appointed as Statutory Auditor of the Company for a second term of 5 (five) consecutive years at the 67th Annual General Meeting of the Company held on 11th July, 2022 to hold office until the conclusion of the 72nd Annual General Meeting to be held in the year 2027.

The reports given by the Auditors on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Company had appointed Shri Pravin Kumar Drolia, Company Secretary in whole time practice for conducting the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2024 is given in '**Annexure V'** attached hereto and forms part of this report.

The Secretarial Audit report is self-explanatory and does not call for any further comments. The Secretarial Audit report does not contain any qualification, reservation, adverse remark or disclaimer given by the Auditors in the Reports. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

**COST AUDIT**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is required to make and maintain cost records in respect of its manufacturing activities and get them audited by a qualified Cost Accountant.

The Board of Directors have, on the recommendation of the Audit Committee, appointed, M/s SKP & Associates, Cost Accountants (ICWAI Registration no. 000040), as Cost Auditors of the Company, to carry out cost audit of the products manufactured by the Company for the year 2024-25. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. They have also confirmed that they are not disqualified to be appointed as Cost Auditors of the Company for the year 2024-25.

The remuneration of the Cost Auditor has been approved by the Board of Directors on the recommendation of Audit Committee. As required under the Companies Act, 2013, In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, necessary resolution is proposed for ratification for the remuneration payable to M/s SKP & Associates, Cost Auditors in the Notice convening the 69th Annual General Meeting.

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In compliance with Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, a sum of Rs.1, 45,77,280/- has been deposited on 10.05.2023 into the specified bank account of the IEPF, Government of India, towards the amount of interim dividend for the financial year 2015-2016 which was unclaimed / unpaid for a period of seven years.

**CHANGE IN THE NATURE OF BUSINESS**

No change has been made in nature of business carried out by the Company during the financial year 2023-24.

**MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY**

No material Changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company, to which the financial statements relate i.e. 31st March, 2024 and date of Board's Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)9m) of the Companies Act, 2013, read with Rule 8 of The Companies (Accounts) Rules 2014 is given in '**Annexure VI'** attached hereto and forms part of this report.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and the stakeholders for their continued co-operation and support to the Company.

Your Directors also wish to record their appreciation for the continued co-operation, support and commitment received from the employees of the Company at all levels amidst challenging times and look forward to their support in the future as well For and on behalf of the Board of Directors.

For and on behalf of the Board

**Yashwant Kumar Daga**
Chairman cum Managing Director
DIN: 00040632

Place: Kolkata
Date: 23rd May, 2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENT, SEGMENT-WISE/ PRODUCT- WISE PERFORMANCE, OPPURTUNITIES & THREATS

**Industrial Gears**

The industrial gearbox market is expected to reach a value of $38.44 billion by 2028 from $30 billion in 2022, growing at a CAGR of 4.22% from 2022-2028. Demand is expected to increase at a CAGR of 4.6% during the projected period. Given that industrial gearboxes are used to control the speed and torque of production-related machinery and components, demand for these gearboxes is expected to rise as smart manufacturing becomes more common.

The future outlook for the industrial gears market is promising. The increasing adoption of automation and advanced technologies in industries, coupled with the rising demand for efficient power transmission systems, is expected to drive market growth. The expansion of manufacturing activities in developing economies and the growing need for improved productivity and reliability in industrial processes will further contribute to market expansion. Furthermore, the introduction of new materials and advanced manufacturing techniques, such as 3D printing and precision machining, is enhancing the quality and performance of industrial gears. This innovation is creating opportunities for gear manufacturers to offer customized solutions, which is expected to fuel market growth.

Additionally, the growing focus on renewable energy sources like wind and solar power is driving the demand for industrial gears in the power generation sector. The increasing investments in infrastructure development and the modernization of industries in emerging economies are also expected to boost the market. Based on the provided information, the projected compound annual growth rate (CAGR) during the forecasted period indicates a strong market potential. The industrial gears market is expected to witness significant growth as industries ramp up their production capabilities and invest in advanced machinery and equipment. However, factors such as high initial costs, stringent regulations, and the availability of alternative power transmission solutions may present challenges to market growth

**Automobile Gears**

Gears have established themselves as a major component in automotive systems. Gears are found extensively in automotive differential systems, steering systems, and transmission systems. The global Automobile Gear market size was US$ million in 2022 and is forecast to a readjusted size of US$ million by 2029 with a CAGR of % during the forecast period 2023-2029.With the growing demand for auto-transmission systems and smoother gear-shift-ratio systems is expected to propel the market for gears in transmission systems towards a higher CAGR by 2025. Lightweight and highly durable aluminum and composite gears are estimated to gain higher popularity with their market, registering a significant growth in the coming years. An automobile gear can be described as a rotating object with teeth that, thanks to its ability to modify torque, speed, and source direction, transmits torque by meshing with another toothed machine element or gear. The use of gears in several auto systems is acknowledged as a crucial component of a vehicle system.

Commercial and passenger cars are the two main vehicle classes in the automobile gears industry. The business vehicle uses automotive equipment that can carry more than 15 people. A passenger car employs gears to transfer power from the crankshaft (the rotating axle that receives power from the engine) to the driveshaft, which subsequently powers the wheels. They may be created from both non-metallic and metallic gears, among other materials. The automobile gear market will see incredible development in the years to come, in response to the surging rate of vehicle manufacturing. Automobile gears will be more in demand as vehicle manufacturing rises since they improve product longevity and fuel economy. For instance, the Indian vehicle sector's (including component manufacturing) projected value by 2026 ranges between $251.4 and $282.8 billion, according to IBEF (India Brand Equity Foundation), an institution of the Indian Government that promotes exports. The rise of automobile gears is therefore fueled by an increase in vehicle manufacturing.

The construction sector has seen a growth in investments, which has been followed by a rise in disposable income, increasing the target market's purchasing power globally. The consumption of the worldwide automobile gear market is anticipated to increase between 2022 and 2030 as a result of these key variables. The market is expected to be driven by the significant increase in demand for greater connection, vehicle functionality, and improved amenities. A higher level of globalization and a rise in the demand for high-quality gears as a result of increased global competition are also anticipated to foster an environment that is conducive to foreign direct investment, which is predicted to boost employment in the technology sector and fuel market growth over the forecast period, which runs through 2030.

**OUTLOOK**

Excellent equipments and accurate processes to manufacture gear products capable of meeting the most demanding customer requirements has created a selective and diverse list of customers in automobile and tractor industry. The production of spur and helical gear parts is a significant portion of the company's product line. Company also holds a distinctive and extensive expertise in the production of straight bevel gears.

Government investments in the expansion of the power-generating industry are driving the demand for the industrial gearbox. Application of industrial gearbox in sectors including agriculture machinery, transportation, and food processing are driving the global industrial gearbox sector growth.

The global industrial gearbox market is experiencing gradual growth due to the increasing emphasis on replacing conventional energy sources with renewable alternatives, particularly in the wind power sector. Over the past two decades, solar and wind power generation, which were once considered costly options, have become highly competitive in terms of cost compared to the construction of new coal or gas plants. Building new wind and solar projects is expected to become more cost-efficient than continuing the operation of existing coal or gas plants.

The power generation end-user segment is dominating the global industrial gearbox market owing to the surge in demand for energy and power and the growing awareness regarding renewable energy, driving the market's growth. The industrial gearbox has many benefits, such as enhanced radial and axial load and reduced positioning time, causing the demand for industrial gearboxes. Moreover, the cement and aggregates market also significantly contributes to the market owing to cement consumption in the construction industry

**RISK AND CONCERNS**

Risk management is an ongoing process that can help improve operation, prioritise resources, ensure regulatory compliance, achieve performance target, improve financial stability and ultimately prevent loss/ damage to the entity. But business entities cannot be risk averse as profits in business without taking risk is highly unlikely. Risk management plays a key role in protecting the assets and resources and ensuring that risks are reduced to an acceptable level. The essence of the risk management is to reduce the risk to a reasonable and in manageable level on an ongoing basis. Risk management is a two step process – determining what risks exist and, then, handling those risks in ways best-suited to the objectives. The Company has risk management which inter alia provides for review of the risk assessment and mitigation procedure, laying down procedure to inform and report periodically to the Board of Directors and to ensure that the procedure is properly followed to mitigate the risks.

Energy is becoming one of the most prevailing topics to consider when we talk about the manufacturing industry, and so the situation is also impacting the industrial gearboxesmarket. On one hand, the energy crisis and increasing fuel and raw material prices in Europe are triggering stronger demand for geared products used in power generation and related sectors including mining and renewable energy. But on the other hand, energy conservation and emission reduction acts in countries across the world can serve to restrain the expansion of high energy-consuming, heavy industries in short-term at least, while the long-term requires product upgrades of gearboxes to help increase overall plant efficiencies. Price increases driven by rising energy and raw material costs have been the most obvious trend impacting the industrial (heavy-duty) gears market.

Factors that could hinder the growth of the industrial gearbox market in the future include restrictions on sales of petrol and diesel vehicles and the continuing Russia-Ukraine war impact.

**INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has adequate internal control systems and procedures commensurate with the size and nature of business ensuring that the assets and resources are used reasonably and are adequately protected and all the internal policies and statutory guidelines are complied with.

A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

**FINANCIAL PERFORMANCE**

a) This has been covered in the Director's Report under the section on financial results and operations.

b) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanations therefor –

| Sl. No. | Ratio | 31st March 2024 | 31st March 2023 | % Change | Explanation for change by more than 25% |
|---|---|---|---|---|---|
| (1) | Debtors Turnover Ratio | 5.05 | 3.98 | 26.88% | There has been a decrease in closing trade receivables in comparison to previous year. |
| (2) | Inventory Turnover Ratio | 9.57 | 9.40 | 1.81% | Not applicable |
| (3) | Interest Coverage ratio | 25.56 | 27.04 | -5.47% | Not applicable |
| (4) | Current ratio | 4.45 | 2.90 | 53.45% | There has been increase in cash and cash equivalents during the year and reduction in current maturities of borrowings due to gradual repayment of borrowings. |
| (5) | Debt Equity ratio | 0.01 | 0.02 | -50.00% | Borrowings have been repaid during the year and no new debts have been raised. |
| (6) | Operating Profit Margin (%) | 21.42% | 20.45% | -0.33% | Not applicable |
| (7) | Net Profit Margin (%) | 15.40% | 14.67% | 4.98% | Not applicable |
| (8) | Return on Net Worth | 0.19% | 0.23 | -17.39% | Not applicable |

**HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS**

The Company has built its workforce with a diverse background of individuals - essential for the kind of organization what it is. The Company constantly endeavours to provide a platform where people have opportunities to actualize their maximum potential through work which helps to stretch their intellect. Continuous efforts are on for a work-culture which encourages innovation, transparency in communication, trust and amity. As on 31st March, 2024, there were 870 permanent employees on the rolls of the Company. The Company has been maintaining exceptionally good relations with its labour force and with the employee friendly approach being adopted by it, the industrial relations continue to remain cordial.

**CAUTIONARY STATEMENT**

There are certain Statements which have been made in the Management Discussion and Analysis Report describing the estimates, expectations or predictions, may be read as ‘forward-looking statements’ within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. The important factors that would make a difference to the Company’s operations include demand-supply conditions, raw material prices, changes in Government Policies, Governing Laws, Tax regimes, global economic developments and other factors such as labour negotiations. The Company does not assume responsibility for any of the forward-looking statements contained in this report as the same may be altered in future due to the subsequent development and events.

**Annexure-I**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Amount in Rs. lakhs)

| Sl. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the subsidiary | Lotus Auto Engineering Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | - |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. |
| 4 | Share capital | 436.00 |
| 5 | Other Equity | 3782.65 |
| 6 | Total assets | 7174.06 |
| 7 | Total Liabilities | 2955.41 |
| 8 | Investments | - |
| 9 | Turnover | 648.30 |
| 10 | (Loss)/Profit before taxation | (478.72) |
| 11 | Provision for taxation | 45.67 |
| 12 | (Loss)/Profit after taxation | (524.39) |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 100% |

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – Nil

2. Names of subsidiaries which have been liquidated or sold during the year- Nil

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures**

| | |
|---|---|
| Name of associates/Joint Ventures | N.A. |
| 1. Latest audited Balance Sheet Date | |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | |
| No. | |
| Amount of Investment in Associates/Joint Venture | |
| Extend of Holding% | |
| 3. Description of how there is significant influence | |
| 4. Reason why the associate/joint venture is not consolidated | |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | |
| 6. Profit/Loss for the year | |
| i. Considered in Consolidation | |
| ii. Not Considered in Consolidation | |

1. Names of associates or joint ventures which are yet to commence operations – None

2. Names of associates or joint ventures which have been liquidated or sold during the year – None

**For and on behalf of the Board**

**Yashwant Kumar Daga**
*Chairman cum Managing Director*
DIN: 00040632

**Anand Prasad Agarwalla**
*Independent Director*
DIN:00312652

**Nikita Puria**
*Company Secretary*

**Ganapathy Anantha Narayanan**
*Independent Director*
DIN: 09491346

**Meera Dokania**
*Non- Independent Director*
DIN: 07094376

**Maneesh Khanna**
*Chief Financial Officer*

Place: Kolkata
Date: 23rd May, 2024

**Annexure-II**

## EXTRACT FROM NOMINATION AND REMUNERATION POLICY

**Objective and Purpose of the Policy:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs.
- To carry out evaluation of the performance of Directors.
- To provide them reward, linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**Constitution of the Nomination and Remuneration Committee:**

The Board has constituted Nomination and Remuneration Committee on 30th May 2014. The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirements.

**Definitions:**

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board. In accordance with provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations
- 'Company' means Deepak Industries Limited.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013. and in Regulation 16 of SEBI Listing Regulations
- 'Key Managerial Personnel (KMP)' means-
  (i) Chief Executive officer or the Managing Director or the Manager
  (ii) Whole-time Director
  (iii) Chief Financial Officer;
  (iv) Company Secretary;
  (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
  (vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 'Senior Management Personnel' means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include the functional heads, by whatever name called and the Company Secretary and Chief Financial Officer

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability:**

The Policy is applicable to Directors (Executive and Non- Executive), Key Managerial Personnel (KMP) and Senior Management Personnel

**MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

**The Committee shall:**

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- For every appointment of independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
    a) Use the services of an external agency, if required;
    b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c) Consider the time commitments of the candidates.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy and recommend to the Board, their appointment and removal.
- Carry out the evaluation of performance of Directors.
- Recommend to the Board, a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

**Guiding Principles**

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.

- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

- **Appointment criteria and qualifications:**
    1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
    2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
    3. The Company may appoint or continue the employment of any person as Managing Director/Whole-time

Director/ Manager who has attained the age of seventy years and the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4. Every whole-time Key Managerial Personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment, including the remuneration. Provided that the appointment of managing director/whole time director/ manager shall require approval of shareholders as per the provisions of the Companies Act, 2013.

5. A whole time KMP shall not hold office in more than one company except in its subsidiary company, if any, at the same time. However, such KMP can be a director of any Company with the permission of the Board.

6. The Managing Director or Manager of the Company may be the Managing Director or Manager of one and not of not more than one other Company and such appointment should be approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- **Term / Tenure:**

1. Managing Director/Whole-time Director: - The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. - No Independent Director shall hold office for more than two consecutive terms,

3. Key Managerial Personnel (KMP)-

   If the office of any whole time KMP is vacated, the resulting vacancy shall be filled up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, at regular interval (yearly).

- **Removal:**

Due to reasons for disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of any Act, rules and regulations, their service contract or evaluation of their performance.

- **Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals, as may be required in this regard.

**POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTORS, DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL**

1. The remuneration / compensation / commission etc. to the Directors will be determined by the Committee. It shall be fixed as per the statutory provisions of the Companies Act, 2013 and the rules made there under for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company. The Committee shall recommend the remuneration / compensation / commission etc. to be paid to the Directors to the Board for approval. The remuneration / compensation /

commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. Increments to the existing remuneration / compensation structure of the Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of managerial person

3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.

4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.

5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the industry to which the company belongs and performance of such KMP and Senior Management Personnel

6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

7. An Independent Director shall not be entitled to any stock option of the Company.

**Annexure-III**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014,**

**1. The ratio ofthe remuneration of each Director, to the median remuneration of the employees of the Company for the financial year 2023-24:**

| Name of the Director | Designation | Remuneration (Amount in Rs. Lacs) | Ratio of remuneration of each Director to median remuneration of employees |
|---|---|---|---|
| Shri Yashwant Kumar Daga | Chairman cum Managing Director | 236.25 | 121.10 |
| Shri Anand Prasad Agarwalla | Independent, Non-Executive | 8.30 | 4.25 |
| Shri Sujit Chakravorti | Independent, Non-Executive | 7.40 | 3.79 |
| Shri G. A. Narayanan | Independent, Non-Executive | 7.85 | 4.02 |
| Smt. Meera Dokania | Non-Independent, Non-Executive | 7.10 | 3.64 |

**2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2023-24:**

| Name | Designation | % Increase in remuneration |
|---|---|---|
| Shri Yashwant Kumar Daga | Chairman cum Managing Director | 12.50% |
| Shri Maneesh Khanna | Chief Financial Officer | 3.37% |
| Ms. Nikita Puria* | Company Secretary & Compliance Officer | - |

** Ms. Nikita Puria was appointed at the designation as stated above during the financial year 2022-23 and hence, percentage increase is not applicable*

The Independent Directors & Non-Executive Director of the Company are entitled to sitting fee and commission on Net Profits as per statutory provisions of the Companies Act, 2013, details of which have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the same is, therefore, not considered for the purpose above

3. The percentage increase in the median remuneration of employees in the financial year 2023-24**:** 15.30%

4. The number of permanent employees on the rolls of the Company as on March 31, 2024: 870

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 was about 7.44% . The increase in the managerial remuneration compared with other employees was in line with the industry practice and is within the normal range.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and otherEmployees.

For **and on behalf of the Board**

**Yashwant Kumar Daga**
*Chairman cum Managing Director*
DIN: 00040632

Place: Kolkata
Date: 23rd May, 2024

**Annexure-IV**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

   Pursuant to Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has formulated a Corporate Social Responsibility (CSR) Policy The CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of the weaker sections of the society.

2. **Composition of the CSR Committee:**

<table>
<tr><th>Sr. No.</th><th>Name of the Director</th><th>Designation/ Nature of Directorship</th><th>Number of meeting of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1.</td><td>Shri Yashwant Kumar Daga</td><td>Member/ Executive Non-Independent Director</td><td rowspan="3">3</td><td>3</td></tr>
<tr><td>2.</td><td>Shri Anand Prasad Agarwalla</td><td>Member/Non-Executive Independent Director</td><td>3</td></tr>
<tr><td>3.</td><td>Shri Sujit Chakravorti</td><td>Member/Non-Executive Independent Director</td><td>3</td></tr>
</table>

*Shri Pradip Kumar Daga ceased to be the director of the Company w.e.f 16th December, 2023. Accordingly he ceased to be the Chairman & Member of the CSR Committee*

3. **The web-link where Composition of CSR committee, CSR Policy approved by the board are disclosed on the website of the Company:**

   The CSR policy is available on the website of the Company viz. https://www.dil-india.com/_files/ugd/132b27_a943076f77b849898b98296d31624068.pdf

4. **The executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5.

| | |
|---|---|
| (a) Average net profit of the company as per sub-section (5) of section 135 | Rs. 11327.78 lakhs |
| (b) Two percent of average net profit of the company as per sub-section (5) of section 135. | Rs. 226.55 lakhs |
| (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. | Nil |
| (d) Amount required to be set-off for the financial year, if any. | Rs.2.43 lakhs |
| (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. | Rs. 224.12 lakhs |

6.

| | |
|---|---|
| (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). | Rs. 224.12 lakhs |
| (b) Amount spent in Administrative Overheads. | Nil |
| (c) Amount spent on Impact Assessment, if applicable. | Not Applicable |
| (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. | Rs. 224.12 lakhs |

**Annexure-IV**

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of Transfer | Name of Fund | Amount (in Rs.) | Date of transfer |
| Rs.224.12 lakhs | Not Applicable | | Not Applicable | | |

(f) Excess amount for set off, if any

| Sl No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Total CSR obligation for the financial year | Rs. 224.12 lakhs |
| (ii) | Total amount spent for the Financial Year | Rs.224.12 lakhs |
| (iii) | Excess amount spent for the Financial Year [(ii) – (i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii) – (iv)] | Nil |

7. Details of unspent Corporate Social Responsibility amount for the preceding three financial years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl No. | Preceeding Financial year(s) | Amount transferred to Unspent CSR Account under section 135(6) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (Rs. In Lakhs) | Amount spent in the Financial Year (in Rs.) | Amount transferred to a fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any | | Amount remaining to be spent in succeeding financial years (in Rs.) | Deficiency, if any |
| | | | | | Amount (in Rs.) | Date of transfer | | |
| 1 | 2020-21 | Nil | Nil | Nil | - | - | - | - |
| 2 | 2021-22 | Nil | Nil | Nil | - | - | - | - |
| 3 | 2022-23 | Nil | Nil | Nil | - | - | - | - |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135- Not Applicable

**Annexure-V**

## SECRETARIAL AUDIT REPORT

for the financial year ended 31st day of March, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,

**DEEPAK INDUSTRIES LTD,**

62, HAZRA ROAD,
Kolkata-700019

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DEEPAK INDUSTRIES LTD** (CIN: **L63022WB1954PLC021638** ) (here in after called"theCompany"). The Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the **DEEPAK INDUSTRIES LTD** and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, I hereby report thatin my opinion the Company has, during the audit period covering the financial year ended 31st March, 2024 complied with the statutory provisions listed here under and also that the Company hasproper Board- processesand compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 according to the provisions of:

I. The Companies Act, 2013(the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

III. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other regulations as applicable and circulars/ guidelines issued there under.

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial borrowing

V. The following Regulations (as amended from time to time) and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended till date;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(e) The Securities and Exchange Board of India (Investor Protection and Education Fund) 2009

**The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable, as the Company did not carry any act under the said Regulations for the period under review.**

(a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; as amended till date

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure equirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Issue and listing of non-Convertible Securities) Regulations, 2021

V. The following Industry Specific laws applicable to the Company as per management perception:

a. The Factories Act, 1948
b. The Payment of Wages Act, 1936
c. The Minimum Wages Act, 1948
d. Employee State Insurance Act, 1948
e. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
f. The Payment of Bonus Act, 1965
g. The Payment of Gratuity Act, 1972
h. The Water (Prevention and Control of Pollution) Act, 1974
i. The Air (Prevention and Control of Pollution) Act, 1981;

I have also examined compliance with the applicable clauses of the following:

(i) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India in respect of holding of Board Meeting and Member's meeting,

During the period under review the Company has complied with the provisions of the Acts, Rules,Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes that took place during the year under review in the composition of the Board of Directors were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings. agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and opérations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management. **All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.** I further report that during the audit period, the Company has not made any:

(i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
(ii) Redemption / buy-back of securities.
(iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
(iv) Merger /Amalgamation/Reconstruction etc.
(v) Foreign technical collaborations.

For **Pravin Kumar Drolia,**
*(Company Secretary in whole time practice)*

**Pravin Kumar Drolia**
*Proprietor*
FCS: 2366, CP 1362
Peer view registration: 1928/2022
UDIN: F002366F000397156

Place: Kolkata
Date: 23-05-2024

Note:
This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure-A**

The Members,

**DEEPAK INDUSTRIES LTD**

62, Hazra Road
Kolkata - 700019

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required. I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **PravIn Kumar Drolia,**
*(Company Secretary in whole time practice*)

**Pravin Kumar Drolia**
*Proprietor*
FCS: 2366, CP 1362
Peer view registration: 1928/2022
UDIN: F002366F000397156

Place: Kolkata
Date: 23-05-2024

**Annexure-VI**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, PURSUANT TO SECTION 134(3)(m)OF THE COMPANIES ACT, 2013 READ WITHRULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

(A) **Conservation of Energy**

i) **Step Taken or Impact on Conservation of Energy during the year 2023-24**

**New Allenberry Works, Kolkata**

1. Removed almost all reciprocating compressor filled against individual machine and installed centralized screw compressors to cater the total compressed air requirement of the Plant. This has reduced the electrical power consumption by significant amount.
2. Maintained power factor (PF) almost at unity which reduces active power consumption and thereby reduces Maximum Demand (MD). Value of total rebate received from CESC during the period July'23 to April' 24 is Rs. 12,85,020/-
3. All departments are advised to set room AC Temperature of Panel Acs between 24 – 25degree Celsius.
4. Action taken to replace normal fluorescent lamp (40 watts) by 20 watt LED lamp and 60 or 100 watt normal bulb by 10 watt LED lamps

**New Allenberry Works, Faridabad**

1. Maintained near Unity power factor of Electricity Board power supply.
2. Minimize the air leakage in shop floor by continuous monitoring and rectification of air leakages.
3. Provided LED Tube lights(2*18 watt)- 44 Nos.in place of T-5 -T/Light fittings of (2 X 28 watt)
4. Provided LED Overhead lights -70 Watt - 27 nos. in place of 250 WattMetalhalide lights.
5. Provided 5-Star rating ,inverter type air conditioners in place of 3-Star rating air conditioners -01nos.

**New Allenberry Works, Rudrapur**

1. Maintained Unity power factor of Electricity Board power supply.
2. Minimize the air leakage in shop floor by continuous monitoring and rectification of air leakages
3. Provided LED Overhead lights -100 Watt - 40 nos. in place of 250 WattHPSV lamp.
4. Provided 12 no's of LEDStreet Lights 80 watts ,against 250 watts HPSV lamps .
5. Provided 68 no's of LED lights(4PIN) 18 watts in office lights ,against 36 watts lights in in admin office & ht lab.
6. 11.0 kw spindle Motor Replaced by 5.5 Kw motor in WS1 Gear Shaper.
7. 2.2 kw hydraulic Motor Of CNC Hobbing PE80 Machine replaced by 1.1 Kw Motor.
8. Provided 5-star rating air conditioner in place of 3-star rating air conditioner in calibration room.
9. Provided 20 no's of LED Tube lights 20 watts ,against 40 watts tube lights in various location in plant.

**New Allenberry Works, Baghola**

1. Maintained near Unity power factor of Electricity Board power supply.
2. Provided Energy Efficient compressed air pipe line of Legris make for Gear Grinding area and HT shop.
3. Installation of292 CFM Screw air compressor make-Kaeser with 45 KW -IE-4 energy efficient motor.
4. Provided IE-3 Energy efficient motors -3 HP -15 nos. on Air Washer units of Mashine shop
5. Provided 04 nos. oil spinning system on Hobbing and grinding machines.

6. Installation & Commissioning of SQF-7 PNG fired instead of Electric Heated Furnace.
7. Provided 36 Watt LED Lights street lights -10 nos. and 118 Watt Overhead LED Lights for shop floor -10 nos.

ii) **Steps taken for utilizing alternate sources of energy**

New Allenberry Works, Kolkata

Installed Eco Ventilation system in Helical Assembly section to purify Shop atmosphere without using electrical exhaust fans

iii) **Capital Investment on Energy Conservation Equipment**

No capital investment was made in particular on energy conservation equipment

(B) **Technology absorption**

**i) Efforts Made Towards Technology Absorption**

The Company had introduced following technologies in last few years to improve the product quality & productivity with reduction in operator fatigue & consumable cost –

**Production side:**

1. CNC Gear Hobbing Machine with Automation
2. CNC Gear Shaping Machine with Automation
3. CNC Vertical Milling Center
4. CNC Drill Tap Center
5. CNC Gear Tooth Rounding
6. CNC Duck Chamfering with Automation
7. NC Gear Tooth Edge Chamfering
8. CNC Gear Shaving with Automation
9. NC Swaging
10. Hydro-Pneumatic Press
11. Horizontal Hydraulic Press
12. Horizontal Broaching machine
13. Dot Pin Marking
14. Laser Marking
15. SQF PNG heated with Allied Equipment
16. Endo Gas Generator PNG heated
17. CGCF with Robots Automation for Press Quench part
18. CNC Induction Hardening machine
19. Hanger Type Shot blasting
20. NC Automatic Rockwell Harness Tester with L/UL conveyor
21. Auto Straitening of Shafts with Automation
22. Shot Peening
23. CNC Bore Grinder
24. CNC Lath for Hard Part Tuning
25. CNC Face Grinder
26. Bore Honing Machine

27. CNC Cylindrical Grinder
28. CNC Gear Tooth Grinder with Automation

**Quality Equipment & Production machines Adds On**

1. CNC Gear Tester
2. CNC Coordinate Measuring Machine
3. CNC Roundness Tester
4. CNC Shaft Scan
5. CNC Contour Tester
6. CNC Roughness Tester
7. NC Profile Projector
8. Electronic Display Unit with Compressed Air Saving
9. NC Multi Gauging Equipment
10. Introduce IPG with Interlock to Minimize Rejection
11. Introduce PPG with Interlock to Minimize Rejection
12. Eddy Current Sorter
13. Automatic Metallurgical Microscope
14. Automatic Vicker Hardness Tester
15. NC Sample Cutting Machine

**Packaging**

1. NC Component Washer
2. Battery Operated Pet Strapping

**Service Support**

1. CNC HOB Re-sharpener
2. CNC Shaving Cutter Re-sharpener
3. EDM
4. Universal Grinder

**Utilities**

1. Chip Compactor
2. Energy Efficient Bin Washer
3. Oil Spinner for cutting oil conservation.

**ii) Benefits derived like product improvement, cost reduction, product development or import substitution;**

1. Automation in Process reduced operator fatigue
2. Elimination of operator skill dependency
3. Multiple machining operations in one setup
4. Utilizing Latest technology for cycle time reduction
5. Strengthen Quality Assurance
6. Energy efficient and technology up gradation
7. Reduced compressed air consumption
8. Reduce wastage
9. Enhancement of plant capacity at available floor space

**iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

| | | | |
|---|---|---|---|
| The details of technology imported | • 1 No. Used Cnc Gear Hobbing Machine, Liebherr Model:lc150<br>• 1 No. Used Cnc Gear Grinding Machine,Kapp Model:kx300p S.no. 084.0908<br>• 1 No. Used Cnc Gear Grinding Machine,Kapp Model:kx300p S.no. 084.0909<br>• 1 No. Used Cnc Gear Grinding Machine,Kapp Model:kx300p S.no. 084.0910<br>• 1 No. Used Cnc Gear Grinding Machine,Kapp Model:kx300p S.no. 084.0911<br>• 1 No. Used Cnc Gear Grinding Machine,Kapp Model:kx300p S.no. 084.1513<br>• 1 No. Cnc Gear Sharpening Machine Model:kg253l Kashifuji<br>• 1 No. Used Cnc Gear Shaping Machine Make:lorenz Sl.no.315344,Model: Lfs 180<br>• 1 No. Cnc Gear Grinding Machine With Std. Accessories Kx 260 Twin | • 1 No. Involute Lead & Pitch Measuring Instrument Model: Clp-35Ddsf, Make: Osaka<br>• 1 No. Used Cnc Gear Hobbing Machinemodel: Lc 150 Make: Liebherr Sl No.711953<br>• 1 No. Used Cnc Gear Hobbing Machinemodel: Lc 120 Make: Liebherr Sl No.711925<br>• 1 No. Used Cnc Gear Hobbing Machinemodel: Lc 120 Make: Liebherr Sl No.711957<br>• 1 No. Used Cnc Gear Hobbing Machinemodel: Lc 120 Make: Liebherr Sl No.711954 | • 1 No. Used Second Hand Cnc Gear Hobbing Machine Model: 200Gp Make: Gleason<br>• 1 No. Used Second Hand Cnc Gear Hobbing Machine Model: 200Gp Make: Gleason<br>• 1 No. Cnc Gear Grinding Machine Model-Rz260 |
| The year of import | 2023-24 | 2022-23 | 2021-22 |
| Whether the technology been fully absorbed | Yes | Yes | Yes |
| If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | N.A. | N.A. | N.A. |

**iv) Expenditure incurred on Research & Development**

Nothing substantial

**(C) Foreign Exchange Earning and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows.

For and on behalf of the Board

**Yashwant Kumar Daga**
*Chairman cum Managing Director*
DIN: 00040632

Place: Kolkata
Date: 23rd May, 2024

# REPORT ON THE CORPORATE GOVERNANCE
## FOR THE YEAR ENDED 31st MARCH, 2024

Pursuant to part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation")

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all stakeholders. The Company carries its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely essential to abide by the applicable laws and regulations in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

**2. BOARD OF DIRECTORS**

a) **Composition of Board of Directors**

The Company has a balanced mix of Executive and Non-Executive Independent Directors and half of the Board consists of Independent Directors. As on 31 March 2024, the Board consisted of 5 (Five) Directors, out of which 1 (One) Director was Executive, 3 (Three) were Non-Executive Independent Directors and 1 (One) was Non-Executive Non- Independent Woman Director. The composition of the Board is in conformity with Listing Regulations.

Further, the tenure of Shri Pradip Kumar Daga (Din: 00040692) as Chairman cum Managing Director completed on 15 December, 2023. Accordingly, he ceased to be the Director of the Company w.e.f. December 16, 2023. However the Board of Directors of the Company at its meeting held on 3rd February, 2024 appointed Shri Pradip Kumar Daga as Chairman Emeritus of the Company for life w.e.f. 3rd February, 2024 together with the payment and facilities to be extended to him as Chairman Emeritus of the Company, which was also approved by the members of the Company vide Postal Ballot.

The designation of Shri Yashwant Kumar Daga changed from Vice-Chairman cum Joint Managing Director to Chairman cum Managing Director effective from 3rd February, 2024 for the remaining term of his tenure i.e. till 14th November, 2024 with all other terms and conditions of his appointment as approved by the Shareholders at the time of his re-appointment remaining unchanged.

The information with regard to composition and attendance of Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March 2024 as applicable is given hereunder-

| Name of the Directors and DIN | Category | No. of Board Meetings attended | Attendance at the last AGM on 19.09.2023 | * No. of Directorships in other Indian Public Companies | **Committee(s) positions in other Companies | | Names of other listed company where Directorship held and kind of Directorship |
|---|---|---|---|---|---|---|---|
| | | | | | As Member | As Chairman | |
| ShriYashwant Kumar Daga, Chairman-cum-Managing Director (Din: 00040632) | Promoter/ Executive | 4 | Yes | 5 | 8 | 1 | 1. HGI Industries Ltd (Non-Executive Independent Director)<br>2. Mint Investments Ltd (Non-Executive Independent Director)<br>3. Deepak Spinners Ltd (Chairman & Managing Director)<br>4. Longview Tea Co. Ltd. (Promoter/ Non – Excecutive<br>5. Magadh Sugar & Energy Ltd. (Non-Executive Independent Director) |
| Shri Sujit Chakravorti (Din:00066344) | Non- Executive Independent | **4** | Yse | 2 | Nil | 3 | 1. WEBFIL Limited (Non-Executive Independent Director |

| Name of the Directors and DIN | Category | No. of Board Meetings attended | Attendance at the last AGM on 19.09.2023 | * No. of Directorships in other Indian Public Companies | **Committee(s) positions in other Companies | | Names of other listed company where Directorship held and kind of Directorship |
|---|---|---|---|---|---|---|---|
| | | | | | As Member | As Chairman | |
| Shri Anand Prasad Agarwalla (Din:00312652) | Non- Executive Independent | **4** | Yes | 1 | 1 | 1 | 1.Deepak Spinners Limited(Non-Executive Independent Director) |
| Shri Ganapathy Anantha Narayanan (Din-09491346) | Non- Executive Independent | **4** | Yes | Nil | Nil | Nil | Nil |
| Smt. Meera Dokania (Din:07094376) | Non- Executive Non-Independent | **4** | No | Nil | Nil | Nil | Nil |

**Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.*
*** Committee positions only of the Audit Committee and Stakeholders Relationship Committee have been considered.*

The tenure of Shri Pradip Kumar Daga (DIN 00040692) as Chairman cum Managing Director completed on 15th December 2023. Accordingly, Shri Pradip Kumar Daga, ceased to be the Director of the Company w.e.f. 16th December, 2023. The Board of Directors of the Company at its meeting held on 3rd February, 2024 appointed Shri Pradip Kumar Daga as Chairman Emeritus of the Company for life w.e.f. 3rd February, 2024.

None of the Directors of the Company serve as Director in more than 7 (seven) listed companies and none of the Independent Directors is serving as Whole Time Director in any listed Company.

None of the Directors on the Board is a member of more than 10 committees and / or chairperson of more than 5 committees, reckoned in terms of Regulation 26 of the Listing Regulations. The Chairman cum Managing Director serves as Independent Director in three (3) listed companies. The Directors of the Company are in compliance with the requirements of the Listing Regulations and the Companies Act, 2013 (as amended) (the "Act") with regard to the maximum number of directorships.

The Independent Directors of the Company have declared that they meet the criteria for "independence" and / or "eligibility" as prescribed under amended Regulation 16(1 )(b) of the Listing Regulations and Section 149 of the Act and have given necessary confirmations in terms of Regulation 25(8) of the Listing Regulations. Based on the said declarations and confirmations received from the Independent Directors, the Board confirms the same.

The Company is in compliance with the provisions regarding Board, its composition and committees under the Act and the Listing Regulations including Regulation 17(1) thereof.

All the Independent Directors except Shri Sujit Chakravorti are below the age of seventy five years. All the Independent Directors have been issued letters of appointment as per Schedule IV to the Companies Act, 2013. As required under Regulation 46 of the Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at the link https://www.dil-india.com/disclosures

b) **Board Meetings held during the year**

During the financial year ended 31st March 2024, Four (4) meetings of the Board of Directors were held on 30.05.2023, 11.08.2023, 08.11.2023, 03.02.2024.

The maximum gap between any two consecutive Board Meetings was less than 120 days. Necessary quorum was present for all the Board meetings. The dates for the Board Meetings are decided well in advance and communicated to the Directors. All material information was circulated to the Directors in advance and as per statutory timelines or placed at the meeting.

The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to the Listing Regulations and in particular, reviews the strategy, annual business plan, business performance of the Company, capital expenditure budget and risk management, safety and environment matters. Among other things, the Board also reviews Compliance Report of all laws applicable to the Company, internal financial controls and financial reporting systems, adoption of financial results, minutes of the meetings of the Committees of the Board, etc. Steps are taken by the Company to rectify instances of non-compliance of any law, if any.

In addition to the information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the Listing Regulations, the Directors are also kept informed of the major events and approvals obtained, if necessary.

Recommendations of the Committees are placed before the Board for necessary approval and noting.

c) **Relationships between Directors inter se**

No Director is related to any other Director on the Board in the Company except that Shri Yashwant Kumar Daga, Chairman cum Managing Director is son of Shri Pradip Kumar Daga, Chairman Emeritus.

d) **Shareholdings of Non- Executive Directors in the Company as on 31st March 2024**

As on March 31, 2024, none of the Non-Executive Directors of the Company held any equity shares of the Company.

e) **Familiarisation Programmes for Independent Directors**

The Company has familiarisation programmes, for Independent Directors with regard to their roles, rights, responsibilities in the Company, about the Company, its product, the industry, legal environment and business model of the Company, etc. In addition, the Independent Directors are briefed on the regulatory changes and their specific responsibilities and duties that may arise from time to time. The details of familiarisation programmes is available on the website of the Company at web-link: https://www.dil-india.com/familiarization-programmes

f) **Code of conduct**

The Company has adopted Code of Conduct for Directors and Senior Management Personnel of the Company, which is available on the Company's website. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The declaration by Shri Yashwant Kumar Daga, Chairman cum Managing Director of the Company in this regard is given as **'Annexure A'** to this report.

g) **Independent's Director Meeting**

Pursuant to the Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on 19$^{th}$ March 2024 without the attendance of non-independent Directors and members of the management to –

- Review the performance of Non-Independent Directors and the Board of Directors as a whole
- Review the performance of the Chairperson of the Company taking into account, the views of other Non-in dependent Directors
- Assess the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors attended the said meeting and Shri Anand Prasad Agarwalla chaired the meeting.

h) **Skills/ expertise/competencies of the Board**

The Company requires skill in the engineering for the gear transmission equipment's for manufacturing of various types of gears required in Steel. Power, Sugar, Cement and Other heavy engineering units and automobile gears and solar power generation followed by Marketing, Legal and Administration and all of these skills are available to the Board through the five experienced members of the Board.

| Skills / expertise / competencies | Description | Availability | Names of the directors who have such skills |
|---|---|---|---|
| Strategy and planning | – Ability to think strategically,<br>– identify and assess opportunities and threats<br>– Develop strategies in the context of the company's objectives, policies and priorities | Yes | All the directors except Meera Dokania |
| Policy Development | – Ability to identify key issues and opportunities for the Company and<br>– develop policies to guide operations of the Company | Yes | All the directors except Meera Dokania |
| Governance, Risk and Compliance | – Experience in the application of corporate governance principles in a Company,<br>– Ability to identify key risks to the Company in different areas including legal and regulatory compliance | Yes | All the directors except Meera Dokania |
| Financial Performance | – Qualifications and experience in accounting and/or finance and<br>– the ability to analyze key financial statements, critically assess financial viability and performance<br>– ability to contribute to strategic financial planning | Yes | All the directors |
| Government Relations (policy & process) | – Experience in managing government relations and industry advocacy strategies | Yes | All the directors |
| Commercial Experience | – A broad range of commercial / business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, business systems, practices and improvement. | Yes | All the directors |
| Marketing and communications | – Experience in and thorough understanding of communication with industry groups and end users. | Yes | All the directors except Meera Dokania |

i) **Confirmation from the Board of Directors in context to Independent Directors**

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the disclosures received from all the independent directors and in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

Further, the Independent Directors of the company have their names included in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Requisite disclosures have been received from the Independent Directors in this regard.

j) None of the Independent Director has resigned before expiry of their tenure.

3. **AUDIT COMMITTEE**

The Board has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors and the Board.

a) **Terms of Reference**

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. Terms of reference of the Audit Committee include overseeing the financial reporting process, review of financial statements, review of internal audit reports, recommending appointment and remuneration of auditors to the Board, review and monitor the auditors' independence, performance and effectiveness of audit process, review of adequacy of internal control systems and internal audit function, review of functioning of the whistle blower mechanism, review of related party transactions and other matters specified under the Listing Regulations and the Act. The Audit Committee also reviews information as per the requirement of Part C of Schedule II to the Listing Regulations.

b) **Composition, Meetings and Attendance During the Year**

The composition of the Audit Committee is in accordance with the provisions of the Act and Regulation 18 of the Listing Regulations.

As on 31 March, 2024, the Audit Committee comprised of 3 (three) Directors. Out of the three Directors, two are Non-Executive Independent Directors. All the members of the Audit Committee are financially literate. The Company Secretary acts as the Secretary to the Committee. All the recommendations made by the Audit Committee during the year were accepted by the Board.

At least one meeting of the Audit Committee was held in every quarter of the financial year ended March 31, 2024 and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days. During the year, 4 (four) meetings of the Audit Committee were held on 30.05.2023, 11.08.2023, 08.11.2023 and 03.02.2024.

The composition and attendance of the members of the Audit Committee are as follows: below:

| Names of the Directors | Position Held | Category | No. of Meetings attended |
|---|---|---|---|
| Shri Anand Prasad Agarwalla | Chairman | Independent, Non-Executive | 4 |
| Shri Yashwant Kumar Daga | Member | Executive Non-Independent | 4 |
| Shri Ganapathy Anantha Narayanan | Member | Independent, Non-Executive | 4 |

The Chairman of the Audit Committee could not join the 67th Annual General Meeting of the Company due to technical glitches and authorized Shri Ganapathy Anantha Narayanan, Member of Audit Committee to attend the meeting in his behalf and to answer the relevant queries of the shareholders.

4. **NOMINATION AND REMUNERATION COMMITTEE**

The Board constituted a Nomination and Remuneration Committee in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 19 of the Listing Regulations

a) **Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Section 178 of the Act and Regulation 19 of the Listing Regulations. The broad terms of reference of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- To recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees of the Company;
- To identify persons who are qualified to become directors and who may be appointed in the senior management;
- To specify the manner for effective evaluation of performance of the Board, its committees and individual directors and to review its implementation and compliance;
- To recommend on extension or continuation of term of appointment of the Independent Directors;
- To recommend to the Board, all remuneration, in whatever form, payable to the senior management

b) **Composition, Meetings and Attendance During the Year**

As on 31 March, 2024, the Nomination and Remuneration Committee comprised of 3 (three) Non-executive Directors, 2 (two) of whom are Independent Directors. The Chairman is a Non-executive Independent Director. The Company Secretary acts as the Secretary to the Committee.

During the year, 2 (two) meetings of the Nomination and Remuneration Committee were held on 26.05.2023 and 02.02.2024. The details of the composition, meetings and attendance of the members of the Nomination and Remuneration Committee are as follows:

| Names of the Directors | Position Held | Category | No. of Meetings attended |
|---|---|---|---|
| Shri Anand Prasad Agarwalla | Chairman | Independent, Non-Executive | 2 |
| Shri Sujit Chakravorti | Member | Independent, Non-Executive | 2 |
| Smt. Meera Dokania | Member | Non-Independent, Non-Executive | 2 |

The Chairman of the Nomination and Remuneration Committee could not join the 67th Annual General Meeting of the Company due to technical glitches and authorized Smt. Meera Dokania, Member of Nomination & Remuneration Committee to attend the meeting in his behalf and to answer the relevant queries of the shareholders.

c) Details of remuneration paid/payable to Managing Director and other directors for the year ended 31st March, 2024

The Executive Chairman-cum-Managing Director is paid remuneration approved by the Board and shareholders and other Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committee and also commission approved by the Board of Directors from time to time.

| Name of Director | Salary (included in employee benefits expenses) Amount (Rs. in lakhs) | |
|---|---|---|
| Yashwant Kumar Daga, (Chairman-cum-Managing Director | 236.25 | Executive Compensation consists of fixed salary; no variable payment is made to the Director.<br>The current contract is for a period of five years with effect from 15/11/2019 to 14/11/2024.<br>The notice period is three months.<br>No stock option has been issued |
| | **Sitting Fees (Rs.)**<br>**Board Meeting & others committees meetings ( for F.Y. 2023-24)** | **Commission (forFY 2023-24 payable in FY 2024-25)**<br>**Rs.** |
| Smt. Meera Dokania | 1,10,000 | 6,00,000 |
| Shri Anand Prasad Agarwalla | 2,30,000 | 6,00,000 |
| Shri Sujit Chakravorti | 1,40,000 | 6,00,000 |
| Shri Ganapathy Anantha Narayanan | 1,85,000 | 6,00,000 |

- The Company pays sitting fees of Rs. 20,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and Rs. 15,000/- per meeting for attending the meetings of the Committees of the Board and Commission on net profits of the Company as recommended by the Nomination and Remuneration Committee and approved by the Board.

- No stock option is available to any of the Directors.
- The service contract of the Executive Director is initially for five years and notice period is three months without any severance fees except the retirement benefits as may be determined by the Board at the time of retirement. There is only fixed components of the salary for Executive Directors.
- None of the Non-Executive Directors has any material financial interest in the Company apart from payment of sitting fees to them for attending the Board and Committee meetings and commission as approved by members and Board. During the year the Company has paid Rs 1,78,500/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and Rs. 35,000/- to his son Shri Niraj Agarwalla, Advocate. The payments to them were at arm's length price and in the ordinary course of business. Other than this, the Company has no pecuniary relationship of transaction with its Non -Executive & Independent Directors other than payment of sitting fees to them for attending Board Meetings & Committee Meetings

d) **Performance Evaluation Criteria for Independent Directors**

The Nomination and Remuneration Committee lays down the framework for performance evaluation of Independent Directors. The framework used for performance evaluation of the Independent Directors covers the areas relevant to their functioning as Independent Directors and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Director subject to evaluation, had not participated.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee (SRC) of the Board, headed by Shri Ganapathy Anantha Narayanan (Non-Executive Director), considers and resolves grievances of the security holders of the Company. The Committee also reviews the measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by the Company in relation to various services rendered by the Registrar & Share Transfer Agent, etc. The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the financial year 1 (one) meeting of the SRC Committee was held on March 19, 2024. The details of the composition, meetings and attendance of the members of the SRC Committee are as follows:

| Names of the Directors | Position Held | Category | No. of Meetings attended |
|---|---|---|---|
| Shri Ganapathy Anantha Narayanan* | Chairman | Independent, Non-Executive | 1 |
| Shri Sujit Chakravorti | Member | Independent, Non-Executive | 1 |
| Shri Anand Prasad Agarwalla | Member | Independent, Non-Executive | 1 |

** Appointed Chairman pursuant to re-constitution of committees w.e.f. 30.05.2023*
*Smt. Meera Dokania Ceased to be member pursuant to re-constitution of committees w.e.f. 30.05.2023*

The Chairman of the Stakeholders Relationship Committee was present at the 68th Annual General Meeting of the Company to answer the relevant queries of the shareholders.

The Company Secretary acts as the Secretary to the Committee.

During the financial year ended 31st March 2024, Nil complaints were received. As on 31.03.2024, pendency of complaints was Nil

6. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Committee oversees Corporate Social Responsibility (CSR) and other related matters and discharges the roles as prescribed under Section 135 of the Act which includes-

- formulation and review of CSR Policy and to make it comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to ensure adherence to CSR Policy; and
- to provide guidance on various CSR activities to be undertaken by the Company
- recommending the amount of expenditure to be incurred on CSR and
- to monitor the progress of CSR activities.

During the year, the Committee meeting was held on – (i) 26.05.2023 (ii) 11.08.2023 and (iii) 16.12.2023. The details of the composition, meetings and attendance of the members of the CSR Committee as on 31.03.2024 are as follows:

| Names of the Directors | Position Held | Category | No. of Meetings attended |
|---|---|---|---|
| Shri Yashwant Kumar Daga | Member | Non- Independent, Executive | 3 |
| Shri Anand Prasad Agarwalla | Member | Independent, Non-Executive | 3 |
| Shri Sujit Chakravorti# | Member | Independent, Non-Executive | 1 |
| Shri Ganapathy Anantha Narayanan* | Member | Independent, Non-Executive | 2 |

*# Ceased to be memberpursuant to re-constitution of committees w.e.f. 30.05.2023*
** Appointed member pursuant to re-constitution of committees w.e.f. 30.05.2023*

*Shri Pradip Kumar Daga ceased to be the Director of the Company w.e.f. 16.12.2023. Accordingly he ceased to be the Chairman & Member of the CSR Committee*

7. **GENERAL BODY MEETINGS**

a) **Location, date and time of last three Annual General Meetings (AGMs) is as follows:**

| LOCATION | DATE | TIME | Special resolution passed |
|---|---|---|---|
| Conducted through video conferencing, deemed venue of which was 16, Hare Street, 2nd Floor,Kolkata - 700 001 | September 19, 2023 | 12.00 Noon | None |
| 16, Hare Street, 2nd Floor,Kolkata - 700 001 | September 28, 2022 | 3.30 P.M. | • Approval for Alteration in the Articles of Association of the Company by inserting new clause 38(3) after existing clause 38(2). |
| 16, Hare Street, 2nd Floor,Kolkata - 700 001 | September 28, 2021 | 11.30 A.M. | • Re-appointment of Smt. Meera Dokania as a Non - Executive Independent Director for a second term of 5 years, not liable to retire by rotation<br>• Maintenance of Register of Members and other Statutory Registers at a place other than the registered office of the Company. |

No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2024.

b) **Postal Ballot**

- During the financial year 2023-24, the Company did not pass any resolution by way of postal ballot.
- Special Resolutions proposed to be conducted through Postal Ballot: Postal Ballot approval for the following Special Resolutions were in progress as on 31 March 2024:

I. Continuation of Directorship of Shri Pradip Kumar Daga (DIN: 00040692), as Non-Executive Non- Independent Director of the Company

ii. Approval for appointment, payment and facilities to be extended to Shri Pradip Kumar Daga (DIN: 00040692) as Chairman Emeritus of the Company

iii. Re-designation of Shri Yashwant Kumar Daga (DIN: 00040632) as Chairman cum Managing Director of the Company

On 13 April 2024 the Company declared the result of the postal ballot and the resolutions as stated above were passed by the shareholders except resolution no. (i) which did not pass as it did not receive the requisite votes in favour for it to be passed.

- Procedure followed for Postal Ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 02/2022, 03/2022, 10/2022 11/2022 and 09/2023 dated 08 April 2020, 13 April 2020, 05 May, 2020, 15 June 2020, 28 September 2020, 31 December 2020, 23 June, 2021, 08 December 2021, 05 May, 2022, 05 May, 2022, 28 December, 2022, 28 December, 2022 and 25 September 2023 respectively issued by MCA from time to time

8. **MEANS OF COMMUNICATION**

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 days from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to Calcutta Stock Exchange Limited (CSE) where the Company's securities are listed, immediately after these are approved by the Board and are normally published in widely circulated daily newspapers such as "Financial Express" (English) and "Sukhabar" (Bengali) and are also displayed at the Company's website www.dil-india.com.
- The Annual Report of the Company, the quarterly/half-yearly and annual financial results are simultaneously posted on the Company's website www.dil-india.com and can be downloaded.
- Official press releases, presentations to analysts and institutional investors, if any and other general information about the Company, are displayed on the website of the Company. However, the Company has not made any official news release and presentations to any institutional investors/analysts during the year.
- Email id for redressing Investor queries is secretary@dil-india.com.

**9. GENERAL SHAREHOLDERS INFORMATION**

| | |
|---|---|
| i) Date, time and venue of forthcoming Annual General Meeting | Wednesday, the 21st August, 2024 at 12.30 P.M.<br>The Company is conducting Annual general Meeting through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM').<br>Deemed venue for the meeting is Corporate office of the Company at 16, Hare Street, 2nd Floor, Kolkata-700 001 |
| ii) Dates of Book Closure | From Thursday, 15th August, 2024 to Wednesday, 21st August, 2024 |
| iii) Cut-off Date | Wednesday,14th August, 2024 |
| iv) Dividend Payment Date | Within 30 days of the Annual General Meeting |
| v) Financial Year | 1st April to 31st March |
| vi) Financial Calendar 2024-25 (Tentative Dates) | |
| First Quarter Financial Results | On or before 14th August, 2024 |
| Second Quarter Financial Results | On or before 14th November, 2024 |
| Third Quarter Financial Results | On or before 14th February, 2025 |
| Fourth Quarter &Annual Audited Financial Results for the year ended 31st March, 2025. | On or before 30th May, 2025 |

| | |
|---|---|
| vii) Listing on Stock Exchange | The Calcutta Stock ExchangeLimited<br>7, Lyons Range, Kolkata- 700001<br>(CSE Scrip Code: 10014084) |
| viii) Annual listing fee | Annual Listing fee for the year 2024-2025 has been paid to the Stock Exchange |
| ix) ISIN No. for NSDL/CDSL (Dematerialised Shares) | INE485J01016 |

**Market Price Data**

During the financial year ended March 31, 2024, there was no trading in the equity shares of the Company at The Calcutta Stock Exchange (CSE).

**Performance in comparison to broad based indices such as BSE sensex, CRISIL index etc.-**

During the financial year ended March 31, 2024, there was no trading in the equity shares of the Company at The Calcutta Stock Exchange (CSE).

**Registrar & Share Transfer Agent (RTA)**

M/s Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata- 700001 Tel. (033) 2248-2248, 2343-5029

E-mail : mdpldc@yahoo.com

**Share Transfer System**

SEBI pursuant to notification issued on 8 June 2018 amended the Regulation 40 of the SEBI Listing Regulations and provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 01 April 2019.

Since the shares are compulsorily required to be traded in dematerialized form, shareholders are requested to get their physical shareholdings converted into DEMAT form through their depository. The Company has made necessary arrangements with Depositories viz NSDL/CDSL for dematerialization of shares. M/s Maheshwari Datamatics Private Limited, RTA has been appointed as the common agency to act as transfer agent for both physical and demat shares.

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, a certificate on half-yearly basis is filed with the Stock Exchange(s) for due compliance of share transfer formalities by the Company.

**Shareholding Pattern of Company as on 31st March, 2024**

| Category | No. Of Shares Held | % of Total Paid up Capital |
|---|---:|---:|
| Promoters & Promoters Group | 27,32,044 | 69.0532 |
| Financial Institutions & Banks | 1,42,188 | 3.5938 |
| Bodies Corporate | 6,90,964 | 17.4643 |
| Resident Individual/HUF | 3,91,237 | 9.8887 |
| Mutual Funds | NIL | NIL |
| NRIs/OCBs | NIL | NIL |
| Insurance Companies | NIL | NIL |
| TOTAL | 39,56,433 | 100.00 |

**Distribution of shareholding as on 31st March, 2024**

| No. of Shares Held | No. of Holders | % of Holders | No. of Shares | % of Capital |
|---|---:|---:|---:|---:|
| Upto 500 | 31 | 43.66 | 3,825 | 0.10 |
| 501-1000 | 15 | 21.13 | 10,068 | 0.25 |
| 1001-2000 | 9 | 12.68 | 10,723 | 0.27 |

| No. of Shares Held | No. of Holders | % of Holders | No. of Shares | % of Capital |
|---|---|---|---|---|
| 3001-4000 | 1 | 1.41 | 3,596 | 0.09 |
| 5001-10000 | 4 | 5.63 | 24,577 | 0.62 |
| 10001 and above | 11 | 15.49 | 39,03,644 | 98.67 |
| **Total** | **71** | **100.000** | **39,56,433** | **100.00** |

**Unclaimed Dividends**

As per Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the information in respect of the unclaimed dividends on the website of the IEPF, viz. www.iepf.gov.in and on the website of the company at https://www.dil-india.com/unclaimed-dividends

The Company has appointed Ms. Nikita Puria, Company Secretary as Nodal Officer under the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Information in respect of Unclaimed dividend and due dates for Transfer of Unclaimed Dividend to the Investor Education and Protection Fund (IEPF)-

| Sr No. | Dividend | Dt. Of declaration | Due date for transfer to IEPF |
|---|---|---|---|
| 1. | Final Dividend 2018-19 | 17.09.2019 | 24.10.2026 |
| 2. | Interim Dividend 2019-20 | 06.03.2020 | 12.04.2027 |
| 3. | Final Dividend 2020-21 | 28.09.2021 | 04.11.2028 |
| 4. | Final Dividend 2021-22 | 08.08.2022 | 14.09.2029 |
| 5. | Final Dividend 2022-23 | 19.09.2023 | 26.10.2030 |

**Dematerialization of Shares and Liquidity as on 31st March, 2024**

As on March 31, 2024, 99.66% of the total paid-up share capital of the Company represented by 3942933 Equity Shares are held in dematerialized mode. The balance Equity Shares are held in physical mode and these shareholders are requested to dematerialize their shares in their own interests to avail the benefits of holding shares in dematerialized mode. The entire Promoters' shareholding, that is, 69.05% of the total paid-up share capital, is held in dematerialized mode

**Outstanding GDRs or ADRS or Warrants or any Convertible Instruments:**

The Company has not issued any Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants or any convertible instruments.

**Commodities price risk or foreign exchange risk and hedging activities**

There is basically no commodity price risk as the same is taken care of at the time of quotation of the enquiry of the order and also the Company does not take long period supply orders.

**Plant Locations**:

i) 62, Hazra Road, Kolkata-700 019

ii) 14/7, Mathura Road, Faridabad (Haryana)

iii) Plot no. 62, Sector -11, Rudrapur Dist Udham Singh Nagar, Uttranchal.

iv) Village: Rojhani, Dist: Shajapur, MP. (Solar Plant)

v) Plot. No. 292, Sarve 75 & 80, Belur Industrial Area, Dharward, Karnataka

vi) Village-Bhagola, Bhagola Delvi Road, Tehsil & district-Palwal-121 102

**Address for Correspondence**

**DEEPAK INDUSTRIES LIMITED**

**Registered Office**

62, Hazra Road, Kolkata-700 019 Tel: 033-4014 2222

E-mail: secretary@dil-india.com

**REGISTRAR & SHARE TRANSFER AGENT (RTA)**

**M/s Maheshwari Datamatics Private Limited**

23, R. N. Mukherjee Road, 5th Floor, Kolkata- 700001 Tel. (033) 2248-2248, 2343-5029

E-mail: mdpldc@yahoo.com

**Credit Ratings**

M/s. ICRA Limited vide its letter dated 10 April, 2023 has assigned the Credit Rating to the Company's various credit facilities and instruments as mentioned below:

| Facilities | Amount (Rs. crore) | Rating/Outlook |
|---|---|---|
| **On Long-Term Scale** | | |
| Fund Based Term Loans | 12.00 | [ICRA]AA (Stable) |
| Fund based Working Capital | 83.00 | [ICRA]AA (Stable) |
| **On Short-Term Scale** | | |
| Non-Fund based<br>Letter of Credit/Bank Guarantee | 24.00 | [ICRA]A1+ |
| Non-Fund based<br>Forward Cover | 0.75 | [ICRA]A1+ |
| Fund Based<br>Standby Line of Credit | 2.00 | [ICRA]A1+ |
| **On Both Long-Term Scale and Short-Term Scales** | | |
| Unallocated Limit | 13.07 | [ICRA]AA (Stable) /[ICRA]A1+ |

10. **CEO/CFO CERTIFICATION**

Shri Yashwant Kumar Daga, Chairman cum Managing Director and Shri Maneesh Khanna, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

11. **OTHER DISCLOSURES**

i) During the financial year ended March 31, 2024, there are no materially significant related party transactions of the Company which may have potential conflict with the interest of the Company at large. The disclosure on Related Party Transactions forms an integral part of the Notes to Financial Statements for the financial year ended March 31, 2024 as included in this Annual Report.

The Board has formulated a policy for Related Party Transactions which is available on the Company's website of the Company at link: https://www.dil-india.com/_files/ugd/132b27_5ae47d6134ca4ab592ed9bf2feb0784c.pdf

ii) There were no instances of non-compliances related to Capital Markets during the last three years. No penalty/ stricture was imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

iii) The Company has a Vigil Mechanism / Whistle Blower Policy in place for the Directors and Employees of your Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be raised. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. No person has been access to the Audit Committee.

iv) The Company as on 31st March, 2024 has one wholly-owned subsidiary company namely, Lotus Auto Engineering Limited. Pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015, it is not a material subsidiary. The Audit Committee of the Company reviews the financial statements of this unlisted subsidiary at periodic intervals. The Minutes of the Board Meetings of the subsidiary is placed at the Board Meeting of the Company at least on quarterly basis. The subsidiary has not made any investment during the year under review. The Company has formulated a policy for determining material subsidiaries in line with SEBI (LODR) Regulations, 2015. The policy has been uploaded on the website of your Company at the web-link https://www.dil-india.com/policies.

v) The Company has complied with all the applicable mandatory requirements.

vi) No money was raised by the Company through any public issue, rights issue, preferential issue, etc. during the financial year 2023-24

vii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.

viii) Procedure for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.

ix) A certificate that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been received from Shri Pravin Kumar Drolia, Company Secretary in whole time practice and the same is given as '**Annexure B'** to this Report.

x) During the financial year ended March 31, 2024, the Board has accepted all the recommendations of its Committees, which are mandatorily required.

xi) The details of total fees for all services paid/payable by the Company to the Statutory Auditors, M/s Lodha & Co., Chartered Accountants for the year 2023-24 were as follows:

| | **Amount** |
|---|---|
| Audit Fees | 12,10,000 |
| Limited Review | 2,25,000 |
| **Total** | 14,35,000/- |

xii) In relation to Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no complaints have been filed during the financial year, neither there were any pending complaints which were disposed off nor there were any complaints pending as on the end of the financial year 2023-24.

xiii) Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount- Nil

xiv) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as requiredunder Schedule V of the Listing Regulations.

xv) As per Regulation 26(5) of Listing Regulations, there were no material financial and commercial transactions by senior management as defined in SEBI (LODR) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

xvi) There is no instance of non-compliance of any requirement of Corporate Governance report of sub-paras (2) to (10) of para C of Schedule V of SEBI Listing Regulations.

xvii) The Company has complied with all the mandatory requirement of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

xviii) The status of adoption of the discretionary requirements as specified in Regulation 27(1) and Part E of Schedule II of the Listing Agreement are given below:

- The Chairman of the Company is Executive Chairman;
- In view of publication of the Financial Results of the Company in newspapers and disseminating the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly Results separately to the Shareholders;
- The Company's Financial Statements have been accompanied with unmodified audit opinion – both on quarterly and yearly basis;
- The Internal Auditors of the Company are independent and their Reports are placed before the Audit Committee.

12. **RECONCILIATION OF SHARE CAPITAL AUDIT**

As stipulated by SEBI, a qualified practising Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

13. **DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT.**

Not applicable.

During the year under review, no shares were required to be transferred to the Suspense Escrow Demat Account in accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022 pertaining to issuance of securities in dematerialized form in case of Investor Service Requests.

14. **COMPLIANCE CERTIFICATE**

Compliance Certificate from the Practising Company Secretary regarding compliance of conditions of corporate governance is given as 'Annexure-C' to this report.

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**Annexure -A**

**DECLARATION REGARDING COMPLIANCE OF THE CODE OF CONDUCT**

To,

The Members of
**Deepak Industries Limited**

I, Yashwant Kumar Daga, Chairman cum Managing Director of the Company declare that to the best of my knowledge and belief, all the Members of the Board and the Senior Management Personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the financial year ended 31 March 2024.

Place: Kolkata
Date:23.05.2024

**Yashwant Kumar Daga**
*Chairman cum Managing Director*

**Annexure -B**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and schedule V para-C clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015**

To
The Members,
**Deepak Industries Ltd,**
62, Hazra Road,
Kolkata-700019

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Deepak Industries Ltd.** having **CIN: L63022WB1954PLC021638 and** having registered office at 62, Hazra Road, Kolkata 700019 (herein referred to as 'the Company"), for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in, as considered necessary and explanations furnished to me by the Company and its officers , I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or other Statutory Authority, as applicable.

| Sr No | Name of the Directors | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr.Yashwant Kumar Daga | 00040632 | 15/11/2014 |
| 2. | Mr. Sujit Chakravorti | 00066344 | 30/10/2007 |
| 3. | Mr. Anand Prasad Agarwalla | 00312652 | 30/03/2002 |
| 4. | Mrs. Meera Dokania | 07094376 | 01/04/2015 |
| 5. | Mr Ganapathy Anantha Narayanan | 09491346 | 12/02/2022 |

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. During the year under review,Sri Pradip Kumar Daga ceased to be Director w.e.f 16/12/2023 .

**For PRAVIN KUMAR DROLIA.**
*(Company Secretary in whole time practice)*

**(Pravin Kumar Drolia)**.
*Proprietor*
C.P.No.:1362, FCS: 2366
Peer view no: 1928/2022
UDIN: F002366F000397101

Place: Kolkata
Date: 23 -05-2024

**Annexure -C**

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE LISTING REGULATIONS

To the Members of,

**Deepak Industries Limited,**

62, Hazra Road, Kolkata 700019

I have examined the compliance of conditions of corporate governance by DEEPAK INDUSTRIES LTD (CIN: **63022WB1954PLC021638)** for the year ended on 31st March 2024, as stipulated in SEBI (LODR) Regulations, 2015 of the Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PRAVIN KUMAR DROLIA.**
*(Company Secretary in whole time practice)*

**(Pravin Kumar Drolia)**.
*Proprietor*
C.P.No.:1362, FCS: 2366
Peer view no: 1928/2022
UDIN: F002366F000397101

Place: Kolkata
Date: 23 -05-2024

# STANDALONE FINANCIAL STATEMENT

# Independent Auditors' Report

**To the Members of Deepak Industries Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of Deepak Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of material accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report:

| Key audit Matters | Addressing the Key Audit Matters |
|---|---|
| **Impairment Allowances on Trade Receivables**<br><br>Amount of Trade Receivable of the Company is Rs. 15,449.64 Lakhs as on March 31, 2024. This includes amounts, which have fallen due for payment and are lying outstanding for a considerable period of time. Management has carried impairment allowances of Rs. 153.13 Lakhs (Note No. 12 of the Standalone Financial Statements) against the same.<br><br>The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. | Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following:<br><br>· Understanding, assessing and testing the design and operating effectiveness of the Company's key controls over the recoveries against the outstanding amounts and resultant impairment assessment of material Trade Receivables;<br><br>· Verifying the period for which amounts are outstanding as on 31st March, 2024 and reviewing the confirmations, and/or movements subsequent to 31st March 2024 and reconciliations thereof on case-by-case basis; |

| Key audit Matters | Addressing the Key Audit Matters |
|---|---|
| The Company bases the estimates on the ageing of the balances of trade receivables,<br>credit worthiness of the parties and historical experience with respect to write-offs etc. against amounts recoverable from them. We considered this to be Key Audit Matter. Such estimation of recovery against outstanding amounts and resultant impairment to certain extent is judgemental and subjective in nature and amount involved is material to the volume of operations. | · Reviewing the Management's assessment and evaluation on the credit worthiness of the major trade receivables and historical trends and current dealing with the customers;<br>· Assessing the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment keeping in view the credit profile, historical payments, publicly available information and latest correspondence with customers and to consider if any provision should be made;<br>· Reviewing the adequacy of the allowance for impairment recognised with respect to the supporting documents;<br>· Reliance has also been placed on the management's representation and confirmation for amount recoverable against the outstanding balances. |
| **Verification of Inventories and Valuation thereof**<br><br>The total inventory of the Company amounts to Rs. 7,975.10 Lakhs (as on March 31, 2024) (Refer note 3.11 and 11 of the Standalone Financial Statements).<br><br>Existence of Inventories and valuation thereof was focus area of audit considering the nature of operations of the Company and also that the amount involved therein was substantial. | Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of determinationof year-end inventory and valuation thereof include thefollowing:<br>· Ensuring the effectiveness of the design, implementation and maintenance of controls over inventory and in system and procedure for conducting the physical verification and testing these controls being operated effectively.<br>· Observing the verification of Inventories at the year end undertaken by the management and evaluation of procedures and documentation in this aspect.<br>· Obtaining and reviewing the necessary evidences, working papers and documents for thephysical verification carried out as above.<br>· Evaluating the accounting policy followed for valuation and appropriate accounting thereof with respect to the relevant Indian Accounting Standards in this respect.<br>· Verifying the valuation process/methodology and checks being performedat multiple levels and ensuring that the valuation is consistent with and as per the policy followed in this respect. |

**Information other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Directors' Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, but does not include the Standalone Financial Statements and our auditors' 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 Statement, 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.

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

The Company's Board of Directors is 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, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

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

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

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

**Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 auditors' 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.

Our opinion on the standalone financial statement is not modified in respect of the matters stated above.

**Report on Other Legal and Regulatory Requirements**

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

2. Further to our comments in the annexure referred to in the paragraph above, 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 except for the matters stated in paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time;

    c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 Indian Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time;

    e) On the basis of the written representations received from the directors as on March 31, 2024 and 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 maintenance of accounts and other matters connected therewith, reference is invited to paragraph 2(b) above on reporting under section 143(3)(b) of the Act; and

    g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to Standalone Financial Statements of the company.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note no. 38 of the Standalone Financial Statements;

ii. The Company did not have any material foreseeable losses against long-term contracts, including derivative contracts and thereby requirement for making provision in this respect is not applicable to the company;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year;

iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in Note No. 48 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities 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, 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 as disclosed in Note No. 48 to the Standalone Financial Statements, 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act; and

vi. Based on our examination which included test checks, the Company has used various softwares at different locations/ Units of the Company for maintaining its books of account.

In respect of the manufacturing units of the Company (viz, Units situated at Hazra, Faridabad, Rudrapur and Baghola), the softwares incorporating all the financial and other transactions involving various operational areas and functions (except for consumption, production and inventory related records which are being maintained manually) have fields and tables where audit trail (edit log) for changes made in the transactions at application level are available and have been operated throughout the year for all relevant transactions recorded in the said softwares. However, in respect of Hazra Unit, records edited or modified are replaced and trail of the original records are not available from the system.

Audit trail (edit log) with respect to the direct changes at database level and for payroll processing function have not been enabled in respect of the above Units. Further, in respect of the software used for the purpose of maintenance of books of account at Head Office, the feature of recording audit trail (edit log) has not been enabled.

In respect of the above softwares, other than the exceptions noted hereinabove, we have, however, not come across any instance of the same being tampered with.

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

4. With respect to the reporting under Section 197 (16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the Remuneration (including Sitting fees) paid by the Company to its Directors during the current financial year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

**For Lodha & Co LLP**
**Chartered Accountants**
**Firm's ICAI Registration No.: 301051E/ E300284**

**R. P. Singh**
**(Partner)**
**Membership No. 052438**
**UDIN: 24052438BKFNEE4801**

**Place: Kolkata**
**Date: May 23, 2024**

# ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

The Statement referred to in paragraph 1 with the heading 'Report on other legal and regulatory requirements' of our Report of even date to the members of Deepak Industries Limited on the Standalone Financial Statements of the Company for the year ended March 31, 2024, we report that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Intangible Assets;

b) There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material;

c) Based on verification of title deeds(other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds of immovable properties as stated in Note No. 5.3 of the Standalone Financial Statements are held in the name of the company;

d) The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable to the Company; and

e) According to the information and explanations given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable to the Company.

ii. a) The inventories of the Company have been physically verified by the management during the year at reasonable intervals and in our opinion coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its inventory. The discrepancies noticed on physical verification of inventories were not 10% or more in aggregate for each class of inventory and have been properly dealt with in the books of the account; and

b) The Company has been sanctioned working capital limit in excess of Rupees Five Crores on the basis of securities of Current Assets of the company in respect of which monthly statements (hereinafter referred to as statements) have been filed with the banks. On the basis of examination of relevant records and details provided to us in this respect, these statements provided to us have been found to be in agreement with the then unaudited books of accounts of the Company (Refer Note no. 23.3 of the Standalone Financial Statements).

iii. The Company has invested in Non-Convertible Non-cumulative Redeemable Preference Shares in a Body Corporate during the year. Other than this and 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 investments, granted any secured and unsecured loan, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

a) The Company has not provided any loans or provided advances in the nature of loans, or stood guarantee or provided security to any other entity during the year. Accordingly, reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company;

b) According to the information and explanation given to us and based on the audit procedures conducted by us, we are of the opinion in respect of the investments made during the year in the preference shares of a company where operations are yet to be stabilized and these being strategic in nature, reporting under paragraph 3(b) with respect to the prejudiceness of the investment so made as such cannot be commented upon by us; and

c) The company has not granted any loan or advances in the nature of loan to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has neither issued any guarantee, given any loan nor has provided any security on behalf of any party. As the company has not granted any loan to directors or to parties wherein directors are interested, provisions of section 185 are not applicable to the Company.

v. According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has neither accepted any deposits or amount deemed to be deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, reporting under paragraph 3(v) of the order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and based on our examination of the books of account:

a) During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it. According to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2024 for a period of more than six months from the date they became payable;

b) The details of statutory dues referred to in sub clause (vii) (a) above, which have not been deposited on account of any dispute are as follows:

| Name of the Statute | Nature of Dues | Amount (Rupees in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 (rule 14 of CENVAT Credit rule) | CENVAT for Service Tax on Rent | 2.19 | F.Y. 2009-10 | Punjab and Haryana High Court, Chandigarh |
| Income Tax Act, 1961 | Income Tax | 188.07 | A.Y. 2013-14, A.Y. 2016-17 to A.Y. 2018-19 and A.Y. 2020-21 | Commissioner of Income Tax (Appeals) Kolkata |
| Income Tax Act, 1961 | Income Tax | 6.39 | A.Y. 2010-11 and A.Y. 2019-20 | Income Tax Appellate Tribunal |

viii. In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3(viii) of the Order is not applicable.

ix. In our opinion and on the basis of information and explanations given to us and based on our examination of the books of account of the Company:

a) During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lenders;

b) The Company has not been declared wilful defaulter by any bank or financial institutions or any other lenders;

c) The Company has not taken any term loan during the current year. In respect of term loan taken in earlier year, the Company has utilized the money obtained by way of term loans from bank for the purpose for which they were obtained;

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements 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 the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associates or joint ventures; and

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associates or joint ventures.

x. According to the information and explanations given to us and based on our examination of the books of account of the Company:

a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3(x)(a) of the Order is not applicable; and

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally) during the year and accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable.

xi. a) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management;

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

c) According to the information and explanation given to us and based on our examination of the books of account of the company, no whistle blower complaints have been received during the year by the company. Accordingly reporting under paragraph 3(xi)(c) of the order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the Nidhi Rules, 2014 is not applicable to it, hence, the reporting under paragraph 3(xii)(a), (b) and (c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv. The Company has appointed a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us the internal audit system is commensurate with the size and nature of its business. We have considered, during the course of our audit, the reports of the internal auditor for the period under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

xv. According to the information and explanations given to us and as represented to us by the management 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 them and hence reporting under paragraph 3(xv) of the Order is not applicable.

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

b) The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable;

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable; and

d) In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. Based on the examination of the books of accounts, we report that the Company has not incurred cash losses in the current financial year covered by our audit or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under paragraph 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and based on the financial ratios (refer note no. 46 to the Standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying 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 given 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 and based on our examination of the books and records of the Company there are no unspent amount towards Corporate Social Responsibility (CSR) on either ongoing projects or other than ongoing projects under section 135 of the Act and accordingly, reporting under paragraph 3(xx)(a) and (b) of the Order is not applicable for the year.

xxi. The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of the Standalone Financial Statements.

**For Lodha & Co LLP**
**Chartered Accountants**
**Firm's ICAI Registration No.: 301051E/ E300284**

**R. P. Singh**
**(Partner)**
**Membership No. 052438**
**UDIN: 24052438BKFNEE4801**

**Place: Kolkata**
**Date: May 23, 2024**

# ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls with reference to the Standalone Financial Statements of Deepak Industries Limited ("the Company") as at 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 is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Standalone Financial Statements 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. 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 control with reference to Standalone Financial Statements were 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of such internal financial controls with reference to Standalone Financial Statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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 Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Lodha & Co LLP**
**Chartered Accountants**
**Firm's ICAI Registration No.: 301051E/E300284**

**R. P. Singh**
**(Partner)**
**Membership No. 052438**
**UDIN: 24052438BKFNEE4801**

**Place: Kolkata**
**Date: May 23, 2024**

# Standalone Balance Sheet as at 31st March, 2024

(Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment | 5 | 16,964.42 | 15,072.89 |
| (b) Capital work-in-progress | 6 | - | 24.23 |
| (c) Intangible Assets | 7 | 17.33 | 20.78 |
| (d) Financial Assets | | | |
| (i) Investments | 8 | 3,015.12 | 2,765.70 |
| (ii) Other Financial Assets | 9 | 296.24 | 259.61 |
| (e) Other non-current assets | 10 | 2,801.29 | 3,532.50 |
| **Total Non Current Assets** | | **23,094.40** | **21,675.71** |
| **(2) Current assets** | | | |
| (a) Inventories | 11 | 7,975.10 | 8,177.74 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 12 | 15,296.51 | 20,119.49 |
| (ii) Cash and cash equivalents | 13 | 4,639.01 | 903.52 |
| (iii) Other Bank Balances | 14 | 28,164.86 | 22,736.69 |
| (iv) Other financial assets | 15 | 1,130.83 | 745.94 |
| (c) Other current assets | 16 | 1,161.90 | 1,811.35 |
| **Total Current Assets** | | **58,368.21** | **54,494.73** |
| **Total Assets** | | **81,462.61** | **76,170.44** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 17 | 395.64 | 395.64 |
| (b) Other Equity | 18 | 66,877.84 | 55,405.12 |
| **Total Equity** | | **67,273.48** | **55,800.76** |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 66.67 | 469.20 |
| (ii) Lease Liabilities | 36 | 30.47 | 12.99 |
| (iii) Other financial liabilities | 20 | 400.28 | 400.28 |
| (b) Provisions | 21 | 247.59 | 204.75 |
| (c) Deferred Tax Liabilities (Net) | 22 | 337.49 | 521.61 |
| **Total Non Current Liabilities** | | **1,082.50** | **1,608.83** |
| **(2) Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 6,465.81 | 8,356.63 |
| (ii) Lease Liabilities | 36 | 18.03 | 11.37 |
| (iii) Trade payables | 24 | | |
| (a) Total Outstanding dues of micro enterprises and small enterprises | | 696.78 | 740.93 |
| (b) Total Outstanding dues to creditors other than micro enterprises and small enterprises | | 3,525.94 | 5,438.79 |
| (iv) Other financial liabilities | 25 | 899.32 | 1,216.02 |
| (b) Other current liabilities | 26 | 1,281.79 | 2,571.19 |
| (c) Provisions | 27 | 206.57 | 173.98 |
| (d) Current Tax Liabilities | 28 | 12.39 | 251.94 |
| **Total Current Liabilities** | | **13,106.63** | **18,760.85** |
| **Total Liabilities** | | **14,189.13** | **20,369.68** |
| **Total Equity and Liabilities** | | **81,462.61** | **76,170.44** |

*Accompanying Notes on Standalone Financial Statements* *1-52*
*These notes are an integral part of the Standalone Financial Statements.*

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

**A P Agarwalla**
(DIN: 00312652)

**G. A. Narayanan**
(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Standalone Statement Of Profit & Loss For the year ended 31st March, 2024

(Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Revenue From Operations | 29(i) | 77,259.13 | 80,159.58 |
| Other Income | 29(ii) | 2,826.32 | 1,860.58 |
| **Total income** | | **80,085.45** | **82,020.16** |
| **EXPENSES** | | | |
| Cost of Materials consumed | 30 | 36,374.86 | 37,566.90 |
| Changes in Inventories of finished goods, Stock-in-Trade and work-in progress | 31 | (550.98) | 521.10 |
| Employee benefits expense | 32 | 8,499.28 | 7,873.31 |
| Finance costs | 33 | 647.28 | 606.35 |
| Depreciation and amortisation expense | 34 | 2,666.85 | 2,688.75 |
| Other expenses | 35 | 16,549.56 | 16,974.20 |
| **Total expenses** | | **64,186.85** | **66,230.61** |
| **Profit before tax** | | **15,898.60** | **15,789.55** |
| Tax expense: | | | |
| (1) Current tax | 37 | 4,175.97 | 4,218.22 |
| (2) Deferred tax- Charge/(Credit) | 37 | (174.46) | (185.65) |
| **Profit for the year** | | **11,897.09** | **11,756.98** |
| **Other Comprehensive Income** | | | |
| (i) Items that will not be reclassified to profit or loss | | (38.39) | (6.21) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 37.2 | 9.66 | 1.56 |
| **Other Comprehensive Income for the year (net of tax)** | **37.3** | **(28.73)** | **(4.65)** |
| **Total Comprehensive Income for the year comprising profit and other comprehensive income for the year** | | **11,868.36** | **11,752.33** |
| **Earnings per equity share of value of Rs. 10 each.** | 42 | | |
| (1) Basic (Rs.) | | 300.70 | 297.16 |
| (2) Diluted (Rs.) | | 300.70 | 297.16 |

Accompanying Notes on Standalone Financial Statements 1-52

These notes are an integral part of the Standalone Financial Statements

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

**A P Agarwalla**
(DIN: 00312652)

**G. A. Narayanan**
(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Standalone Statement of Changes in Equity as at March 31, 2024

(Rupees In Lakhs)

**(A) Equity Share Capital**

| Particulars | Note No. | Amount |
|---|---|---|
| **Balance as at March 31, 2022** | | **395.64** |
| Changes during the year | | - |
| **Balance as at March 31, 2023** | | **395.64** |
| Changes during the year | | - |
| **Balance as at March 31, 2024** | | **395.64** |

**(B) Other Equity** (Rupees In Lakhs)

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Retained Earnings | Remeasurement of Defined Benefit Obligation | |
| **As at March 31, 2022** | **35.36** | **134.17** | **43,878.90** | - | **44,048.43** |
| Profit for the year | - | - | 11,756.98 | - | 11,756.98 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | (4.65) | (4.65) |
| **Total Comprehensive Income for the year** | - | - | **11,756.98** | **(4.65)** | **11,752.33** |
| Transfer to Retained Earnings during the year | - | - | (4.65) | 4.65 | - |
| Dividend paid during the year | - | - | (395.64) | - | (395.64) |
| **As at March 31, 2023** | **35.36** | **134.17** | **55,235.59** | - | **55,405.12** |
| Profit for the year | - | - | 11,897.09 | - | 11,897.09 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | (28.73) | (28.73) |
| **Total Comprehensive Income for the year** | - | - | **11,897.09** | **(28.73)** | **11,868.36** |
| Transfer to Retained Earnings during the year | - | - | (28.73) | 28.73 | - |
| Dividend paid during the year | - | - | (395.64) | - | (395.64) |
| **As at March 31, 2024** | **35.36** | **134.17** | **66,708.31** | | **66,877.84** |

Refer Note no. 18 for nature and purpose of reserves.

Accompanying Notes on Standalone Financial Statements 1-52
These notes are an integral part of the Standalone Financial Statements.

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

**A P Agarwalla**
(DIN: 00312652)

**G. A. Narayanan**
(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Standalone Statement of Cash Flows For the year ended 31st March, 2024

(Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| Net Profit Before Tax | | 15,898.60 | | 15,789.55 |
| **Adjustments for -** | | | | |
| Depreciation | 2,666.85 | | 2,688.75 | |
| Profit on sale/discard of Property, Plant and Equipment | (5.73) | | (42.47) | |
| Interest Income | (2,191.34) | | (1,358.00) | |
| Liabilities no longer required written back | (255.97) | | (186.81) | |
| Finance costs | 647.28 | | 606.35 | |
| Amortisation of Deferred financial instruments | 152.14 | | 86.03 | |
| Interest income on financial assets measured at amortised cost | (192.73) | | (99.31) | |
| Bad debts and sundry balances written off | 366.00 | | 133.34 | |
| Gain on foreign currency translation | (12.87) | | (20.14) | |
| | | 1,173.63 | | 1,807.74 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | | **17,072.23** | | **17,597.29** |
| **Adjustments for -** | | | | |
| Trade and other receivables | 4,469.86 | | (5,480.72) | |
| Inventories | 202.64 | | 701.61 | |
| Loans and advances | 596.59 | | (344.02) | |
| Trade Payables and other liabilities | (3,266.31) | 2,002.78 | (302.11) | (5,425.24) |
| **CASH GENERATED FROM OPERATIONS** | | **19,075.01** | | **12,172.05** |
| Direct Taxes Paid | | (4,503.49) | | (4,007.31) |
| **NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)** | | **14,571.52** | | **8,164.74** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| Purchase of Property, Plant and Equipment, Intangible Assets, Right of Use Assets and Capital Work in Progress | (3,601.15) | | (3,712.29) | |
| Sale of Property, Plant and Equipment | 15.40 | | 116.85 | |
| Purchase of Investments (Also Refer Note no. 8.4) | (300.00) | | - | |
| Deposits with Bank (original maturity more than three months) | (5,428.17) | | (4,873.48) | |
| Interest Income | 1,835.08 | | 1,053.10 | |
| | | (7,478.84) | | (7,415.82) |
| **NET CASH FLOW FROM/(USED IN) INVESTMENT ACTIVITIES (B)** | | **(7,478.84)** | | **(7,415.82)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| Interest Paid | (649.01) | | (600.51) | |
| Repayment of Long term Borrowings from Bank | (614.14) | | (948.62) | |
| Proceeds/(Repayment) of Short Term Borrowings from Bank (net) | (1,679.21) | | 1,508.51 | |
| Repayment of Lease Liability | (19.19) | | (12.23) | |
| Dividend paid | (395.64) | | (395.64) | |
| | | (3,357.19) | | (448.49) |
| **NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (C)** | | **(3,357.19)** | | **(448.49)** |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | | **3,735.49** | | **300.43** |

# Standalone Statement of Cash Flows For the year ended 31st March, 2024 *(Contd.)*

(Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **Cash and Cash Equivalents as at beginning of the Year (Refer Note no. 13)** | | **903.52** | | **603.09** |
| **Cash and Cash Equivalents as at the end of the year (Refer Note no. 13)** | | **4,639.01** | | **903.52** |

*Note:*

*1. Cash and Cash Equivalents consists of cash on hand and bank balances in Current Account. The details of cash and cash equivalents as per Note no. 13 of the Standalone Balance Sheet is as under:*

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balances with banks** | | |
| In Current account | 4,630.89 | 897.21 |
| Cash on hand | 8.12 | 6.31 |
| **Total cash and cash equivalents** | **4,639.01** | **903.52** |

2. Reconciliation of Liabilities arising from Financing activities (Rupees In Lakhs)

| Particulars | As at March 31, 2023 | Proceeds raised | Non cash adjustments/ Additions in Lease Liabilities | Repayment | As at March 31, 2024 |
|---|---|---|---|---|---|
| Long Term Borrowings from Bank | 1,083.49 | - | - | (614.14) | 469.35 |
| Lease Liabilities | 24.36 | - | 43.33 | (19.19) | 48.50 |
| Short Term Borrowings from Bank | 7,742.34 | | - | (1,679.21) | 6,063.13 |
| **Total** | **8,850.19** | **-** | **43.33** | **(2,312.54)** | **6,580.98** |

3. The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.
4. The Company has incurred **Rs. 224.12 Lakhs (net of Rs. 2.43 Lakhs shown as advance in 2022-2023**- Refer Note no. 16) on account of Corporate Social Responsibility (CSR) during the year ended March 31, 2024 (March 31, 2023: **Rs. 163.18 Lakhs( including Rs. 2.43 Lakhs - Refer Note 16).**

Accompanying Notes on Standalone Financial Statements 1-52

These notes are an integral part of the Standalone Financial Statements.

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

**A P Agarwalla**
(DIN: 00312652)

**G. A. Narayanan**
(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

1. **Corporate Information**

Deepak Industries Limited ('the company') having Corporate Identity Number ("CIN") L63022WB1954PLC021638 is a public limited company incorporated and domiciled in India having its registered office at 62, Hazra Road, Kolkata - 700019 in the State of West Bengal. The company is engaged in the business of manufacturing and selling of Industrial and Automobile gears of various capacities and generation of solar power. The Company's shares are listed on The Calcutta Stock Exchange Limited.

2. **Statement of compliance and Recent Accounting Pronouncements**

**2.1 Statement of compliance**

These Standalone financial statements ("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 Standalone financial statements.

The Standalone financial statements for the year ended 31st March 2024 were approved for issue by the Company's Board of Directors on 23rd May 2024 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

All Ind AS issued and notified till the Standalone financial statements are approved for issue by the Board of Directors have been considered in preparing these Standalone 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.

**2.2 Application of new and revised standards**

Effective April 01, 2023, the company has adopted the amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the company's operation were amendment 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" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies were also made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There were 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 were not relevant to the company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the period.

**2.3 Recent Accounting 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.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

## 3. Material Accounting Policies

### 3.1 Basis of Preparation

The Standalone Financial Statements have been prepared under the historical cost convention on accrual basis except for:

a) certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.

b) certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs; and

c) Defined benefit plans- Plan Assets measured at fair value

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 "Presentation of Financial Statements" and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

**Functional /presentation currency and rounding-off of amounts**

The items included in the Standalone financial statements (including notes thereon) are measured using the currency of the primary economic environment in which the Company operates ("the functional currency") and are, therefore, presented in Indian Rupees ("INR" or "Rupees" or "Rs." or" `"). All amounts disclosed in the Standalone financial statements, including notes thereon, have been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

### 3.2 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

b) Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

c) Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements and regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### 3.3 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose costs include deemed cost on the date of transition i.e. PPE which have been fair valued on transition to be considered as deemed cost and comprises purchase price of assets or its construction cost including duties and taxes (net of input tax credit availed), inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

and condition necessary for it to be capable of operating in the manner intended for its use. In addition, Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period of more than twelve months and meet the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part of property, plant and equipment consequent to additions made thereto is derecognised. The costs of servicing and repairs and maintenance of property, plant and equipment are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company's lease assets comprising of Land and Building have been separately shown under PPE as Right-of-Use (ROU) Assets.

Property, plant and equipment that are not ready for intended use on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress includes purchase price, duties and taxes (net of input tax credit availed) and any directly attributable cost (including finance costs relating to borrowed funds utilised for construction or acquisition of property, plant and equipment incurred till projects are under implementation) of bringing the assets to their working condition and trial run expenses up to the date of installation. Such items are classified to the appropriate categories of Property, Plant and Equipment when gets completed and are ready for intended use. Amount paid towards acquisition of PPE outstanding as at each reporting date are recognized as capital advance under "Other Non-Current Assets."

### 3.4 Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and equipment commences when the assets are ready for their intended use.

Depreciation on Property, Plant and Equipment is provided as per the useful life specified under Schedule II of the Companies Act, 2013 on straight line method to allocate their cost, net of their residual value except at Rudrapur unit where depreciation is provided on written down value method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Leasehold Land and Building classified as ROU assets are amortised on straight line basis over the estimated useful lives (or lease term if shorter).

No depreciation is charged on Freehold land.

The estimated useful life of the tangible assets considered for providing depreciation are as follows:

| Category | Useful Life in years |
|---|---|
| Factory Buildings | 30 |
| Other than factory Building | 60 |
| Plant and Equipment | 15 |
| Furniture and Fixtures | 10 |
| Vehicles | 8-10 |
| Office Equipment | 5 |

The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

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

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

the respective assets.
Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**3.5 Intangible Assets**

Intangible assets are stated at cost of acquisition/ deemed cost on transition date comprising of purchase price inclusive of duties and taxes (net of input tax credit availed) less accumulated amount of amortization and impairment losses. Such assets are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages is amortized over a period of 5 years on a straight line basis.

Expenditure incurred on research and development are not capitalized but are charged as expense in the statement of profit and loss in the period in which such expenditure is incurred.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**3.6 Leases**

i) **Company as a lessee**

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset,
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. the Company has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset (under PPE) have been separately disclosed in the Balance Sheet and lease payments have been classified as part of financing cash flows.

ii) **Company as a lessor**

a) **Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

b) **Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

**3.7 Derecognition of Tangible /Intangible and ROU assets**

An item of Property, Plant and Equipment (including ROU assets) and other Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**3.8 Impairment of Tangible /Intangible and ROU assets**

Tangible /Intangible and ROU assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

**3.9 Financial Instruments**

Financial assets and financial liabilities are recognized in the Standalone Balance sheet when the Company becomes a party to the contractual provisions of financial instruments. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

**A. Financial assets**

**I. Initial recognition and measurement**

The financial assets include investments, trade receivables, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**II. Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) at amortized cost

(ii) at fair value through other comprehensive income (FVTOCI), and

(iii) at fair value through profit or loss (FVTPL)

**(a) Financial assets at amortized cost**

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

(i) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, where appropriate, a shorter period.

**(b) Financial assets at fair value through other comprehensive income (FVOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest.

For the purpose of para (a) and (b) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

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

Financial assets that are not classified in any of the categories above are classified at fair value through profit or loss.

**(d) Equity investments**

Equity investments in the scope of Ind AS 109 are measured at fair value except for investments in subsidiaries which are carried at cost.

The Company makes an election to present changes in fair value either through other comprehensive income or through profit or loss on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Company decides to classify an equity instrument at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. However, dividends on equity instruments on fair value through other comprehensive income (FVTOCI) is recognised in profit or loss.

In addition, profit or loss arising on sale is also taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

**III. De-recognition**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to the third party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference be-

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

tween the assets' carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI (except equity instruments) the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

**IV. Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**B. Financial liabilities**

**I. Initial recognition and measurement**

The financial liabilities include trade and other payables, loans and borrowings, including book overdrafts, etc.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

**II. Subsequent measurement**

For subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities at amortised cost, and

(ii) Derivative instruments at fair value through profit or loss (FVTPL).

**Financial liabilities at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. When the financial liabilities are derecognized, gains and losses are recognized in profit or loss. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, where appropriate, a shorter period.

**III. De-recognition**

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

**C. Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance sheet if there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously."

**3.10 Impairment of assets**

A. **Non financial assets**

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal, and its value in use.

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax

## Notes to Standalone Financial Statements For the year ended 31st March, 2024

discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If, at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognised is reversed so that the asset is recognised at its recoverable amount but not exceeding the value which would have been reported in this respect if the impairment loss had not been recognised.

B. **Financial assets**

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The company recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The company recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**3.11 Inventories**

Inventories are valued at lower of the cost or estimated net realisable value after providing for obsolescence, if any. Cost of Inventories is ascertained on weighted average/FIFO basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition.

Cost of traded goods include cost of purchase and other cost incurred in bringing the inventory to their present location and condition.

Inventories of scrap are valued at their respective net realisable value.

Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

**3.12 Foreign Currency Transactions**

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

**3.13 Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

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.

**3.14 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent assets are not recognised but disclosed in the standalone financial statements by way of notes to accounts when an inflow of economic benefits is probable.

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

**3.15 Employee Benefits**

Employee benefits are accrued in the year in which services are rendered by the employee.

**Short term Employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**Other Long Term Employee Benefits**

The cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured on the basis of actuarial valuation as at the balance sheet date as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation. Bifurcation of liabilities into current and non current are done based on actuarial valuation report.

**Post Employment Benefits**

The Company operates the following post employment schemes:

**- Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets (funded to Deepak Industries Gratuity Fund), together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

**- Defined Contribution Plans**

In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme the Central Government/Trust at a determined rate. The Company's contribution is charged off to the Statement of Profit and Loss as and when incurred.

**3.16 Revenue Recognition**

**a. Revenue from Operations**

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

(i) parties to the contract have approved the contract and are committed to performing their respective obligations;

(ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

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 rebates, claims and discounts, returns, Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the company are excluded from revenue.

Sale of electricity is accounted for on delivery of electricity to grid/ Customers.

**Other Operating Revenue-Export Benefits:**

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

**b. Other Income**

**Interest, Dividend and Claims:**

Dividend income is recognized when the right to receive payment is established. Interest has been accounted

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

using effective interest rate method. Insurance claims/ other claims are accounted for as and when admitted or realised. Interest on overdue bills are accounted for on certainty of realisation.

**3.17 Borrowing Costs**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets.

A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**3.18 Taxes on Income**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax items in correlation to the underline transactions relating to Other Comprehensive Income and Equity are recognised in Other Comprehensive Income and Equity respectively.

**3.19 Earnings Per Share**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3.20 Segment Reporting**

Operating segments are identified and reported taking into account the different risk and return, organisation structure and in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). CODM is responsible for allocating resources and assessing performance of the operating segments, financial results, forecasts or plan for the segment and accordingly is identified as the chief operating decision maker.

The Company has identified three reportable segments – "Automobile gears and components, Industrial gears and components and Solar Power" based on the information reviewed by the CODM.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**3.21 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing flows. Accordingly, the Company's cash flows from operating, investing, and financing activities are segregated.

For reporting Standalone Statement of Cash Flows, cash and cash equivalents consist of cash on hand, cheques on hand, balance with banks, and short term highly liquid investments, as stated above, net of outstanding book overdrafts, as they are considered an integral part of the Company's cash management.

4. **Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the standalone financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized and, if material, their effects are disclosed in the notes to the standalone financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the standalone financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below. The notes dealt with in 4.1 to 4.6 below provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements are included in the relevant notes together with information about basis of calculation of each affected line item in the standalone financial statements.

**4.1 Depreciation / Amortization and Impairment on Property, Plant and Equipment / Intangible assets**

Property, Plant and Equipment and Intangible assets are depreciated/ amortized on Straight Line Basis/ Written Down Value Basis over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II to the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

**4.2 Right-of-use assets and lease liability**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**4.3 Impairment allowances on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. In case of variation in financial condition the amount of impairment as recognised may vary having a significant impact on the Standalone Financial Statement.

**4.4 Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are matters pending before various judicial authorities outcome whereof are uncertain. Further, material judgement and assumptions are involved for arriving at timing differences and consequential adjustments on account of deferred taxation.

**4.5 Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**4.6 Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**5. Property, Plant and Equipment** (Rupees In Lakhs)

| Particulars | Freehold Land | Land - Right of use (ROU) | Building - Right of use (ROU) | Office Building | Factory Building | Plant and Equipment | Furniture and Fixtures | Vehicles (Refer Note No. 5. 1) | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **(A) Gross Carrying Amount** | | | | | | | | | | |
| **As at March 31, 2022** | **1,998.71** | **119.24** | **45.63** | **-** | **1,396.08** | **24,263.75** | **86.72** | **303.18** | **245.41** | **28,458.72** |
| Additions/Adjustments | - | - | 19.80 | 187.41 | 5.21 | 1,529.46 | 3.66 | 17.56 | 30.78 | 1,793.88 |
| Less: Disposals/Adjustments | - | - | - | - | - | 174.04 | - | 23.81 | - | 197.85 |
| **As at March 31, 2023** | **1,998.71** | **119.24** | **65.43** | **187.41** | **1,401.29** | **25,619.17** | **90.38** | **296.93** | **276.19** | **30,054.75** |
| Additions/Adjustments | - | - | 43.37 | 864.83 | - | 3,636.39 | 0.87 | - | 13.85 | 4,559.31 |
| Less: Disposals/Adjustments | - | - | - | - | - | 15.13 | | 6.39 | 1.89 | 23.41 |
| **As at March 31, 2024** | **1,998.71** | **119.24** | **108.80** | **1,052.24** | **1,401.29** | **29,240.43** | **91.25** | **290.54** | **288.15** | **34,590.65** |
| **(B) Accumulated Depreciation** | | | | | | | | | | |
| **As at March 31, 2022** | **-** | **8.95** | **33.81** | **-** | **311.44** | **11,670.05** | **52.75** | **154.44** | **189.89** | **12,421.33** |
| Charge for the Year | - | 1.49 | 10.48 | 1.46 | 53.72 | 2,556.25 | 7.07 | 31.63 | 21.89 | 2,683.99 |
| Less: Disposals/Adjustments | - | - | - | - | - | 113.85 | - | 9.61 | - | 123.46 |
| **As at March 31, 2023** | **-** | **10.44** | **44.29** | **1.46** | **365.16** | **14,112.45** | **59.82** | **176.46** | **211.78** | **14,981.86** |
| Charge for the Year | - | 1.49 | 17.03 | 12.60 | 52.12 | 2,522.94 | 5.92 | 26.31 | 19.71 | 2,658.12 |
| Disposals/Adjustments | - | - | - | - | - | 8.17 | - | 5.58 | - | 13.75 |
| **As at March 31, 2024** | **-** | **11.93** | **61.32** | **14.06** | **417.28** | **16,627.22** | **65.74** | **197.19** | **231.49** | **17,626.23** |
| **(C) Net Carrying Amount (A-B)** | | | | | | | | | | |
| **As at March 31, 2023** | **1,998.71** | **108.80** | **21.14** | **185.95** | **1,036.13** | **11,506.72** | **30.56** | **120.47** | **64.41** | **15,072.89** |
| **As at March 31, 2024** | **1,998.71** | **107.31** | **47.48** | **1,038.18** | **984.01** | **12,613.21** | **25.51** | **93.35** | **56.66** | **16,964.42** |

5.1 Includes Rs. 16.31 Lakhs (March 31, 2023: Rs. 77.89 Lakhs) acquired on Hire Purchase basis and under continued hire purchase agreement. Present liability for the same is Rs. 2.68 Lakhs (March 31, 2023: Rs. 16.98 Lakhs) out of which Rs. 2.68 Lakhs (March 31, 2023: Rs. 14.30 Lakhs) is payable within one year.

5.2 Refer Note no. 19.1 and 23.1 to standalone financial statement in respect of charge created against borrowings.

5.3 The title deeds/lease deeds of all the immovable properties are held in the name of the company.

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

**6. Capital Work In Progress (CWIP)**

**As at March 31, 2024** **(Rupees In Lakhs)**

| Particulars | Amount |
|---|---|
| As per last Balance Sheet | 24.23 |
| Add: Addition during the year | - |
| Less: Capitalisation during the year | (24.23) |
| **As at March 31, 2024** | **-** |

**As at March 31, 2023** **(Rupees In Lakhs)**

| Particulars | Amount |
|---|---|
| As per last Balance Sheet | 0.29 |
| Add: Addition during the year | 24.23 |
| Less: Capitalisation during the year | (0.29) |
| **As at March 31, 2023** | **24.23** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

### 6.1 Ageing Schedule of Capital Work in Progress

(a) There is no Capital Work in Progress as on March 31, 2024

(b) Ageing of Capital Work in Progress as on March 31, 2023: (Rupees In Lakhs)

| Particulars | Amount in CWIP for a Period of | | | | As at March 31, 2023 |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| **Projects in Progress** | | | | | |
| Used CNC Gear Shaping Machine | 24.23 | - | - | - | 24.23 |
| **Total** | **24.23** | **-** | **-** | **-** | **24.23** |

### 7. Intangible Assets

**As at March 31, 2024** **(Rupees In Lakhs)**

| Particulars | Computer Software | Total |
|---|---|---|
| **(A) Gross carrying Amount** | | |
| **As at March 31, 2022** | **166.86** | **166.86** |
| Addition | 19.20 | **19.20** |
| Disposals/Adjustments | - | - |
| **As at March 31, 2023** | **186.06** | **186.06** |
| Addition | 5.28 | **5.28** |
| Disposals/Adjustments | | - |
| **As at March 31, 2024** | **191.34** | **191.34** |
| **(B) Accumulated Amortisation** | | |
| **As at March 31, 2022** | **160.52** | **160.52** |
| Charge for the year | 4.76 | **4.76** |
| Disposals/Adjustments | - | |
| **As at March 31, 2023** | **165.28** | **165.28** |
| Charge for the year | 8.73 | **8.73** |
| Disposals/Adjustments | | - |
| **As at March 31, 2024** | **174.01** | **174.01** |
| **(C ) Net Carrying Amount (A-B)** | | |
| **As at March 31, 2023** | **20.78** | **20.78** |
| **As at March 31, 2024** | **17.33** | **17.33** |

7.1 There are no intangible assets which are under development.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**8. Non-current Investments** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Investment in Equity instruments (Fully Paid up)** | | | |
| **In Subsidiary** | | | |
| **Unquoted, Measured at Cost** | | | |
| Lotus Auto Engineering Limited | | | |
| 43,60,000 Nos. (March 31, 2023: 43,60,000 Nos.) of Rs. 10/- each fully paid-up | 8.2 | 436.00 | 436.00 |
| **Investment in Debentures (Fully Paid up)** | | | |
| **In Subsidiary** | | | |
| **Unquoted, Measured at Amortised Cost** | | | |
| Lotus Auto Engineering Limited | | | |
| 3,364 Nos. (March 31, 2023: 3,364 Nos.) of Zero Coupon Secured Optionally Fully Convertible Debentures of Rs. 1,00,000/- each fully paid-up | 8.3 | 2,352.06 | 2,177.83 |
| **Investment in Preference Shares of Body Corporate** | | | |
| **Unquoted, Measured at Amortised Cost** | | | |
| 80,00,000 Nos. (March 31, 2023: 50,00,000 Nos.)3% Non-Convertible Non-cumulative Redeemable Preference Share of Rs.10/- each fullypaid up ofM/s. Brua Hydrowatt Private Limited | 8.4 | 227.06 | 151.87 |
| | | **3,015.12** | **2,765.70** |

**8.1 Additional Information** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Aggregate amount of Unquoted Investment | | 3,015.12 | 2,765.70 |

8.2 The Company vide ordered dated 7th September, 2022 of Hon""ble National Company Law Tribunal (NCLT), New Delhi Bench acquired on a going concern basis, Lotus Auto Engineering Limited (LAEL), a manufacturing company under liquidation process as per the provisions of the Insolvency and Bankruptcy Code, 2016 and for such acquisition invested Rs. 436 lakhs by way of equity shares and Rs. 3364 lakhs by way of zero coupon optionally convertible debentures in the said company. Pursuant to this, LAEL became the wholly owned subsidiary with effect from 7th September, 2022.

LAEL is engaged primarily in the business of ""Processing of machine parts required in the automobile industries and all other activities are incidental thereto.

8.3 Zero Coupon Secured Optionally Fully Convertible Debentures (SOFCDs) of Rs. 1,00,000 each have a term of 10 years from the date of allotment which may further be extended on mutual agreement with the LAEL. These SOFCDs are redeemable along with assured premium of 5% per annum ("SOFCDs Redemption Premium") at the time of redemption or are convertible at the option of the holder into such number of Equity shares of LAEL which will give a minimum annual rate of return of 3% from the date of allotment of SOFCDs.

8.4 During the year, the company has further invested Rs. 300 Lakhs in 30 Lakhs number of 3% Non-Convertible Non-cumulative Redeemable Preference Share of Rs.10/- each fullypaid up ofM/s. Brua Hydrowatt Private Limited.

These Preference shares will have the maximum term of 20 years from the date of allotment (i.e. 21st October, 2014 for first 20,00,000 Preference Shares, 19th November, 2014 for 20,00,000 Preference Shares, 27th November, 2014 for 10,00,000 Preference Shares, 1st December, 2023 for 15,00,000 Preference Shares and 26th February, 2024 for remaining 15,00,000 Preference Shares). However, these preference shares can be redeemed earlier at the option of the Company but not before 3 years from the date of allotment.

8.5 Refer Note no. 45 for information about Fair Value Measurement.

8.6 Refer Note no. 10.2.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

8.7 Particulars of investments as required in terms of section 186 (4) of the Companies Act, 2013, have been disclosed under Note no. 8 above.

**9. Other Non Current Financial Assets** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | | |
| **At Amortised Cost** | | | |
| Security Deposits | | 294.35 | 257.72 |
| Fixed Deposit with bank (having maturity more than one year) | 9.1 | 1.89 | 1.89 |
| | | **296.24** | **259.61** |

**9.1 Includes amount kept as lien against:** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Bank Guarantee/Letter of credit | | 1.89 | 1.89 |
| | | **1.89** | **1.89** |

**10. Other Non-current Assets** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Capital Advances | 10.3 | 945.56 | 1,843.52 |
| **Advances other than capital advances** | | | |
| Advance Tax including Tax Deducted at Source | 10.1 | 466.42 | 378.46 |
| Amount deferred on fair valuation of financial instrument | 10.2 | 1,389.31 | 1,310.52 |
| | | **2,801.29** | **3,532.50** |

10.1 Advance Tax including Tax deducted at Source is net of provision for tax of Rs. 17,995.82 Lakhs (March 31, 2023: Rs. 9,576.95 Lakhs).

10.2 Represents the differential arising on the fair valuation of such financial assets at amortised cost and amortised over the tenure of said financial assets.

10.3 Refer Note no. 16.1.

**11. Inventories** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Raw Materials | 11.1 | 2,686.99 | 3,514.43 |
| Work in Progress | 11.1 | 2,288.01 | 2,239.92 |
| Finished Goods | | 1,119.30 | 625.56 |
| Stores and Spares | 11.1 | 1,863.90 | 1,790.08 |
| Scraps | | 16.90 | 7.75 |
| | | **7,975.10** | **8,177.74** |

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **11.1** Includes goods in transit in respect of | | |
| -Raw Material | - | 8.63 |
| -Work in Progress | 8.27 | 2.69 |
| -Stores and Spares | 7.54 | 1.18 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

11.2 Refer Note no. 19.1 and 23.1 to standalone financial statement in respect of charge created against borrowings.

11.2 The mode of valuation of inventories has been stated in Note no. 3.11.

**12. Current- Trade Receivables** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Unsecured** | | | |
| Considered Good | | 15,296.51 | 20,119.49 |
| Considered Doubtful/Credit Impaired | | 153.13 | 153.13 |
| Less: Impairment Allowances for doubtful trade receivables | 12.2 | (153.13) | (153.13) |
| | | **15,296.51** | **20,119.49** |

**12.1 Trade Receivables ageing schedule based on the due date for payment there against are as follows:**

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Undisputed Trade Receivables - Considered Good** | | |
| -Within the credit period | 12,687.06 | 17,343.73 |
| -Less than 6 Months | 1,498.27 | 1,079.11 |
| -6 months - 1 Year | 382.77 | 528.79 |
| -1-2 Years | 270.80 | 334.13 |
| -2-3 Years | 88.47 | 126.36 |
| -More than 3 Years | 312.47 | 650.70 |

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Undisputed Trade Receivables - Considered Doubtful** | | |
| -Within the credit period | - | - |
| -Less than 6 Months | - | - |
| -6 months - 1 Year | - | - |
| -1-2 Years | - | - |
| -2-3 Years | - | - |
| -More than 3 Years | 153.13 | 153.13 |

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Disputed Trade Receivables - Considered Good** | | |
| -Within the credit period | - | - |
| -Less than 6 Months | - | - |
| -6 months - 1 Year | - | - |
| -1-2 Years | - | - |
| -2-3 Years | - | - |
| -More than 3 Years | 56.67 | 56.67 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**12.2 Movement of Impairment allowances for bad and doubtful trade receivables** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Balance as at the beginning of the year** | | 153.13 | 153.13 |
| Recognised/(Reversed) during the year | | - | - |
| **Balance at the end of the year** | | **153.13** | **153.13** |

12.3 Refer Note no. 19.1 and 23.1 to standalone financial statement in respect of charge created against borrowings.

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

12.5 No trade receivable are due from directors or other officers of the company either severally or jointly with any other person nor due from firms or private companies respectively in which any director is a partner, a director or a member.

**13. Cash and Cash Equivalents**

(As certified by the management) (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Balances with banks** | | | |
| In current account | | 4,630.89 | 897.21 |
| Cash on hand | | 8.12 | 6.31 |
| | | **4,639.01** | **903.52** |

**14. Other Bank Balances** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Fixed deposits with Banks (having maturity of more than 3 months and less than 12 months) | 14.1 | 28,162.35 | 22,589.00 |
| **Earmarked Balances with Bank** | | | |
| Unpaid Dividend | 14.2 | 2.51 | 147.69 |
| | | **28,164.86** | **22,736.69** |

**14.1 Includes amount kept as lien against:** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Bank Guarantee/Letter of credit | | 77.11 | 0.10 |
| Government Authorities | | 1.00 | 1.00 |

14.2 Represents amount credited by Bank with respect to cancelled/unencashed demand draft issued to shareholders in respect of dividend declared.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**15. Current- Other Financial Assets** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | | |
| **At Amortised cost** | | | |
| Security Deposit | | 29.99 | 28.33 |
| | | **29.99** | **28.33** |
| Interest accrued on deposits | | 1,040.47 | 683.14 |
| Advances to Employees | | 17.75 | 19.18 |
| Rent and other receivables | | 42.62 | 15.29 |
| | | **1,130.83** | **745.94** |

**16. Other Current Assets** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Advances other than capital advances** | | | |
| Advances against goods and services | | 844.67 | 1,389.46 |
| Balances with government authorities | | 75.65 | 179.68 |
| Prepaid expenses | | 80.02 | 89.70 |
| Amount deferred on fair valuation of financial instrument | 10.2 | 160.96 | 150.02 |
| Other Advances | 16.2 | 0.60 | 2.49 |
| | | **1,161.90** | **1,811.35** |

16.1 No advances (non-current and current) are due from directors or other officers of the company either severally or jointly with any other person nor due from firms or private companies respectively in which any director is a partner, a director or a member.

16.2 Other Advances include Rs. Nil (March 31, 2023: Rs. 2.43 Lakhs) expenditure in excess of the limit specified under section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR).

**17. Equity Share Capital** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Authorised** | | | |
| 53,00,000 Equity Shares of Rs. 10/- each | | 530.00 | 530.00 |
| (March 31, 2023: 53,00,000 Nos) | | | |
| 20,000 Redeemable Cumulative Preference Shares of Rs. 100/- each | | 20.00 | 20.00 |
| (March 31, 2023: 20,000 Nos) | | | |
| **Issued, Subscribed and Paid-up:** | | | |
| 39,56,433 Equity Shares of Rs. 10/- each | | 395.64 | 395.64 |
| (March 31, 2023: 39,56,433 Nos) | | | |
| | | **395.64** | **395.64** |

17.1 The Company has only one class of issued shares i.e. Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

17.2 There has been no changes/ movements in number of shares outstanding at the beginning and at the end of the reporting period.

17.2.1 The aggregate number of equity shares bought back in immediately preceding last five years ended March 31, 2024: Nil (previous period of five years ended March 31, 2023: 10,99,630 equity shares).

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**17.3 Details of Equity Shareholders holding more than 5% equity shares:** (Rupees In Lakhs)

| Name of Equity Shareholders | Note No. | Number of Equity Shares held | |
|---|---|---|---|
| | | As at March 31, 2024 | As at March 31, 2023 |
| Yashwant Kumar Daga | | 12,36,819 | 12,36,819 |
| Nandini Daga | | 9,70,625 | 9,70,625 |
| Coplama Products Private Limited | | 5,24,600 | 5,24,600 |
| Jalpaiguri Holdings Private Limited | | 6,18,312 | 6,18,312 |

**17.4 Details of Shareholdings by the Promoters are given below:**

| Promoters Name | As at March 31, 2024 | | As at March 31, 2023 | | Percentage Change during the year |
|---|---|---|---|---|---|
| | Number of Shares | % Holding | Number of Shares | % Holding | |
| Yashwant Kumar Daga | 12,36,819 | 31.26% | 12,36,819 | 31.26% | 0.00% |
| Pradip Kumar Daga | - | 0.00% | - | 0.00% | 0.00% |

**18. Other Equity** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Capital Reserve** | | | |
| As per last Balance Sheet | | 35.36 | 35.36 |
| **As at Balance Sheet date** | 18.2 | **35.36** | **35.36** |
| **Capital Redemption Reserve** | | | |
| As per last Balance Sheet | | 134.17 | 134.17 |
| **As at Balance Sheet date** | 18.3 | **134.17** | **134.17** |
| **Retained Earnings** | | | |
| As per last Balance Sheet | | 55,235.59 | 43,878.90 |
| Profit for the year | | 11,897.09 | 11,756.98 |
| Transfer from Other Comprehensive Income | | (28.73) | (4.65) |
| Less: Final Dividend | | (395.64) | (395.64) |
| **As at Balance Sheet date** | 18.4 | **66,708.31** | **55,235.59** |
| **Other Comprehensive Income** | | | |
| **Re-measurement of defined benefit plan** | | | |
| As per last Balance Sheet | | - | - |
| Other Comprehensive Income for the year | | (28.73) | (4.65) |
| Transfer to retained earnings | | 28.73 | 4.65 |
| **As at Balance Sheet date** | 18.5 | **-** | **-** |
| | | **66,877.84** | **55,405.12** |

**Note**

18.1 Refer Standalone Statement of Changes in Equity for movement in balances of reserves.

**18.2 Capital Reserve** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Government Grant Received | | 35.36 | 35.36 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**18.3 Capital Redemption Reserve**

Capital Redemption Reserve has been created consequent to buy back of equity shares. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

**18.4 Retained Earnings**

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the company. This includes Other Comprehensive Income of Rs. (39.81 Lakhs) (March 31, 2023: Rs. (11.08 Lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss. This also includes Rs. 77.42 Lakhs (March 31, 2023: Rs. 77.42 Lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment on account of fair valuation in earlier years and taken as deemed cost on the date of transition.

**18.5 Other Comprehensive Income**

Other Comprehensive Income represents gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note no. 18.4 above.

**18.6 Dividend**

Subsequent to the Balance Sheet date, the Board of Directors has recommended a dividend of Rs. 10/- per Share to be paid on fully paid Equity Shares in respect of the Financial Year ended March 31, 2024. This Equity dividend is subject to approval by Shareholders at the ensuing Annual General Meeting and has not been recognised as a Liability in these Standalone Financial Statements. The total estimated Equity dividend to be paid is Rs. 395.64 Lakhs.

**19. Borrowings** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| | | Non Current | Current | Non Current | Current |
| **At Amortised Cost** | | | | | |
| **Secured** | | | | | |
| From Banks | | | | | |
| -Term Loan | | - | - | - | 199.99 |
| -Guranteed Emergency Credit Line (GECL 2.0) | 19.1 | 66.67 | 400.00 | 466.52 | 400.00 |
| -Vehicle Loan | 19.2 | - | 2.68 | 2.68 | 14.30 |
| | | **66.67** | **402.68** | **469.20** | **614.29** |

19.1 GECL 2.0 facility is part of Working Capital requirement. It is provided to augment net working capital, meet operating liabilities consequent to impact due to Covid-19. It is secured by extension of charge (Pari-pasu second charge) on existing primary security for working capital limits and collaterally secured by extension of charges (Pari-pasu second charge) on the existing collateral Security for working capital. Rate of interest being 1% above 6 months MCLR and is repayable at unamortised cost as follows:

| Financial Year | Amount in Lakhs |
|---|---|
| 2024-2025 | 400.00 |
| 2025-2026 | 66.67 |
| **Total** | **466.67** |

19.2 Secured by hypothecation of vehicles acquired there against. Rate of interest is 9.85% and is repayable at unamortised cost as follows:

| Financial Year | Amount in Lakhs |
|---|---|
| 2024-2025 | 2.68 |
| **Total** | **2.68** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

19.3 As available from web page of Ministry of Corporate Affairs, charges against assets in respect of secured loans taken have been registered with ROC. However, in cases of certain vehicles acquired through financing arrangements in the year 2018 -2019, such charges have not been registered with ROC. Amount outstanding in this respect is Rs. Nil (March 31, 2023: Rs. 5.38 Lakhs) and the same has been repaid during the year.

The Company has a system of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

19.4 The borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken inearlier year, those were applied in the respective year for the purpose for which the loans were obtained.

**20. Other Non-Current Financial Liabilities** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **At Amortised Cost** | | | |
| External Development Charges | | 400.28 | 400.28 |
| | | **400.28** | **400.28** |

**21. Non Current Provisions** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Provision for employee benefits | 44 | 247.59 | 204.75 |
| | | **247.59** | **204.75** |

**22. Deferred Tax Liabilities**

The following is the analysis of Deferred Tax Assets/(Liabilities) presented in the Standalone Balance Sheet:

(Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Deferred tax assets | | 86.30 | 88.97 |
| Deferred tax liabilities | | (423.79) | (610.58) |
| **Net Deferred Tax Assets/(Liabilities)** | | **(337.49)** | **(521.61)** |

**22.1 Components of Deferred Tax Liabilities/(Assets) as at March 31, 2024 are given below:**

(Rupees In Lakhs)

| Particulars | As at April 1, 2023 | Charge/ (Credit) recognised in statement of Profit and loss | Charge/ (Credit) recognised in other comprehensive income | As at March 31, 2024 |
|---|---|---|---|---|
| **Deferred Tax Assets:** | | | | |
| Expenses allowed on payment basis | 88.97 | 2.67 | - | 86.30 |
| **Total Deferred Tax Assets** | **88.97** | **2.67** | **-** | **86.30** |
| **Deferred Tax Liabilities:** | | | | |
| Timing difference with respect to Property, Plant and Equipment and Intangible assets | 572.21 | (190.82) | - | 381.39 |
| Fair valuation of financial assets and financial liabilities | 29.51 | 13.69 | - | 43.20 |
| Remeasurement of defined benefit obligations | 8.86 | - | (9.66) | (0.80) |
| **Total Deferred Tax Liabilities** | **610.58** | **(177.13)** | **(9.66)** | **423.79** |
| **Net Deferred Tax Liabilities/(Assets)** | **521.61** | **(174.46)** | **(9.66)** | **337.49** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**22.2 Components of Deferred Tax Liabilities/(Assets) as at March 31, 2023 are given below:**

(Rupees In Lakhs)

| Particulars | As at April 1, 2022 | Charge/ (Credit) recognised in statement of Profit and loss | Charge/ (Credit) recognised in other comprehensive income | As at March 31, 2023 |
|---|---|---|---|---|
| **Deferred Tax Assets:** | | | | |
| Expenses allowed on payment basis | 89.93 | 0.96 | - | 88.97 |
| **Total Deferred Tax Assets** | **89.93** | **0.96** | **-** | **88.97** |
| **Deferred Tax Liabilities:** | | | | |
| Timing difference with respect to Property, Plant and Equipment and Intangible assets | 760.03 | (187.82) | - | 572.21 |
| Fair valuation of financial assets and financial liabilities | 28.30 | 1.21 | - | 29.51 |
| Remeasurement of defined benefit obligations | 10.42 | - | (1.56) | 8.86 |
| **Total Deferred Tax Liabilities** | **798.75** | **(186.61)** | **(1.56)** | **610.58** |
| **Net Deferred Tax Liabilities/(Assets)** | **708.82** | **(185.65)** | **(1.56)** | **521.61** |

**23. CURRENT BORROWINGS**

(Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Secured** | | | |
| **From Banks** | | | |
| Working Capital Loan Repayable on demand | 23.1 | 6,063.13 | 7,742.34 |
| Current maturities of Long-term debt | 19 | 400.00 | 599.99 |
| Current maturities of Vehicle Loan | 19 | 2.68 | 14.30 |
| | | **6,465.81** | **8,356.63** |

23.1 Secured on 1st hypothecation charge on pari-passu basis by way of entire current assets includingStocks and Receivables of the company and is collaterally secured on 1st pari-passu basis by way of hypothecation on the entire plant and machinery of the company (both existing and future) and also hypothecation on all mortgaged immovable properties (factory land and building) of the company located at Kolkata, Faridabad and Rudrapur.

23.2 Also refer Note no. 19.3 for status of filing and satifaction of charges with ROC.

23.3 In respect of the Company's borrowings on the basis of securities of Current Assets, quarterly statements filed with the banks are in agreement with the unaudited books of accounts of the company.

**24. Trade Payables**

(Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Total outstanding dues of micro enterprise and small enterprises | 24.1 | 696.78 | 740.93 |
| Total outstanding dues of creditors other than micro enterprise and small enterprises | 24.2 | 3,525.94 | 5,438.79 |
| | | **4,222.72** | **6,179.72** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

24.1 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given below:

(Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | | 696.78 | 740.93 |
| (b) The amount of the interest paid by the buyer in terms of section 16 of MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | | - | - |
| (c) The amount of the interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | | - | - |
| (d) The amount of Interest accrued and remaining unpaid at the end of each accounting year. | | - | 19.03 |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED, Act 2006. | | - | - |

24.2 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.

**24.3 Trade Payable ageing schedule based on the outstanding based on the period from date of payment are as follows:**

(Rupees In Lakhs)

| Undisputed - Non MSME | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within credit period | 3,112.87 | 4,321.68 |
| Less than 1 year | 303.97 | 705.19 |
| 1-2 years | 71.10 | 147.02 |
| 2-3 years | 17.64 | 24.31 |
| More than 3 years | 20.36 | 240.59 |

(Rupees In Lakhs)

| Undisputed - MSME | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within credit period | 696.78 | 457.82 |
| Less than 1 year | - | 283.11 |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**25. Current- Other Financial Liabilities** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Financial Liabilities at amortised cost** | | | |
| Security Deposit | | 83.92 | 25.81 |
| **Liability for capital goods** | | | |
| Total outstanding dues of micro enterprise and small enterprises | 25.1 | - | - |
| Total outstanding dues of Creditors other than micro enterprise and small enterprises | | 228.93 | 228.37 |
| Liability relating to employees | | 477.37 | 684.81 |
| Liability relating to Others | | 69.73 | 88.14 |
| Unpaid/unclaimed Dividend | 25.3 | 2.51 | 147.69 |
| Interest Accrued | 25.2 | 36.86 | 41.20 |
| | | **899.32** | **1,216.02** |

25.1 To the extent of information available to the company, there are no outstanding balances with suppliers for capital goods as defined under "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

25.2 Includes interest accrued Rs. Nil (March 31, 2023: Rs. 19.03 Lakhs) on delayed payment to suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

25.3 The amount required to be transferred to the Investor Educationand Protection Fund has been transferred within prescribed time limit as required under Companies Act, 2013.

**26. Current- Other Liabilities** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Statutory dues (includes Goods and Services Tax, Provident Fund, Employees State Insurance, Tax Deducted at Source, etc.) | | 372.33 | 1,002.42 |
| Payable to PF Trust Fund | | 5.64 | 1.60 |
| Advances from Customers | 26.1 | 767.68 | 1,289.10 |
| Deferred Government Grant | 26.2 | 79.14 | 221.07 |
| Others | | 57.00 | 57.00 |
| | | **1,281.79** | **2,571.19** |

26.1 Contract Balances

Advance from customers is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards products or services to be provided in future periods. Revenue is recognised once the performance obligation is met i.e., once the control over a product or service has been transferred to the customer.

**26.2 Details of Deferred Government Grant are as follows:** (Rupees In Lakhs)

| Particulars | Duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment | |
|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 |
| **As at the beginning of the year** | **221.07** | **309.85** |
| Add: Received during the year | - | - |
| Less: Transfer to Statement of Profit and Loss | 141.93 | 88.78 |
| **As at the end of the year** | **79.14** | **221.07** |

The above relates to export obligation/commitment of Rs. 562.96 Lakhs (March 31, 2023: Rs. 1,525.40 Lakhs) to be completed before the expiry of the time stipulated under the scheme. The amount of the Deferred Government Grant is adjusted to the Standalone Statement of Profit and Loss in proportion to the export obligation being completed on year to year basis.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**27. Provisions** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Provision for employee benefits | 44 | 206.57 | 173.98 |
| | | **206.57** | **173.98** |

**28. Current Tax Liabilities** (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Provisions for Income Tax | 28.1 | 12.39 | 251.94 |
| | | **12.39** | **251.94** |

28.1 Provision for Income Tax is net of Advance Tax including Tax deducted at Source of Rs. 6,258.70 Lakhs (March 31, 2023: Rs. 10,253.71 Lakhs).

**29(i).Revenue From Operations** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Sale of Products | | 75,748.67 | 78,453.77 |
| **Other Operating Revenue** | | | |
| Sale of Scrap | | 1,166.30 | 1,393.98 |
| Sale of Service | | 166.47 | 202.86 |
| Export Incentives | 29(i).2 | 177.69 | 108.97 |
| | | **77,259.13** | **80,159.58** |

**29(i). 1 Disaggregation of Revenue**

**Revenue based on Business Segment** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Automobile gears | 66,186.12 | 69,918.19 |
| Industrial gears | 10,887.13 | 9,962.89 |
| Solar power | 185.88 | 278.50 |
| **Total** | **77,259.13** | **80,159.58** |

**Revenue based on Geography** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Domestic | 75,617.14 | 79,371.35 |
| Export | 1,641.99 | 788.23 |
| **Total** | **77,259.13** | **80,159.58** |

**29 (i). 2** Includes Rs. 141.93 Lakhs (March 31, 2023: Rs. 88.78 Lakhs) in respect of Export incentives under EPCG Scheme (refer note 26.2)

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**29 (ii). Other Income** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Interest Income | | | |
| On Bank Deposits and others | | 2,191.34 | 1,358.00 |
| On Financial assets measured at amortised costs | | 192.73 | 99.31 |
| **Other non-operating income (net of expenses directly attributable to such income)** | | | |
| Profit on sale of Property, Plant and Equipment (net) | | 5.73 | 42.47 |
| Liabilities and Unclaimed Balances written back | | 255.97 | 186.81 |
| Gain on Foreign Currency transactions and translations | | 12.87 | 20.14 |
| Rent income | 29(ii).1 | 2.06 | 1.60 |
| Miscellaneous Income | | 165.62 | 152.25 |
| | | **2,826.32** | **1,860.58** |

29 (ii). 1 The Company has certain operating lease arrangements for residential and office accomodation. Income earned on account of rent during the year has been recognized in the Standalone Statement of Profit and Loss amounting to Rs. 2.06 Lakhs (March 31, 2023: Rs. 1.60 Lakhs).

**30. Cost of Materials Consumed** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Opening Inventories | | 3,514.43 | 3,961.58 |
| Add: Purchase | | 35,547.42 | 37,119.75 |
| | | 39,061.85 | 41,081.33 |
| Less: Closing Inventories | | 2,686.99 | 3,514.43 |
| | | **36,374.86** | **37,566.90** |

**31. Changes in Inventories of finished goods, Stock-in-Trade and work-in-progress** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Opening Stock** | | | |
| Finished Goods | | 625.56 | 674.57 |
| Work in Progress | | 2,239.92 | 2,703.95 |
| Scrap | | 7.75 | 15.81 |
| | | **2,873.23** | **3,394.33** |
| **Less: Closing Stock** | | | |
| Finished Goods | | 1,119.30 | 625.56 |
| Work in Progress | | 2,288.01 | 2,239.92 |
| Scrap | | 16.90 | 7.75 |
| | | **3,424.21** | **2,873.23** |
| **(Increase)/Decrease in Inventories of finished goods, Stock-in-Trade and work-in-progress** | | **(550.98)** | **521.10** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**32. Employee Benefits Expense** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Salaries andWages | | 7,808.82 | 7,245.57 |
| Contribution to Provident and Other Funds | 44 | 370.50 | 365.71 |
| Staff Welfare Expenses | | 319.96 | 262.03 |
| | | **8,499.28** | **7,873.31** |

**33. Finance Costs** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Interest expense | | 587.05 | 581.20 |
| Interest expense on delayed payment of Income Tax | | 22.73 | - |
| Interest Expense on Finance Lease | | 2.61 | 1.67 |
| Other Borrowing Costs | | 34.89 | 23.48 |
| | | **647.28** | **606.35** |

**34. Depreciation and amortisation expenses** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Depreciation on Property, Plant and Equipment (including Right-of-use Assets) | 5 | 2,658.12 | 2,683.99 |
| Amortisation on Intangible assets | 7 | 8.73 | 4.76 |
| | | **2,666.85** | **2,688.75** |

**35. Other Expenses** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Consumption of Stores, Spare Parts and Packing Materials | | 5,025.12 | 5,261.36 |
| Power and Fuel | | 3,388.44 | 3,436.32 |
| Job Charges | | 2,984.58 | 2,913.99 |
| Repairs and Maintenance to Buildings | | 146.67 | 182.92 |
| Repairs and Maintenance to Machinery | | 1,407.22 | 1,649.48 |
| Brokerage and Commission on Sales | | 130.02 | 58.70 |
| Transport and Forwarding Expenses | | 903.68 | 1,111.74 |
| Rent | 36 | 54.97 | 73.39 |
| Director Fees and Commission | | 30.65 | 21.40 |
| Donation | | 30.00 | 30.00 |
| Auditors' Remuneration | 35.1 | 14.35 | 14.35 |
| Bad Debt | | 362.91 | 108.89 |
| Amortisation of deferred portion of Financial instruments | | 152.14 | 86.03 |
| Sundry Balances Written Off | | 3.09 | 24.45 |
| Miscellaneous Expenses | 35.2 | 1,915.72 | 2,001.18 |
| | | **16,549.56** | **16,974.20** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**35.1 Details of Auditors' Remuneration:** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Audit Fees | | 12.10 | 12.10 |
| Certification and other services | | 2.25 | 2.25 |
| | | **14.35** | **14.35** |

35.2 Includes Rs. 226.55 Lakhs (March 31, 2023: 160.75 Lakhs) on account of Corporate Social Responsibility (CSR). Gross amount required to be spent by the company during the year Rs. 226.55 Lakhs (March 31, 2023: Rs. 160.75 Lakhs).

35.2.1 Company has carried forward of amount on account of excess expenses made in the year 2022-2023 of Rs. 2.43 Lakhs which has been considered as utilised for the current year.

**Details of amount spent:** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Amount required to be spent during the year | 226.55 | 160.75 |
| Add: Balance of unspent amount of earlier years | - | 25.50 |
| Utilisation of excess spent amount carried forward | 2.43 | - |
| Balance amount required to be spent during the year | 224.12 | 186.25 |
| Amount spent during the year | 224.12 | 188.68 |
| Total Amount considered as amount spent during the year | 226.55 | 160.75 |
| Excess amount spent during the year | - | 2.43 |
| - Amount to be carried forward (refer Note no. 16) | - | 2.43 |

**35.2.2 The breakup of CSR expenditure under various heads of expenses incurred is as below:**

(Rupees In Lakhs)

| CSR Expenses | For the year ended March 31, 2024 | | | For the year ended March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Amount spent | Amount provided for | Total | Amount spent | Amount provided for | Total |
| (i) Health Care and Sanitation | 126.39 | - | **126.39** | 101.08 | - | 101.08 |
| (ii) Education and Skill Development | 40.66 | - | **40.66** | 52.50 | - | 52.50 |
| (iii) Civil Welfare | 32.43 | - | **32.43** | - | - | - |
| (iv) Environment and Animal Welfare | 4.98 | - | **4.98** | 9.60 | - | 9.60 |
| (v) Sports | 5.50 | - | **5.50** | - | - | - |
| (vi) Contribution to PM CARES fund | 14.16 | - | **14.16** | - | - | - |
| **Total (Refer Note no. 35.2.2.1)** | **224.12** | - | **224.12** | **163.18** | - | **163.18** |

35.2.2.1 Includes Rs. Nil (March 31, 2023: Rs. 2.43 Lakhs) being excess amount spent during the year and shown as other advances under Note no. 16.2.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**35.2.3 Amount spent during the year on:** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | | | For the year ended March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Paid | Yet to be paid | Total | Paid | Yet to be paid | Total |
| i) Construction/acquisition of any assets | 145.91 | - | 145.91 | 73.04 | - | 73.04 |
| ii) On purpose other than (i) above (Refer Note no. 35.2.3.1) | 78.21 | - | 78.21 | 115.64 | - | 115.64 |

**35.2.3.1** Includes Rs. Nil (March 31, 2023: Rs. 25.50 Lakhs) incurred pertaining to earlier years and also includes Rs. Nil (March 31, 2023: Rs. 2.43 Lakhs) being excess amount spent during the year and shown as other advances under Note no. 16.2.

**36.** Disclosures regarding leases as per IND AS -116 "Leases

Treatment of Leases as per Ind AS 116 :

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company has applied the following practical expedients on initial application of Ind AS 116:

a) Applied a single discount rate to a portfolio of leas es of similar assets in similar economic environ ment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabili ties for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e) The weighted average incremental borrowing rate applied to leases recognised during FY 2023-24 is 8.56%.

(i) Nature of lease: The Company's significant leasing arrangements is in respect of Land and Premises for offices on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(ii) The Company has incurred Rs. 54.97 Lakhs and Rs. 73.39 Lakhs for the year ended March 31, 2024 and March 31, 2023 respectively towards rental expenses relating to short term leases and leases of low value assets. The total cash outflow for leases is Rs. 54.97 Lakhs and Rs. 73.39 Lakhs for the year ended March 31, 2024 and March 31, 2023 respectively.

(iii) Movement in lease liabilities during the year: (Rupees In Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening Balance | 24.36 | 15.12 |
| Additions in lease liabilities | 40.72 | 19.80 |
| Finance cost accrued during the year | 2.61 | 1.67 |
| Less: Payment of lease liabilities | (19.19) | (12.23) |
| **Closing Balance** | **48.50** | **24.36** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Rupees In Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Not later than one year | 20.19 | 13.46 |
| Later than one year and not later than five years | 34.09 | 11.93 |
| Later than five years | 12.79 | 12.98 |

(v) Lease Liabilities (Rupees In Lakhs)

| Particulars | Note No. | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| | | Non-Current | Current | Non-Current | Current |
| Lease Liabilities | | 30.47 | 18.03 | 12.99 | 11.37 |
| **Total** | | **30.47** | **18.03** | **12.99** | **11.37** |

**37. Tax Expenses** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Current Tax** | | |
| In respect of Current Year | 4,177.96 | 4,218.22 |
| In respect of Earlier Year | (1.99) | - |
| **Total Current tax expense recognised in the current year** | **4,175.97** | **4,218.22** |
| **Deferred Tax** | | |
| In respect of the current year | (174.46) | (185.65) |
| **Total Deferred tax expense recognised in the current year** | **(174.46)** | **(185.65)** |
| **Total Tax expense recognised in the Statement of Profit and Loss** | **4,001.51** | **4,032.57** |

**37.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Profit before tax** | 15,898.60 | 15,789.55 |
| Income tax expense calculated at 25.168% as applicable for corporate entities on taxable profits under the Indian tax laws. | 4,001.36 | 3,973.91 |
| **Add: Effect of Expenses that are not deductible in determining Taxable Profit** | | |
| Expenses not allowed for Tax Purposes | 57.02 | 40.45 |
| Effect of other adjustments | (56.87) | 18.21 |
| **Income tax expense recognised in the statement ofprofit and loss** | **4,001.51** | **4,032.57** |

The tax rate used for reconciliations above is the corporate tax rate of 22% plus applicable surcharge and cess etc. payable by corporate entities in India on taxable profits under the Indian tax laws.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**37.2 Income tax recognized in Other Comprehensive income** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Deferred tax charge on:** | | |
| Remeasurement gains of defined benefit obligation | (9.66) | (1.56) |
| **Income tax recognized in Other Comprehensive income** | **(9.66)** | **(1.56)** |
| **Bifurcation of the income tax recognized in Other comprehensive income into:** | | |
| Items that will be reclassified to profit or loss | - | - |
| Items that will not be reclassified to profit or loss | **(9.66)** | **(1.56)** |

**37.3 Components of Other Comprehensive Income** (Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Items that will not be reclassified to statement of profit or loss** | | |
| Remeasurement of defined benefit obligation (net of tax) | (28.73) | (4.65) |
| | **(28.73)** | **(4.65)** |

**38. Contingent Liabilities and Commitments (to the extent not provided for)**

**Contingent Liabilities** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Claims against the Company not acknowledged as Debt** | | | |
| Various show cause notices/demands issued/raised (including interest to the extent ascertained) pending before at different levels of appeal. These matter in the opinion of the management are not tenable. | | | |
| Central Excise/Service Tax/Sales tax matter under appeal- Disallowances of Input Tax credits.<br>(Amount paid under protest - Rs. 2,00,000 (March 31, 2023: Rs. 2,00,000)) | | 4.19 | 4.19 |
| Income Tax matters under appeal- Short allowances ofclaims under Section 80 IC, MAT Credits, accomodation entriesand other disallowances contested by the Company (Amount paid under protest - Rs. 115.48 Lakhs (March 31, 2023: 218.23 Lakhs)) | | 317.61 | 392.52 |
| Interest on External Development Charges | | 37.26 | 34.21 |
| Other Claims not acknowledged as debt | | 23.06 | 23.06 |

38.1 The Company's pending litigation comprises of claim against the Company and proceeding pending tax/ statutory/Government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Financial Statements. The Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgements/ decisions.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**Capital and Other Commitments** (Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Capital Commitment:** Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of Rs. 945.56 Lakhs (March 31, 2023: Rs. 1,843.52 Lakhs) | | 800.25 | 2,729.25 |
| **Other Commitment:** Future export obligation/commitments under import of capital goods at concessional rate of Custom Duty. | | 562.96 | 1,525.40 |

**39. Contingent Assets**

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

**40. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:**

**(A) Names of related parties and nature of relationship**

**(i) Entity over which control exists:**

(a) Lotus Auto Engineering Limited

**(ii) Key Managerial Personnel and their relatives**

(a) Pradip Kumar Daga- Chairman cum Managing Director - upto 15th December, 2023 and thereafter with effect from 3rd Februrary, 2024 designated as Chairman Emeritus

(b) Yashwant Kumar Daga - Vice-Chairman cum Joint Managing Director - upto 2nd February, 2024

- Chairman cum Managing Director- with effect from 3rd February, 2024

(c) Anand Prasad Agarwalla- Independent Director

(d) Meera Dokania- Independent Director - upto 22nd May, 2022- Non independent Director - with effect from 23rd May, 2022

(e) Sujit Chakravorti-Independent Director

(f) Ganapathy Anantha Narayanan-Independent Director

(g) Niraj Agarwala-Relative of the Director

(h) Amritesh Daga -Relative of the Director

**(iii) Entities over which any person decribed in (ii) above is able to exercise significant influence and with whom the Company has transaction during the year**

(a) Deepak Spinners Limited

(b) Brua Hydrowatts Private Limited

(c) Coplama Products Private Limited

(d) Bansidhar Daga Foundation - Trust

(e) Daga Seva Nidhi - Trust

(f) Merlin Holdings Private Limited

**(iv) Post Employment Benefit Plan**

(a) Deepak Industries Provident Fund

(b) Deepak Industries Gratuity Fund

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**(v) Aggregate amount of transactions with related parties:** (Rupees In Lakhs)

| Nature of Transaction | Note No. | Name of Related Party | For the year endedMarch 31, 2024 | For the year endedMarch 31, 2023 |
|---|---|---|---|---|
| **(a) Remuneration (included in Employee Benefits Expense)** | | Yashwant Kumar Daga | 236.25 | 210.00 |
| **(b) Sitting Fees** | | Anand Prasad Agarwalla | 2.30 | 2.55 |
| | | Meera Dokania | 1.10 | 1.80 |
| | | Sujit Chakravorti | 1.40 | 1.45 |
| | | Ganpathy Anantha Narayanan | 1.85 | 1.60 |
| **(c) Commission** | | Anand Prasad Agarwalla | 6.00 | 3.50 |
| | | Meera Dokania | 6.00 | 3.50 |
| | | Sujit Chakravorti | 6.00 | 3.50 |
| | | Ganapathy Anantha Narayanan | 6.00 | 3.50 |
| **(d) Professional Fees** | | Anand Prasad Agarwalla | 1.79 | 0.68 |
| | | Niraj Agarwala | 0.35 | 0.11 |
| | | Amritesh Daga | 12.00 | 6.00 |
| **(e) Sales of solar power** | | Deepak Spinners Limited | 169.19 | 134.72 |
| **(f) Sale of Fixed Assets** | | Contransys Private Limited | 1.00 | - |
| **(g) Office Expenses (Rent, Telephone, Electricity, etc.)** | | Coplama Products Private Limited | 1.69 | 1.82 |
| | | Merlin Holdings Private Limited | 6.75 | - |
| **(h) Contribution to Employees Provident Fund Trust** | | Deepak Industries Provident Fund | 6.70 | 2.01 |
| **(i) Contribution to Gratuity Trust** | | Deepak Industries Gratuity Fund | 93.63 | 57.37 |
| **(j) Club Membership Fees** | | Yashwant Kumar Daga | 1.77 | 3.54 |
| | | Pradip Kumar Daga | 0.30 | 0.21 |
| **(k) Donation** | | Bansidhar Daga Foundation | 15.00 | 15.00 |
| | | Daga Seva Nidhi | 15.00 | 15.00 |
| **(l) Medical Insurance Premium** | | Yashwant Kumar Daga | 11.74 | 8.88 |
| **(m) Adjustment of advances to Equity Shares** | | Lotus Auto Engineering Limited | - | 436.00 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| Nature of Transaction | Note No. | Name of Related Party | For the year endedMarch 31, 2024 | For the year endedMarch 31, 2023 |
|---|---|---|---|---|
| **(n) Adjustment of advances to Zero Coupon Secured Optionally Fully Convertible Debentures** | | Lotus Auto Engineering Limited | - | 3,364.00 |
| **(o) Repayment of advance - Other current liabilities (Note no. 26)** | | Lotus Auto Engineering Limited | - | 545.00 |
| **(p) Investment in 3%Non Cumulative non Convertible Redeemable Preference Share** | | Brua Hydrowatts Private Limited | 300.00 | - |
| **(q) Rent Received** | | Coplama Products Private Limited | 0.03 | - |
| | | Contransys Private Limited | 0.07 | - |
| | | Jalpaiguri Holdings Private Limited | 0.03 | - |
| | | Longview Tea Company Limited | 0.04 | |
| | | Lotus Auto Engineering Limited | 0.04 | - |

**(vi) Balance of related parties are as follows:** (Rupees In Lakhs)

| Nature of Transaction | Note No. | Name of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **(a) Closing value of Investment in Non Cumulative non Convertible Redeemable Preference Share** | 40(A) (viii) | Brua Hydrowatts Private Limited | 227.06 | 151.87 |
| **(b) Closing value of Investment in Zero Coupon Secured Optionally Fully Convertible Debentures** | 40(A)(ix) | Lotus Auto Engineering Limited | 2,352.06 | 2,177.83 |
| **(c) Closing value of Investment in Equity Shares** | | Lotus Auto Engineering Limited | 436.00 | 436.00 |
| **(d) Balance Receivable** | | Deepak Spinners Limited | 14.16 | 18.43 |
| | | Lotus Auto Engineering Limited | 0.05 | - |
| **(e) Balance Payable** | | Anand Prasad Agarwalla | 6.00 | 3.50 |
| | | Meera Dokania | 6.00 | 3.50 |
| | | Sujit Chakraborty | 6.00 | 3.50 |
| | | Ganapathy Anantha Narayanan | 6.00 | 3.50 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

| | | | | |
|---|---|---|---|---|
| **(f) Payables to Trust created for Post Employment Benefit Plans** | | Deepak Industries Provident Fund | 5.64 | 1.60 |
| | | Deepak Industries Gratuity Fund | 136.98 | 93.63 |
| **(vii) The remuneration of directors and other members of key manegement personnel during the year are as follows:** | | | | |
| Short–term employee benefits | | | 236.25 | 210.00 |
| Post–employment benefits* | | | - | - |

*Excluding contribution to gratuity and provident fund

(viii) The Company has made investments of Rs. 800 Lakhs (March 31, 2023: Rs. 500.00 Lakhs ) in 3% Non-Convertible Non-cumulative Redeemable Preference Share which as required in term of Ind AS 109 "Financial Instruments" have been fair valued to Rs. 227.06 Lakhs (March 31, 2023: Rs. 151.87 Lakhs) and corresponding effect have been shown as amount deferred on fair valuation of financial instruments under other Non current and current assets.

(ix) The Company has made investments of Rs. 3,364.00 Lakhs in Zero Coupon Secured Optionally Fully Convertible Debentureswhich as required in term of Ind AS 109 "Financial Instruments" have been fair valued to Rs. 2,352.06 Lakhs (March 31, 2023: Rs. 2177.83) and corresponding effect have been shown as amount deferred on fair valuation of financial instruments under other Non current and current assets.

**(B) Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2024, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2023 Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 41. Segment Information

### 41.1 Basis for segmentation

The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the business segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Company has identified three business segments viz. Automobile Gears, Industrial Gears and Solar Power and presented the same in the Standalone Financial Statements on a consistent basis. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represents assets and liabilities of respective segments. Investments, Tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

| Reportable Segment | Description of products/services |
|---|---|
| Automobile Gears and components | The segment is engaged in manufacturing of tractor and Automobile gears and Shaft, Moped/Motor Cycle parts. |
| Industrial Gears and components | The segment is engaged in manufacturing of helical gears, worm gear boxes and geared motors. |
| Solar Power | The segment is engaged in generation and distribution of electricity. |

**41.2 Information about reportable segments**

The following is an analysis of revenue and results from operations by reportable segments:

(Rupees In Lakhs)

| Particulars | Automobile Gear and components | | Industrial Gears and components | | Solar Power | | Unallocated Amounts | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| **Revenue** | | | | | | | | | | |
| Sale and services to external customer | 66,186.12 | 69,918.19 | 10,887.13 | 9,962.89 | 185.88 | 278.50 | - | - | 77,259.13 | 80,159.58 |
| Revenue from Operations (Gross) | 66,186.12 | 69,918.19 | 10,887.13 | 9,962.89 | 185.88 | 278.50 | - | - | 77,259.13 | 80,159.58 |
| **Segment Results** | **12,269.35** | **14,095.80** | **1,347.47** | **434.90** | **(123.81)** | **(232.96)** | **-** | **-** | **13,493.01** | **14,297.74** |
| Unallocated Corporate Expenses (Net of unallocable income) | - | - | - | - | - | - | (2,428.94) | (1,492.37) | (2,428.94) | (1,492.37) |
| Finance Costs | - | - | - | - | - | - | 23.35 | 0.56 | 23.35 | 0.56 |
| **Profit(Loss) Before Tax** | **12,269.35** | **14,095.80** | **1,347.47** | **434.90** | **(123.81)** | **(232.96)** | **2,405.59** | **1,491.81** | **15,898.60** | **15,789.55** |
| Tax Expenses | - | - | - | - | - | - | 4,001.51 | 4,032.57 | 4,001.51 | 4,032.57 |
| **Profit(Loss) After Tax** | **12,269.35** | **14,095.80** | **1,347.47** | **434.90** | **(123.81)** | **(232.96)** | **(1,595.92)** | **(2,540.76)** | **11,897.09** | **11,756.98** |
| Segment Assets | 37,979.76 | 38,428.68 | 7,919.89 | 9,439.46 | 295.96 | 562.29 | - | - | 46,195.61 | 48,430.43 |
| Unallocated Corporate Assets | - | - | - | - | - | - | 35,267.00 | 27,740.01 | 35,267.00 | 27,740.01 |
| **Total Assets** | **37,979.76** | **38,428.68** | **7,919.89** | **9,439.46** | **295.96** | **562.29** | **35,267.00** | **27,740.01** | **81,462.61** | **76,170.44** |
| Segment Liabilities | 5,046.25 | 6,897.21 | 8,468.61 | 12,240.70 | 222.36 | 216.67 | - | - | 13,737.22 | 19,354.58 |
| Unallocated Corporate Liabilities | - | - | - | - | - | - | 451.91 | 1,015.10 | 451.91 | 1,015.10 |
| **Total Liabilities** | 5,046.25 | **6,897.21** | 8,468.61 | **12,240.70** | 222.36 | **216.67** | 451.91 | **1,015.10** | **14,189.13** | **20,369.68** |
| | | | | | | | | | | |
| Capital Expenditure | 3,587.18 | 1,490.40 | 953.19 | 326.82 | - | - | - | - | 4,540.37 | 1,817.22 |
| Depreciation/ Amortisation | 2,215.26 | 2,067.36 | 192.06 | 231.69 | 259.01 | 389.04 | 0.52 | 0.66 | 2,666.85 | 2,688.75 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

Finance income and fair value gains and losses on financial instruments are not allocated to individual segments as the underlying instruments are managed at company level. Current Taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level.

Capital Expenditure consists of addition to Property, Plant and Equipment including Right of use assets, Capital Work In Progress and Intangible assets.

**41.3 Geographical Information** (Rupees In Lakhs)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **Revenue by Geographical market** | | |
| Sale of Products and Services | | |
| - Domestic | 75,617.14 | 79,371.35 |
| - Export | 1,641.99 | 788.23 |
| **Total** | **77,259.13** | **80,159.58** |
| **Assets** | | |
| Trade Receivable (Net of Impairment allowances for bad and doubtful trade receivables) | | |
| - Within India | 14,595.57 | 19,335.67 |
| - Outside India | 700.94 | 783.82 |
| **Total** | **15,296.51** | **20,119.49** |

**41.4 Information about major customers**

Revenue in respect of automobile gear include sale to two public companies and one private company (March 31, 2023: four public companies) pertaining to the automobile sector which account for more than 10% in each case and Rs. 42,193.57 Lakhs (March 31, 2023: Rs. 54,016.70 Lakhs) in aggregate of the total revenue of the company.

**42. Calculation of Earning Per Share (EPS) is as follows:** (Rupees In Lakhs)

| Particulars | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (Rs. In Lakhs) | | 11,897.09 | 11,756.98 |
| **Net profit for basic and diluted earnings per share (Rs. In Lakhs)** | (a) | **11,897.09** | **11,756.98** |
| **Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)** | | | |
| No. of equity shares outstanding as on | | 39,56,433 | 39,56,433 |
| Weighted average number of equity shares considered in calculating basic and diluted EPS | (b) | **39,56,433** | **39,56,433** |
| **Earnings per share (EPS) of Equity Share of Rs. 10 each:** | | | |
| Basic and Diluted (a/b) (Rs.) | | 300.70 | 297.16 |

**43.** In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.

**44. Post Retirement Employee Benefits**

The disclosures required under Indian Accounting Standard 19 on"Employee Benefits" (Ind AS - 19) are given below:

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**(a) Defined Contribution Scheme** (Rupees In Lakhs)

| Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|
| **Contribution to Defined Contribution Plan recognised as expense for the year are as under:** | | |
| Employer's Contribution to Provident Fund | 133.85 | 124.32 |
| Employer's Contribution to Family Pension Fund | 115.39 | 153.05 |

**(b) Defined Benefit Plan**

The company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The Company makes annual contribution of Gratuity to Gratuity Fund maintained by Trust created by the company for the scheme.

The Company also extends benefit of compensated absences to the employee, whereby they are eligible to carry forward there entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (Funded), whereby all the employees covered under the said Trust are entitled to benefits as per Provident Fund Act/Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme. Contribution to those provident funds amounting to Rs. 6.70 Lakhs (March 31, 2023: Rs. 2.01 Lakhs) including shortfall in the funds of Rs. 5.64 Lakhs (March 31, 2023: Rs. 1.22 Lakhs) is recognised as expenses and included in " Employee Benefits Expense".

The employee's gratuity fund scheme managed by Deepak Industries Gratuity Fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit seperately to build up the final obligation.

**Gratuity (Funded)** (Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| A . | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 1,107.27 | 1,035.25 |
| | Current Service Cost | 92.58 | 82.57 |
| | Interest Cost | 81.94 | 73.50 |
| | Benefit Paid | (69.12) | (79.30) |
| | **Actuarial (Gain)/Losses arising from:** | | |
| | Remeasurements- Due to Financial Assumptions | 24.67 | (19.12) |
| | Remeasurements- Due to Experience Adjustments | 6.66 | 14.37 |
| | **Liability at the end of the year** | **1,244.00** | **1,107.27** |
| B . | **Change in Fair Value of plan Assets:** | | |
| | Fair value of Plan Assets at the beginning of the year | 1,013.63 | 977.87 |
| | Interest Income | 75.92 | 68.65 |
| | Contributions by the Employers | 93.64 | 57.37 |
| | Benefit paid | (69.12) | (79.30) |
| | Remeasurements- Return on Assets (excluding Interest Income) | (7.06) | (10.96) |
| | **Fair value of plan Assets at the end of the year** | **1,107.01** | **1,013.63** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| **C .** | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 1,244.00 | 1,107.27 |
| | Fair value of Plan Assets at the end of the year | 1,107.01 | 1,013.63 |
| | | **136.99** | **93.64** |
| **D .** | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 92.58 | 82.57 |
| | Interest Cost | 81.94 | 73.50 |
| | Expected Return on Plan Assets | (75.92) | (68.65) |
| | Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI | - | - |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss** | **98.60** | **87.42** |
| **E .** | **Remeasurements Recognized in Other Comprehensive Income** | | |
| | Remeasurements- Due to Financial Assumptions | 24.67 | (19.12) |
| | Remeasurements- Due to Experience Adjustments | 6.66 | 14.37 |
| | Remeasurements- Return on Assets (excluding Interest Income) | 7.06 | 10.96 |
| | **Remeasurements Recognized in Other Comprehensive Income** | **38.39** | **6.21** |
| **F .** | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 93.64 | 57.38 |
| | Defined Benefit Cost included in Profit and Loss | 98.60 | 87.42 |
| | Remeasurements Recognized in Other Comprehensive Income | 38.39 | 6.21 |
| | Employers Contribution | (93.64) | (57.37) |
| | **Amount Recognised in BalanceSheet** | **136.99** | **93.64** |

**G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:**

| | Particulars | | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|---|
| | Equity | | - | - |
| | Bonds | | 96.23% | 99.47% |
| | Other Current Assets | | 3.77% | 0.53% |
| | Insurance policies | | | |
| **H .** | **The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:** | | | |
| | **Summary of Financial Assumption** | | | |
| | Discount Rate | | 7.10% | 7.40% |
| | Salary Escalation- First Five Years | | 6.00% | 6.00% |
| | Salary Escalation- After Five Years | | 6.00% | 6.00% |
| | Expected Return on Plan Assets | | 7.10% | 7.40% |
| | **Summary of Demographic Assumptions** | | | |
| | Mortality Table | | IALM (2012-14) Table Ultimate | |
| | Disability Rate(a % of above mortality rate) | | 5.00% | 5.00% |
| | Withdrawal Rates | | 1% to 8% | 1% to 8% |
| | Retirement Age | | 58Years | 58Years |
| | Average future service | | 17.15 | 17.79 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| I. | Sensitivity analysis | | | |
|---|---|---|---|---|
| | Salary Escalation | 1% | 1,330.49 | 1,188.52 |
| | Salary Escalation | -1% | 1,171.05 | 1,038.61 |
| | Withdrawal Rates | 1% | 1,251.84 | 1,115.83 |
| | Withdrawal Rates | -1% | 1,239.48 | 1,101.58 |
| | Discount Rate | 1% | 1,170.80 | 1,042.58 |
| | Discount Rate | -1% | 1,332.09 | 1,185.05 |
| | Mortality Rate | 10% | 1,244.87 | 1,108.06 |
| | Mortality Rate | -10% | 1,243.14 | 1,106.51 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet.

**J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)** (Rupees In Lakhs)

| Particulars | Gratuity |
|---|---|
| 01 Apr 2024 to 31 Mar 2025 | 297.01 |
| 01 Apr 2025 to 31 Mar 2026 | 85.57 |
| 01 Apr 2026 to 31 Mar 2027 | 46.84 |
| 01 Apr 2027 to 31 Mar 2028 | 59.73 |
| 01 Apr 2028 to 31 Mar 2029 | 78.12 |
| 01 Apr 2029 Onwards | 191.62 |

(Rupees In Lakhs)

| K. | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Average number of people employed | 869 | 894 |

**Other Long Term Employee Benefit**

**Compensated absences (Unfunded)** (Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| A . | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 234.56 | 231.17 |
| | Current Service Cost | 21.54 | 17.73 |
| | Interest Cost | 17.36 | 16.41 |
| | Benefit Paid | (13.30) | (11.22) |
| | **Actuarial (Gain)/Losses arising from:** | | |
| | Remeasurements- Due to Financial Assumptions | 4.79 | (4.44) |
| | Remeasurements- Due to Experience Adjustments | (4.86) | (15.09) |
| | **Liability at the end of the year** | **260.09** | **234.56** |
| B. | **Change in Fair Value of plan Assets:** | | |
| | Fair value of Plan Assets at the beginning of the year | - | - |
| | Interest Income | - | - |
| | Contributions by the Employers | 13.30 | 11.22 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Benefit paid | (13.30) | (11.22) |
| | Remeasurements- Return on Assets (excluding Interest Income) | - | - |
| | **Fair value of plan Assets at the end of the year** | **-** | **-** |
| **C.** | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 260.09 | 234.56 |
| | Fair value of Plan Assets at the end of the year | - | - |
| | | **260.09** | **234.56** |
| **D.** | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 21.54 | 17.73 |
| | Interest Cost | 17.36 | 16.41 |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss** | **38.90** | **34.14** |
| **E.** | **Remeasurements Recognized in Statement of Profit and Loss** | | |
| | Remeasurements- Due to Financial Assumptions | 4.79 | (4.44) |
| | Remeasurements- Due to Experience Adjustments | (4.86) | (15.09) |
| | **Remeasurements Recognized in Statement of Profit and Loss** | **(0.07)** | **(19.53)** |
| **F.** | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 234.56 | 231.17 |
| | Defined Benefit Cost included in Profit and Loss | 38.90 | 34.14 |
| | Remeasurements Recognized in Other Comprehensive Income | (0.07) | (19.53) |
| | Employers Contribution | (13.30) | (11.22) |
| | **Amount Recognised in BalanceSheet** | **260.09** | **234.56** |

**G. Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:**

(Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Equity | N.A. | N.A. |
| | Bonds | N.A. | N.A. |
| | Other Current Assets | N.A. | N.A. |
| | Insurance policies | N.A. | N.A. |
| **H.** | **The Principal Actuarial Assumptions as at Balance Sheetdate are set out as below:** | | |
| | **Summary of Financial Assumption** | | |
| | Discount Rate | 7.10% | 7.40% |
| | Salary Escalation- First Five Years | 6.00% | 6.00% |
| | Salary Escalation- After Five Years | 6.00% | 6.00% |
| | Expected Return on Plan Assets | N.A | N.A |
| | **Summary of Demographic Assumptions** | | |
| | Mortality Table | IALM (2012-14) Table Ultimate | |
| | Disability Rate(a % of above mortality rate) | 5.00% | 5.00% |
| | Withdrawal Rates | 1% to 8% | 1% to 8% |
| | Retirement Age | 58 Years | 58 Years |
| | Average future service | 17.15 | 17.79 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| I. | Sensitivity analysis | | | |
|---|---|---|---|---|
| | **Particulars** | **Change in Assumptions** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Salary Escalation | 1% | 277.66 | 251.11 |
| | Salary Escalation | -1% | 244.62 | 219.99 |
| | Withdrawal Rates | 1% | 261.48 | 236.13 |
| | Withdrawal Rates | -1% | 258.55 | 232.82 |
| | Discount Rate | 1% | 244.58 | 220.77 |
| | Discount Rate | -1% | 277.97 | 438.57 |
| | Mortality Rate | 10% | 259.95 | 234.44 |
| | Mortality Rate | -10% | 260.24 | 234.70 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet.

| J. | Estimate of expected benefit payments (In absolute terms i.e. undiscounted) | |
|---|---|---|
| | **Particulars** | **Leave** |
| | 01 Apr 2023 to 31 Mar 2024 | 80.96 |
| | 01 Apr 2024 to 31 Mar 2025 | 9.99 |
| | 01 Apr 2025 to 31 Mar 2026 | 7.95 |
| | 01 Apr 2026 to 31 Mar 2027 | 6.99 |
| | 01 Apr 2027 to 31 Mar 2028 | 14.13 |
| | 01 Apr 2028 Onwards | 28.77 |

| K. | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Average number of people employed | 870 | 894 |

**Other Long Term Employee Benefit**

**Sick Leave (Unfunded)**

(Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| A . | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 50.53 | 48.66 |
| | Current Service Cost | 7.35 | 5.58 |
| | Interest Cost | 3.74 | 3.46 |
| | Benefit Paid | - | - |
| | **Actuarial (Gain)/Losses arising from:** | | |
| | Remeasurements- Due to Financial Assumptions | 1.16 | (1.04) |
| | Remeasurements- Due to Experience Adjustments | (5.70) | (6.13) |
| | **Liability at the end of the year** | **57.08** | **50.53** |
| B . | **Change in Fair Value of plan Assets:** | | |
| | Fair value of Plan Assets at the beginning of the year | - | - |
| | Interest Income | - | - |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Contributions by the Employers | - | - |
| | Benefit paid | - | - |
| | Remeasurements- Return on Assets (excluding Interest Income) | - | - |
| | **Fair value of plan Assets at the end of the year** | **-** | **-** |
| **C .** | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 57.08 | 50.53 |
| | Fair value of Plan Assets at the end of the year | - | - |
| | | **57.08** | **50.53** |
| **D .** | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 7.35 | 5.58 |
| | Interest Cost | 3.74 | 3.46 |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss** | **11.09** | **9.04** |
| **E .** | **Remeasurements Recognized in Statement of Profit and Loss** | | |
| | Remeasurements- Due to Financial Assumptions | 1.16 | (1.04) |
| | Remeasurements- Due to Experience Adjustments | (5.70) | (6.13) |
| | **Remeasurements Recognized in Statement of Profit and Loss** | **(4.54)** | **(7.17)** |
| **F .** | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 50.53 | 48.66 |
| | Defined Benefit Cost included in Profit and Loss | 11.09 | 9.04 |
| | Remeasurements Recognized in Other Comprehensive Income | (4.54) | (7.17) |
| | **Amount Recognised in Balance Sheet** | **57.08** | **50.53** |

| **G .** | **Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:** | | |
|---|---|---|---|
| | **Particulars** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Equity | N.A. | N.A. |
| | Bonds | N.A. | N.A. |
| | Other Current Assets | N.A. | N.A. |
| | Insurance policies | N.A. | N.A. |
| | | | |
| **H .** | **The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:** | | |
| | **Summary of Financial Assumption** | | |
| | Discount Rate | 7.10% | 7.40% |
| | Salary Escalation- First Five Years | 6.00% | 6.00% |
| | Salary Escalation- After Five Years | 6.00% | 6.00% |
| | Expected Return on Plan Assets | N.A | N.A |
| | **Summary of Demographic Assumptions** | | |
| | Mortality Table | IALM (2012-14) Table Ultimate | |
| | Disability Rate(a % of above mortality rate) | 5.00% | 5.00% |
| | Withdrawal Rates | 1% to 8% | 1% to 8% |
| | Retirement Age | 58 Years | 58 Years |
| | Average future service | 16.46 | 16.05 |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

(Rupees In Lakhs)

| I. | Sensitivity analysis | | | |
|---|---|---|---|---|
| | **Particulars** | **Change in Assumptions** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Salary Escalation | 1% | 61.34 | 54.39 |
| | Salary Escalation | -1% | 53.32 | 47.11 |
| | Withdrawal Rates | 1% | 57.41 | 50.88 |
| | Withdrawal Rates | -1% | 56.72 | 50.14 |
| | Discount Rate | 1% | 53.35 | 47.33 |
| | Discount Rate | -1% | 61.37 | 97.40 |
| | Mortality Rate | 10% | 57.05 | 50.50 |
| | Mortality Rate | -10% | 57.12 | 50.56 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet.

| J. | Estimate of expected benefit payments (In absolute terms i.e. undiscounted) | |
|---|---|---|
| | **Particulars** | **Sick - Leave** |
| | 01 Apr 2024 to 31 Mar 2025 | 12.16 |
| | 01 Apr 2025 to 31 Mar 2026 | 2.73 |
| | 01 Apr 2026 to 31 Mar 2027 | 2.27 |
| | 01 Apr 2027 to 31 Mar 2028 | 1.90 |
| | 01 Apr 2028 to 31 Mar 2029 | 4.18 |
| | 01 Apr 2029 Onwards | 8.27 |

| K. | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Average number of people employed | 744 | 600 |

**45. FINANCIAL INSTRUMENTS**

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

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets (Current and Non-Current)** | | | | |
| **Financial Assets measured at Amortised Cost** | | | | |
| Investments | 3,015.12 | 3,015.12 | 2,765.70 | 2,765.70 |
| Trade receivables | 15,296.51 | 15,296.51 | 20,119.49 | 20,119.49 |
| Cash and cash equivalents | 4,639.01 | 4,639.01 | 903.52 | 903.52 |
| Other Bank Balances | 28,164.86 | 28,164.86 | 22,736.69 | 22,736.69 |

## Notes to Standalone Financial Statements For the year ended 31st March, 2024

| | | | | |
|---|---|---|---|---|
| Other Financial Assets | 1,427.07 | 1,427.07 | 1,005.55 | 1,005.55 |
| **Total** | **52,542.57** | **52,542.57** | **47,530.95** | **47,530.95** |
| **Financial Liabilities (Current and Non-Current)** | | | | |
| **Financial Liabilities measured at Amortised Cost** | | | | |
| Borrowings | 6,532.48 | 6,532.48 | 8,825.83 | 8,825.83 |
| Lease Liabilities | 48.50 | 48.50 | 24.36 | 24.36 |
| Trade Payables | 4,222.72 | 4,222.72 | 6,179.72 | 6,179.72 |
| Other Financial Liabilities | 1,299.60 | 1,299.60 | 1,616.30 | 1,616.30 |
| **Total** | **12,103.30** | **12,103.30** | **16,646.21** | **16,646.21** |

**Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

The fair value of cash and cash equivalents, other bank balances, current trade receivables and payables, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the standalone financial statements approximate their fair values.

A substantial portion of the company's long–term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.

Fair value of Investment in unquoted Non Cumulative Non Convertible Redeemable Preference Share and Zero Coupon Secured Optionally Fully Convertible Debentures and Security Deposit which can not be measured based on quoted prices in active market have been determined on Effective interest Rate method (EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument.

**FINANCIAL RISK MANAGEMENT**

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, trade receivables and other receivables, deposits and investments.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised as below:

**MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and trade receivables.

**Interest rate risk**

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the company's cash flows as well as costs. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

(Rupees In Lakhs)

| Nature of Borrowing | Increase in basis points | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Rupee Loan | 0.50 | 34.63 | 32.83 |

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements.

**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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade and other receivables and trade and other payables and these are unhedged.

The Company evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks.

**The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:**

(Rupees In Lakhs)

| Particulars | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Trade Receivables | Trade Payables | Other Current Liabilities | Net Assets / (liabilities) |
| SGD | 2.43 | - | - | 2.43 |
| STP | 9.04 | - | - | 9.04 |
| USD | 292.17 | (34.08) | - | 258.09 |
| EURO | 14.99 | (10.03) | - | 4.96 |
| JPY | - | (17.88) | - | (17.88) |
| **Total** | **318.63** | **(61.99)** | **-** | **256.64** |

| Particulars | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Trade Receivables | Trade Payables | Other Current Liabilities | Net Assets / (liabilities) |
| SGD | 38.71 | - | - | 38.71 |
| STP | 8.72 | - | - | 8.72 |
| USD | 453.35 | (82.47) | - | 370.88 |
| EURO | 7.71 | (20.97) | - | (13.26) |
| JPY | - | (0.60) | - | (0.60) |
| **Total** | **508.49** | **(104.04)** | **-** | **404.45** |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

Sensitivity analysis resulting in profit or loss mainly from SGD, STP, USD, EURO and JPY denominated receivables and payables are as follows:

(Rupees In Lakhs)

| Particulars | For The Year Ended 31st March, 2024 | For The Year Ended 31st March, 2023 |
|---|---|---|
| **Receivables (Weakening of INR by 5%)** | | |
| SGD | 0.12 | 1.94 |
| STP | 0.45 | 0.44 |
| USD | 14.61 | 22.67 |
| EURO | 0.75 | 0.39 |
| **Total** | **15.93** | **25.44** |
| **Payables (Weakening of INR by 5%)** | | |
| USD | (1.70) | (4.12) |
| EURO | (0.50) | (1.05) |
| JPY | (0.89) | (0.03) |
| **Total** | **(3.09)** | **(5.20)** |

Figures in bracket represents loss

A 5% stregthening of INR would have an equal and opposite effect on the Company's standalone financial statements.

**CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses), represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise except those which are impaired.

**LIQUIDITY RISK**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

Company has obtained fund and non-fund based working capital loans from banks. The Company invests its surplus funds in bank fixed deposit which carry no market risk. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

**Liquidity table**

The following tables detail the Company's 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:

**Interest rate and currency of borrowings**

| As at March 31, 2024 | | | | |
|---|---|---|---|---|
| **Particulars** | **Total Borrowings** | **Floating Rate Borrowings** | **Fixed Rate Borrowings** | **Weighted average interest rate** |
| **INR** | 6,532.48 | 6,063.13 | 469.35 | 7.64% |

**Interest rate and currency of borrowings**

| As at March 31, 2023 | | | | |
|---|---|---|---|---|
| **Particulars** | **Total Borrowings** | **Floating Rate Borrowings** | **Fixed Rate Borrowings** | **Weighted average interest rate** |
| **INR** | 8,825.83 | 8,825.83 | - | 6.80% |

**Maturity Analysis of unamortised Financial Liabilities** (Rupees In Lakhs)

| As at March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Carrying Amount** | **On Demand** | **Less than 6 months** | **6 to 12 months** | **> 1 year** | **Total** |
| Borrowings | 6,532.48 | 6,063.13 | 202.68 | 200.00 | 66.67 | 6,532.48 |
| Other Financial Liabilities | 1,299.60 | - | 899.32 | - | 400.28 | 1,299.60 |
| Trade payables | 4,222.72 | - | 4,222.72 | - | - | 4,222.72 |

**Maturity Analysis of unamortised Financial Liabilities** (Rupees In Lakhs)

| As at March 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Carrying Amount** | **On Demand** | **Less than 6 months** | **6 to 12 months** | **> 1 year** | **Total** |
| Borrowings | 8,825.83 | 7,742.33 | 409.92 | 204.38 | 469.20 | 8,825.83 |
| Other Financial Liabilities | 1,616.30 | - | 1,216.02 | - | 400.28 | 1,616.30 |
| Trade payables | 6,179.73 | - | 6,179.73 | - | - | 6,179.73 |

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.

The company relies on operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

**CAPITAL MANAGEMENT**

a) 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, if required without where the risk profile of the Company.

The gearing ratio are as follows : (Rupees In Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings | 6,532.48 | 8,825.83 |
| Less: Cash and Cash Equivalents | 4,639.01 | 903.52 |
| **Net Debt** | 1,893.47 | 7,922.31 |
| Equity | 67,273.48 | 55,800.76 |
| Equity and Net Debt | 69,166.95 | 63,723.07 |
| Gearing Ratio | 0.03 | 0.12 |

**b) Refer Note no. 18.6 for dividend proposed during the year.**

**46. Ratio Analysis and its elements**

| Sl. No. | Ratio | Numerator | Denominator | 31st March 2024 | 31st March 2023 | % Change | Reason for variance (where change is more than 25 %) |
|---|---|---|---|---|---|---|---|
| (1) | Current ratio | Current Assets | Current Liabilities | 4.45 | 2.90 | 53.45% | There has been increase in cash and cash equivalents during the year and reduction in current maturities of borrowings due to gradual repayment of borrowings. |
| (2) | Debt- Equity Ratio | Long Term Borrowing (+) Current maturities of long term debt (+) Total lease liabilities | Total equity computed as: Share Capital (+) Other Equity | 0.01 | 0.02 | -50.00% | Borrowings have been repaid during the year and no new debts have been raised. |
| (3) | Debt Service Coverage ratio | Profit for the year [i.e. Profit after tax] (+) Depreciation and amortisation expense (+) Finance costs | Finance costs (+) Current Lease Liabilites (+) Current Maturities of Long Term Debt | 20.57 | 13.11 | 56.90% | Finance cost and current maturities of long term debt have decreased in comparison to previous year. |
| (4) | Return on Equity ratio | Profit for the year [i.e Profit after tax] | Average Total Equity | 0.19 | 0.23 | -17.39% | |
| (5) | Inventory Turnover ratio | Revenue from operations | Average total Inventory | 9.57 | 9.40 | 1.81% | |
| (6) | Trade Receivable Turnover Ratio | Revenue from operations | Closing Trade Receivable | 5.05 | 3.98 | 26.88% | There has been a decrease in closing trade receivables in comparison to previous year. |

# Notes to Standalone Financial Statements For the year ended 31st March, 2024

| Sl. No. | Ratio | Numerator | Denominator | 31st March 2024 | 31st March 2023 | % Change | Reason for variance (where change is more than 25 %) |
|---|---|---|---|---|---|---|---|
| (7) | Trade Payable Turnover Ratio | Total Purchases | Closing Trade Payables | 12.18 | 8.74 | 39.36% | There has been a decrease in closing trade payables in comparison to previous year. |
| (8) | Net Capital Turnover Ratio | Revenue from operations | Average working capital computed as Average current assets (–) Average current liabilities | 1.91 | 2.60 | -26.54% | There has been an increase in average working capital in comaprison to previous year. |
| (9) | Net Profit ratio | Profit for the year [i.e Profit after tax] | Revenue from operations | 15.40% | 14.67% | 4.98% | |
| (10) | Return on Capital Employed | Profit before tax (+) Interest on long term borrowings (+) Interst on lease liabilities | Average Capital Employed<br>Capital Employed computed as<br>Total Equity (-)<br>Intangible Assets (+)<br>Long term borrowings (+)<br>Current maturities of long term debt (+) Total lease liabilities (+)<br>Deferred tax liabilities | 23.46% | 27.77% | -15.52% | |
| (11) | Return on Investment | | | | | | |
| | a) Equity Instrument (Measured at unamortised cost) | Net gain on sale of equity instruments (+) Dividend Income | Average investments in equity instruments | 0.00% | 0.00% | 0.00% | |
| | b) Debentures (Measured at amortised cost) | Interest income on financial assets carried at amortised cost | Average investments in Debentures | 7.69% | 3.85% | 99.74% | Fair value adjustment in respect of investment in subsidiary has been recognised for entire period in this year, whereas the same was recognised with effect from 7th September 2022 in the previous year |
| | C) Preference Shares (Measured at amortised cost) | Interest income on financial assets carried at amortised cost | Average investments in preference shares | 9.20% | 10.22% | -9.98% | |

*Interest income on debenture as above was accrued for six months being investments made in middle of the year.

47. Based on the information to the extent available with the company, there were no transactions with the companies struck off under section 248 of the Companies Act, 2013.

48. Disclosure regarding borrowed funds have been considered part of other disclosures :

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.

49. The Board of Directors of the Company in its meeting held on 3rd February, 2024 has approved the scheme of arrangement for amalgamation of its wholly owned subsidiary, Lotus Auto Engineering Limited, with the company with effect from the appointed date 1st October, 2023. The said scheme has been filed before National Company Law Tribunal (NCLT) and the same is pending for their necessary approval as on this date. Accordingly, the effect of the same has not been given in these standalone financial statements.

50. Other disclosures required under schedule III of Companies Act, 2013:

    a. The Company does not hold any Benami Properties and there is no proceedings intitiated or pending against the Company for holding any Benamai Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

    b. The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

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

    d. The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51. Previous year's figures have been regrouped wherever necessary, in order to make them comparable.

52. These financial statements have been approved by Board of Directors of the Company in their meeting dated May 23, 2024 for issue to the shareholders for their adoption.

| | | |
|---|---|---|
| **As per our report of even date** | **For and on behalf of the Board of Directors** | |
| **For Lodha & Co LLP** | | |
| *Chartered Accountants* | **Y.K Daga** | **A P Agarwalla** |
| Firm Regn No. 301051E/300284 | (DIN: 00040632) | (DIN: 00312652) |
| | *Chairman-Cum-Managing Director* | |
| **R.P. Singh** | **G. A. Narayanan** | **Meera Dokania** |
| *Partner* | (DIN: 09491346) | (DIN: 07094376) |
| Membership No. 052438 | | |
| Place: Kolkata | **Maneesh Khanna** | **Nikita Puria** |
| Date: May 23, 2024 | *Chief Financial Officer* | *Company Secretary* |

# CONSOLIDATED FINANCIAL STATEMENT

# Independent Auditors' Report

**The Members of Deepak Industries Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Deepak Industries Limited hereinafter referred to as ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary referred to in the Other Matters section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 read with relevant rules issued thereunder from time to time ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2024, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

The financial statements of the subsidiary company has been audited by an another firm of Chartered Accountants. Based on their report dated 22nd May 2024 on the said financial statements, attention is drawn to note no. 12.5 to the consolidated financial statements dealing with disputed receivables from a party considered good and recoverable pending decision of Hon'ble National Company Law Appellate Tribunal (NCLAT), Delhi.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters for incorporation in our report. The below mentioned key audit matters pertain to the Holding Company as in case of subsidiary company, the auditor has not given any key audit matters in their report.

| **Key audit Matters** | **Addressing the Key Audit Matters** |
| --- | --- |
| **Impairment Allowances on Trade Receivables**<br><br>Amount of Trade Receivable of the Holding Company is Rs. 15,449.64 Lakhs as on March 31, 2024. This includes amounts, which have fallen due for payment and are lying outstanding for a considerable period of time. Management has carried impairment allowances of Rs. 153.13 Lakhs (Note No. 12 of the Consolidated Financial Statements) against the same.<br><br>The Holding Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the balances of trade receivables, credit worthiness of the parties and historical experience with respect to write-offs etc. against amounts recoverable from them. We considered this to be Key Audit Matter. Such estimation of recovery against outstanding amounts and resultant impairment to certain extent is judgemental and subjective in nature and amount involved is material to the volume of operations. | Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following:<br><br>· Understanding, assessing and testing the design and operating effectiveness of the Holding Company's key controls over the recoveries against the outstanding amounts and resultant impairment assessment of material Trade Receivables;<br><br>· Verifying the period for which amounts are outstanding as on 31st March, 2024 and reviewing the confirmations, and/or movements subsequent to 31st March 2024 and reconciliations thereof on case-by-case basis;<br><br>· Reviewing the Management's assessment and evaluation on the credit worthiness of the major trade receivables and historical trends and current dealing with the customers;<br><br>· Assessing the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment keeping in view the credit profile, historical payments, publicly available information and latest correspondence with customers and to consider if any provision should be made;<br><br>· Reviewing the adequacy of the allowance for impairment recognised with respect to the supporting documents; and<br><br>· Reliance has also been placed on the management's representation and confirmation for amount recoverable against the outstanding balances. |

| | |
|---|---|
| **Verification of Inventories and Valuation thereof**<br>The total inventory of the Holding Company amounts to Rs. 7,975.10 Lakhs (as on March 31, 2024) (Refer note 3.12 and 11 of the Consolidated Financial Statements).<br>Existence of Inventories and valuation thereof was focus area of audit considering the nature of operations of the Holding Company and also that the amount involved therein was substantial. | Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following:<br>· Ensuring the effectiveness of the design, implementation and maintenance of controls over inventory and in system and procedure for conducting the physical verification and testing these controls being operated effectively;<br>· Observing the verification of Inventories at the year end undertaken by the management and evaluation of procedures and documentation in this aspect;<br>· Obtaining and reviewing the necessary evidences, working papers and documents for the physical verification carried out as above; and<br>· Evaluating the accounting policy followed for valuation and appropriate accounting thereof with respect to the relevant Indian Accounting Standards in this respect.<br>Verifying the valuation process/methodology and checks being performedat multiple levels and ensuring that the valuation is consistent with and as per the policy followed in this respect. |

**Information other than the Consolidated Financial Statements and Auditors' Report Thereon**

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS read with relevant rules issued thereunder, as amended from time to time. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors of companies included in the Group either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to the consolidated financial statements in place and the operating effectiveness of such controls;

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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 of the Holding Company 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 of the Holding Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

**Other Matters**

We did not audit the financial statements/ financial information of the subsidiary, Lotus Auto Engineering Limited (LAEL), included in the consolidated financial statements for the year ended March 31, 2024 whose financial statements reflect total assets of Rs. 7,174.06 Lakhs and total net assets of Rs. 4,218.65 Lakhs as at March 31, 2024, total revenues of Rs. 734.86 Lakhs, total net profit/ (loss) after tax of Rs. (524.39 Lakhs), total comprehensive income of Rs. (530.54 Lakhs) and net cash inflows/ (outflows) of Rs. (613.24 Lakhs) for the year ended as on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and sub section (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.

Our opinion is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

The matters reported hereunder are based on the financial statements of the Holding Company and its subsidiary "LAEL" and on consideration of the report of the other auditor of the said subsidiary.

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
    b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books except for the matters stated in paragraph 2(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.
    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
    e) Based on the written representations received from the Directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and as per the report of other auditor of its subsidiary, none of the Directors of the Holding Company and its subsidiary are 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 maintenance of accounts and other matters connected therewith, reference is invited to paragraph 2(b) above on reporting under section 143(3)(b) of the Act; and

g) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Holding Company and its subsidiary, which are companies incorporated in India and have been audited under the Act. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to the consolidated financial statements of the Group.

2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, in our opinion and to the best of our information and according to the explanations given to us:

a) The Group has disclosed the impact of pending litigations on its financial position in the consolidated financial statements- refer note no. 38 to the consolidated financial statements;

b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c) In respect of the Holding Company, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year.

In respect of the subsidiary company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary;

d) (i) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, as the case may be, as disclosed in note no. 47 to the consolidated financial statements, that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, as the case may be, as disclosed in note no. 47 to the consolidated financial statements, that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the other auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, as stated under (d)(i) and (d)(ii) above, contain any material misstatement;

e) The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Act.

The subsidiary company has not declared or paid any dividend during the year thereby reporting in this respect is not applicable to the subsidiary; and

f) Based on our examination which included test checks, the Holding Company has used various softwares at different locations/ Units of the Company for maintaining its books of account.

In respect of the manufacturing units of the Holding Company (viz, Units situated at Hazra, Faridabad, Rudrapur and Baghola), the softwares incorporating all the financial and other transactions involving various operational areas and functions (except for consumption, production and inventory related records which are being maintained manually) have fields and tables where audit trail (edit log) for changes made in the transactions at application level are available and have been operated throughout the year for all relevant transactions recorded in the said softwares. However, in respect of Hazra Unit, records edited or modified are replaced and trail of the original records are not available from the system.

Audit trail (edit log) with respect to the direct changes at database level and for payroll processing function have not been enabled in respect of the above Units. Further, in respect of the software used for the purpose of maintenance of books of account at Head Office, the feature of recording audit trail (edit log) has not been enabled.

In respect of the above softwares, other than the exceptions noted hereinabove, we have, however, not come across any instance of the same being tampered with.

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

As reported by the other auditor, the subsidiary has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of their audit, they did not come across any instance of audit trail feature being tampered with.

3. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Holding Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

   The subsidiary company has not paid or provided any remuneration (including sitting fees) to its Directors during the current financial year and accordingly, reporting in this respect is not applicable to the subsidiary company.

4. With respect to the matters specified in clause (xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditor of the subsidiary, the financial statements of which has been considered for the preparation of consolidated financial statements of the Group, as provided to us by the management, we report that the remarks given in CARO Report of the respective companies are neither qualification nor adverse in nature except for the following remarks given in the CARO Report of the Holding/ subsidiary company:

| Sl. no. | Name | CIN | Holding Company/ subsidiary/ associate | Paragraph number in respective CARO reports |
|---|---|---|---|---|
| 1 | Deepak Industries Limited | L63022WB1954PLC021638 | Holding Company | 3(iii)(b) |
| 2 | Lotus Auto Engineering Limited | U74120WB2010PLC267057 | Subsidiary company | 3(i)(a), 3(xii), 3(xvii) |

**For Lodha & Co LLP**
**Chartered Accountants**
**Firm's ICAI Registration No.: 301051E/E300284**

**R. P. Singh**
**(Partner)**
**Membership No. 052438**
**UDIN: 24052438BKFNEG4539**

**Place: Kolkata**
**Date: May 23, 2024**

## "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)**

**Report on the Internal Financial Controls with reference to the consolidated financial statements under clause (i) of section 143(3) of the Companies Act, 2013 ("the Act").**

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to the consolidated financial statements of Deepak Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary, which are companies incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls with Reference to the Consolidated Financial Statements**

The respective Board of Directors of the Holding Company and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements criteria established by the Holding 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards on Auditing 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 with reference to the consolidated financial statements 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor of the subsidiary, which are companies incorporated in India, in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

**Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements**

A company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the consolidated financial statements 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 the consolidated 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements 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 Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to the consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**OTHER MATTER**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to its subsidiary as on the reporting date, which is a company incorporated in India, is based on the corresponding report of the auditor of the said subsidiary company.

**For Lodha & Co LLP**
**Chartered Accountants**
**Firm's ICAI Registration No.: 301051E/E300284**

**R. P. Singh**
**(Partner)**
**Membership No. 052438**
**UDIN: 24052438BKFNEG4539**

**Place: Kolkata**
**Date: May 23, 2024**

# Consolidated Balance Sheet as at 31st March, 2024

**(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment | 5 | 19,926.76 | 18,456.12 |
| (b) Capital work-in-progress | 6 | - | 24.23 |
| (c) Intangible Assets | 7 | 17.33 | 20.78 |
| (d) Financial Assets | | | |
| (i) Investments | 8 | 227.06 | 151.87 |
| (ii) Other Financial Assets | 9 | 340.17 | 288.54 |
| (e) Deferred tax assets (net) | 22A | 263.10 | 308.40 |
| (f) Other non-current assets | 10 | 1,865.81 | 2,464.85 |
| **Total Non Current Assets** | | **22,640.23** | **21,714.79** |
| **(2) Current assets** | | | |
| (a) Inventories | 11 | 8,081.55 | 8,290.35 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 12 | 17,488.33 | 22,363.86 |
| (ii) Cash and cash equivalents | 13 | 4,667.32 | 1,545.07 |
| (iii) Other Bank Balances | 14 | 29,657.91 | 23,386.69 |
| (iv) Other financial assets | 15 | 1,179.54 | 757.08 |
| (c) Other current assets | 16 | 1,317.38 | 2,071.53 |
| **Total Current Assets** | | **62,392.03** | **58,414.58** |
| **Total Assets** | | **85,032.26** | **80,129.37** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 17 | 395.64 | 395.64 |
| (b) Other Equity | 18 | 69,860.94 | 58,780.03 |
| **Total Equity** | | **70,256.58** | **59,175.67** |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 66.67 | 469.20 |
| (ii) Lease Liabilities | 36 | 30.47 | 12.99 |
| (iii) Other financial liabilities | 20 | 400.28 | 400.28 |
| (b) Provisions | 21 | 252.59 | 208.12 |
| (c) Deferred Tax Liabilities (Net) | 22B | 320.70 | 516.56 |
| **Total Non Current Liabilities** | | **1,070.71** | **1,607.15** |
| **(2) Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 6,465.81 | 8,356.63 |
| (ii) Lease Liabilities | 36 | 18.03 | 11.37 |
| (iii) Trade payables | 24 | | |
| (a) Total Outstanding dues of microenterprises and small enterprises | | 703.34 | 745.06 |
| (b) Total Outstanding dues to creditors other than micro enterprises and small enterprises | | 3,553.18 | 5,474.26 |
| (iv) Other financial liabilities | 25 | 1,445.64 | 1,757.71 |
| (b) Other current liabilities | 26 | 1,286.23 | 2,575.53 |
| (c) Provisions | 27 | 220.35 | 174.05 |
| (d) Current Tax Liabilities | 28 | 12.39 | 251.94 |
| **Total Current Liabilities** | | **13,704.97** | **19,346.55** |
| **Total Liabilities** | | **14,775.68** | **20,953.70** |
| **Total Equity and Liabilities** | | **85,032.26** | **80,129.37** |

Accompanying Notes on Consolidated Financial Statements 1-54

These notes are an integral part of the Consolidated Financial Statements.

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

**A P Agarwalla**
(DIN: 00312652)

**G. A. Narayanan**
(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Consolidated Statement Of Profit & Loss For the year ended 31st March, 2024

(Rupees In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Revenue From Operations | 29(i) | 77,907.43 | 80,546.25 |
| Other Income | 29(ii) | 2,738.65 | 1,788.82 |
| **Total income** | | **80,646.08** | **82,335.07** |
| **EXPENSES** | | | |
| Cost of Materials consumed | 30 | 36,378.91 | 37,579.44 |
| Changes in Inventories of finished goods, Stock-in-Trade and work-in progress | 31 | (545.37) | 499.03 |
| Employee benefits expense | 32 | 8,800.04 | 8,017.10 |
| Finance costs | 33 | 647.28 | 606.36 |
| Depreciation and amortisation expense | 34 | 3,089.43 | 2,941.46 |
| Other expenses | 35 | 16,728.92 | 17,051.63 |
| **Total expenses** | | **65,099.21** | **66,695.02** |
| **Profit before tax** | | **15,546.87** | **15,640.05** |
| Tax expense: | | | |
| (1) Current tax | 37 | 4,176.34 | 4,218.22 |
| (2) Deferred tax- Charge/(Credit) | 37 | (140.90) | (499.10) |
| **Profit for the year** | | **11,511.43** | **11,920.93** |
| **Other Comprehensive Income** | | | |
| (i) Items that will not be reclassified to profit or loss | | (44.54) | (6.21) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 37.2 | 9.66 | 1.56 |
| **Other Comprehensive Income for the year (net of tax)** | **37.3** | **(34.88)** | **(4.65)** |
| **Total Comprehensive Income for the year comprising profit and other comprehensive income for the year** | | **11,476.55** | **11,916.28** |
| **Earnings per equity share of value of Rs. 10 each.** | 42 | | |
| (1) Basic (Rs.) | | 290.96 | 301.31 |
| (2) Diluted (Rs.) | | 290.96 | 301.31 |

Accompanying Notes on Consolidated Financial Statements 1-54
These notes are an integral part of the Consolidated Financial Statements

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

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(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Consolidated Statement of Changes in Equity as at March 31, 2024

(Rupees In Lakhs)

**(A) Equity Share Capital**

| Particulars | Note No. | Amount |
|---|---|---|
| **Balance as at March 31, 2022** | | **395.64** |
| Changes during the year | | - |
| **Balance as at March 31, 2023** | | **395.64** |
| Changes during the year | | - |
| **Balance as at March 31, 2024** | | **395.64** |

**(B) Other Equity**

(Rupees In Lakhs)

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | Retained Earnings | Remeasurement of Defined Benefit Obligation | |
| **As at March 31, 2022** | **35.36** | **-** | **134.17** | **43,878.90** | - | **44,048.43** |
| Additions during the year on consolidation (refer note no. 49 and 50) | 46,351.79 | 20,945.77 | - | (64,521.82) | - | 2,775.74 |
| Profit for the year | - | - | - | 11,920.93 | - | 11,920.93 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | (4.65) | (4.65) |
| **Total Comprehensive Income for the year** | - | - | - | **11,920.93** | **(4.65)** | **11,916.28** |
| Capital reserve on cancellation of equity shares including expenses incurred in relation to liquidation proceedings (Refer note no. 50) | 435.22 | - | - | - | - | 435.22 |
| Transfer to Retained Earnings during the year | - | - | - | (4.65) | 4.65 | - |
| Dividend paid during the year | - | - | - | (395.64) | - | (395.64) |
| **As at March 31, 2023** | **46,822.37** | **20,945.77** | **134.17** | **(9,122.28)** | - | **58,780.03** |
| Profit for the year | - | - | - | 11,511.43 | - | 11,511.43 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | (34.88) | (34.88) |
| **Total Comprehensive Income for the year** | - | - | - | **11,511.43** | **(34.88)** | **11,476.55** |
| Transfer to Retained Earnings during the year | - | - | - | (34.88) | 34.88 | - |
| Dividend paid during the year | - | - | - | (395.64) | - | (395.64) |
| **As at March 31, 2024** | **46,822.37** | **20,945.77** | **134.17** | **1,958.63** | - | **69,860.94** |

Refer Note no. 18 for nature and purpose of reserves.

Accompanying Notes on Consolidated Financial Statements 1-54

These notes are an integral part of the Consolidated Financial Statements.

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

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(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Consolidated Statement of Cash Flows For the year ended 31st March, 2024

(Rupees In Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| Net Profit Before Tax | | 15,546.87 | | 15,640.05 |
| **Adjustments for -** | | | | |
| Depreciation and amortisation expense | 3,089.43 | | 2,941.46 | |
| (Profit) on sale/discard of Property, Plant and Equipment | (5.73) | | (42.47) | |
| Interest Income | (2,275.95) | | (1,369.10) | |
| Liabilities no longer required written back | (255.97) | | (186.81) | |
| Finance costs | 647.28 | | 606.36 | |
| Amortisation of Deferred financial instruments | 25.15 | | 22.53 | |
| Interest income on financial assets measured at amortised cost | (18.50) | | (15.55) | |
| Bad debts and sundry balances written off | 366.00 | | 133.34 | |
| Gain on foreign currency translation | (12.87) | | (20.14) | |
| | | 1,558.84 | | 2,069.62 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | | **17,105.71** | | **17,709.67** |
| **Adjustments for -** | | | | |
| Trade and other receivables | 4,522.40 | | (5,509.30) | |
| Inventories | 208.80 | | 697.08 | |
| Loans and advances | 701.29 | | 206.93 | |
| Trade Payables and other liabilities | (3,258.19) | 2,174.30 | (296.75) | (4,902.04) |
| **CASH GENERATED FROM OPERATIONS** | | **19,280.01** | | **12,807.63** |
| Direct Taxes Paid | | (4,509.04) | | (4,019.10) |
| **NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)** | | **14,770.97** | | **8,788.53** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| Purchase of Property, Plant and Equipment, Intangible Assets, Right of Use Assets and Capital Work in Progress | (3,602.82) | | (3,712.62) | |
| Sale of Property, Plant and Equipment | 15.40 | | 116.85 | |
| Purchase of Investments | (300.00) | | - | |
| Deposits with Bank (original maturity more than three months) | (6,286.23) | | (5,523.48) | |
| Interest received | 1,882.12 | | 1,064.20 | |
| | | (8,291.53) | | (8,055.05) |
| **NET CASH FLOW FROM/(USED IN) INVESTMENT ACTIVITIES** | | **(8,291.53)** | | **(8,055.05)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| Interest Paid | (649.01) | | (600.51) | |
| Repayment of Long term Borrowings from Bank | (614.14) | | (948.62) | |
| Proceeds/(Repayment) of Short Term Borrowings from Bank (net) | (1,679.21) | | 1,508.51 | |
| Repayment of Lease Liability | (19.19) | | (12.23) | |
| Dividend paid | (395.64) | | (395.64) | |
| | | (3,357.19) | | (448.49) |
| **NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES** | | **(3,357.19)** | | **(448.49)** |
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | | **3,122.25** | | **284.99** |
| **Cash and Cash Equivalents as at beginning of the Year** | | **1,545.07** | | **1,260.08** |
| | | | | [Refer note 5 below] |

# Consolidated Statement of Cash Flows For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **Cash and Cash Equivalents as at the end of the year (Refer Note no. 13)** | | **4,667.32** | | **1,545.07** |

*Note:*

*1. Cash and Cash Equivalents consists of cash on hand and bank balances in Current Account. The details of cash and cash equivalents as per Note no. 13 of the Consolidated Balance Sheet is as under:*

**(Rupees In Lakhs)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balances with banks** | | |
| In Current account | 4,659.20 | 993.76 |
| Cheques on hand | - | 545.00 |
| Cash on hand | 8.12 | 6.31 |
| **Total cash and cash equivalents** | **4,667.32** | **1,545.07** |

2. Reconciliation of Liabilities arising from Financing activities

**(Rupees In Lakhs)**

| Particulars | As at March 31, 2023 | Proceeds raised | Non cash adjustments/ Additions in Lease Liabilities | Repayment | As at March 31, 2024 |
|---|---|---|---|---|---|
| Long Term Borrowings from Bank | 1,083.49 | - | - | (614.14) | 469.35 |
| Lease Liabilities | 24.36 | - | 43.33 | (19.19) | 48.50 |
| Short Term Borrowings from Bank | 7,742.34 | - | - | (1,679.21) | 6,063.13 |
| **Total** | **8,850.19** | **-** | **43.33** | **(2,312.54)** | **6,580.98** |

3. The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.

4. The Holding Company has incurred Rs. 224.12 Lakhs (net of Rs. 2.43 Lakhs shown as advance in 2022-2023- Refer Note no. 16) on account of Corporate Social Responsibility (CSR) during the year ended March 31, 2024 (March 31, 2023: Rs. 163.18 Lakhs (including Rs. 2.43 Lakhs - Refer Note 16).

5. Includes Rs. 656.99 Lakhs, being balance of cash and cash equivalents pertaining to subsidiary company considered for the purpose of consolidation with effect from 7th September, 2022 [Refer note 49].

Accompanying Notes on Consolidated Financial Statements 1-54

These notes are an integral part of the Consolidated Financial Statements.

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
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**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024

## 1. Group Information

Deepak Industries Limited ('the Company' or 'the Holding Company') having Corporate Identity Number ("CIN") L63022WB1954PLC021638 is a public limited company incorporated and domiciled in India having its registered office at 62, Hazra Road, Kolkata - 700019 in the State of West Bengal. The Holding company is engaged in the business of manufacturing and selling of Industrial and Automobile gears of various capacities and generation of solar power. The Holding Company's shares are listed on The Calcutta Stock Exchange Limited.

These consolidated financial statements comprise the financial statements of the Holding Company and its wholly owned subsidiary (collectively referred to as 'the Group') as detailed below:

| Name of the subsidiary | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Holding Company | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| Lotus Auto Engineering Limited | Processing of machine parts required in automobile industries and all other activities that are incidental thereto | India | 100% | 100% |

## 2. Statement of compliance and Recent Accounting Pronouncements

### 2.1 Statement of compliance

These Consolidated financial statements ("consolidated 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 Consolidated financial statements.

The Consolidated financial statements for the year ended 31st March 2024 were approved for issue by the Holding Company's Board of Directors on 23rd May 2024 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

All Ind AS issued and notified till the Consolidated financial statements are approved for issue by the Board of Directors have been considered in preparing these Consolidated 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.

### 2.2 Application of new and revised standards

Effective April 01, 2023, the Group has adopted the amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the group's operation were amendment 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" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies were also made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There were 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

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

and Ind AS 102 "Share-based Payment" which have not been listed herein above since these were not relevant to the Group.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the period.

**2.3 Recent Accounting 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 Group.

**3. Material Accounting Policies**

**3.1 Basis of Preparation**

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for:

a) certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.

b) certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs; and

c) Defined benefit plans- Plan Assets measured at fair value

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Ind AS-1 "Presentation of Financial Statements" and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Group, the Group has determined its operating cycle as twelve months for the purpose of current and non-current classification.

**Functional /presentation currency and rounding-off of amounts**

The items included in the Consolidated financial statements (including notes thereon) are measured using the currency of the primary economic environment in which the Group operates ("the functional currency") and are, therefore, presented in Indian Rupees ("INR" or "Rupees" or "Rs." or "`"). All amounts disclosed in the Consolidated financial statements, including notes thereon, have been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

**3.2 Basis of consolidation**

The consolidated financial statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements".

**Subsidiary**

- Subsidiaries are entities over which the Group has control and the control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:
  - o Power over the investee
  - o Exposure or rights to variable returns from its involvement with the investee
  - o The ability to use its power over the investee to affect its returns

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

- The Group combines the financial statements of the Holding Company and its subsidiary based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
- The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- The difference between the costs of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.
- Non-controlling interest's share of net profit of subsidiary for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Holding Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.
- Non-controlling interest's share of net assets of subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Holding Company's shareholders.
- A change in ownership interest of a subsidiary which does not result in a loss of control, is accounted for as an equity transaction.
- If the Group loses control over a subsidiary, it derecognises the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost, with the resulting gain/ loss recognised in the Statement of Profit and Loss.

### 3.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

b) Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

c) Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements and regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### 3.4 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose costs include deemed cost on the date of transition i.e. PPE which have been fair valued on transition to be considered as deemed cost and comprises purchase price of assets or its construction cost including duties and taxes (net of input tax credit availed), inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. In addition, Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipment and servicing equipment which are expected to be used for a period of more than twelve months and meet the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part of property, plant and equipment consequent to additions made thereto is derecognised. The costs of servicing and repairs and maintenance of property, plant and equipment are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Group lease assets comprising of Land and Building have been separately shown under PPE as Right-of-Use (ROU) Assets.

Property, plant and equipment that are not ready for intended use on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress includes purchase price, duties and taxes (net of input tax credit availed) and any directly attributable cost (including finance costs relating to borrowed funds utilised for construction or acquisition of property, plant and equipment incurred till projects are under implementation) of bringing the assets to their working condition and trial run expenses up to the date of installation. Such items are classified to the appropriate categories of Property, Plant and Equipment when gets completed and are ready for intended use. Amount paid towards acquisition of PPE outstanding as at each reporting date are recognized as capital advance under "Other Non-Current Assets."

**3.5 Depreciation methods, estimated useful lives and residual value**

Depreciation on Property, Plant and equipment commences when the assets are ready for their intended use.

Depreciation on Property, Plant and Equipment is provided as per the useful life specified under Schedule II of the Companies Act, 2013 on straight line method to allocate their cost, net of their residual value except at Rudrapur unit of the Holding Company where depreciation is provided on written down value method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Leasehold Land and Building classified as ROU assets are amortised on straight line basis over the estimated useful lives (or lease term if shorter).

No depreciation is charged on Freehold land.

The estimated useful life of the tangible assets considered for providing depreciation are as follows:

| Category | Useful Life in years |
|---|---|
| Factory Buildings | 30 |
| Other than factory Building | 60 |
| Plant and Equipment | 15 |
| Furniture and Fixtures | 10 |
| Vehicles | 8-10 |
| Office Equipment | 3-5 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

## 3.6 Intangible Assets

Intangible assets are stated at cost of acquisition/ deemed cost on transition date comprising of purchase price inclusive of duties and taxes (net of input tax credit availed) less accumulated amount of amortization and impairment losses. Such assets are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages is amortized over a period of 5 years on a straight line basis.

Expenditure incurred on research and development are not capitalized but are charged as expense in the statement of profit and loss in the period in which such expenditure is incurred.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

## 3.7 Leases

### i) Group as a lessee

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

1. the contract involves the use of an identified asset,
2. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and,
3. the Group has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset (under PPE) have been separately disclosed in the Balance Sheet and lease payments have been classified as part of financing cash flows.

**ii) Group as a lessor**

**a) Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to own ership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

**b) Operating Lease**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Group with expected inflationary costs.

### 3.8 Derecognition of Tangible/ Intangible and ROU assets

An item of Property, Plant and Equipment (including ROU assets) and other Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### 3.9 Impairment of Tangible/ Intangible and ROU assets

Tangible /Intangible and ROU assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

### 3.10 Financial Instruments

Financial assets and financial liabilities are recognized in the Consolidated Balance sheet when the Group becomes a party to the contractual provisions of financial instruments. The Group determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

**A. Financial assets**

**I. Initial recognition and measurement**

## Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

The financial assets include investments, trade receivables, loans and advances, cash and cash equiv alents, bank balances other than cash and cash equivalents, and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**II. Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) at amortized cost

(ii) at fair value through other comprehensive income (FVTOCI), and

(iii) at fair value through profit or loss (FVTPL)

**(a) Financial assets at amortized cost**

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

(i) The asset is held within a business model whose objective is to hold the asset for collecing contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, where appropriate, a shorter period.

**(b) Financial assets at fair value through other comprehensive income (FVOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest.

For the purpose of para (a) and (b) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

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

Financial assets that are not classified in any of the categories above are classified at fair value through profit or loss.

**(d) Equity investments**

Equity investments in the scope of Ind AS 109 are measured at fair value.

The Group makes an election to present changes in fair value either through other comprehensive income or through profit or loss on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Group decides to classify an equity instrument at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. However, dividends on equity instruments on fair value through other comprehensive income (FVTOCI) is recognised in profit or loss.

In addition, profit or loss arising on sale is also taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

**III. De-recognition**

The Group derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to the third party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the assets' carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI (except equity instruments) the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

**IV. Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**B. Financial liabilities**

**I. Initial recognition and measurement**

The financial liabilities include trade and other payables, loans and borrowings, including book over drafts, etc.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

**II. Subsequent measurement**

For subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities at amortised cost, and

(ii) Derivative instruments at fair value through profit or loss (FVTPL).

**Financial liabilities at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. When the financial liabilities are derecognized, gains and losses are recognized in profit or loss. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, where appropriate, a shorter period.

**III. De-recognition**

Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

**C. Offsetting of financial instruments**

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

**3.11 Impairment of assets**

A. Non financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal, and its value in use.

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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.

If, at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognised is reversed so that the asset is recognised at its recoverable amount but not exceeding the value which would have been reported in this respect if the impairment loss had not been recognised.

**B. Financial assets**

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The Group recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The Group recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**3.12 Inventories**

Inventories are valued at lower of the cost or estimated net realisable value after providing for obsolescence, if any. Cost of Inventories is ascertained on weighted average/FIFO basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition.

Cost of traded goods include cost of purchase and other cost incurred in bringing the inventory to their present location and condition.

Inventories of scrap are valued at their respective net realisable value.

Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**3.13 Foreign Currency Transactions**

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

**3.14 Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

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.

**3.15 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent assets are not recognised but disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

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

**3.16 Employee Benefits**

Employee benefits are accrued in the year in which services are rendered by the employee.

**Short term Employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**Other Long Term Employee Benefits**

The cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured on the basis of actuarial valuation as at the balance sheet date as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation. Bifurcation of liabilities into current and non current are done based on actuarial valuation report.

**Post Employment Benefits**

The Group operates the following post employment schemes:

**- Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets (funded to Deepak Industries Gratuity Fund in case of the Holding Company), together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

**- Defined Contribution Plans**

In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the Group and employee contribute monthly to Provident Fund Scheme the Central Government/Trust in case of Holding Company at a determined rate. The Group's contribution is charged off to the Statement of Profit and Loss as and when incurred.

## 3.17 Revenue Recognition

### a. Revenue from Operations

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

(i) parties to the contract have approved the contract and are committed to performing their respective obligations;

(ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

(iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

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 Group 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 rebates, claims and discounts, returns, Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the Group are excluded from revenue.

Sale of electricity is accounted for on delivery of electricity to grid/ Customers.

**Other Operating Revenue-Export Benefits:**

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

**b. Other Income**

**Interest, Dividend and Claims:**

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted for as and when admitted or realised. Interest on overdue bills is accounted for on certainty of realisation.

**3.18 Borrowing Costs**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets.

A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**3.19 Taxes on Income**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax items in correlation to the underline transactions relating to Other Comprehensive Income and Equity are recognised in Other Comprehensive Income and Equity respectively.

**3.20 Earnings Per Share**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Holding company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Holding company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3.21 Segment Reporting**

Operating segments are identified and reported taking into account the different risk and return, organisation structure and in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). CODM is responsible for allocating resources and assessing performance of the operating segments, financial results, forecasts or plan for the segment and accordingly is identified as the chief operating decision maker.

The Group has identified three reportable segments – "Automobile gears and components, Industrial gears and components and Solar Power" based on the information reviewed by the CODM.

**3.22 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing flows. Accordingly, the Group's cash flows from operating, investing, and financing activities are segregated.

For reporting Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash on hand, cheques on hand, balance with banks, and short term highly liquid investments, as stated above, net of outstanding book overdrafts, as they are considered an integral part of the Group's cash management.

**4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below. The notes dealt with in 4.1 to 4.6 below provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements are included in the relevant notes together with information about basis of calculation of each affected line item in the Consolidated financial statements.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**4.1 Depreciation / Amortization and Impairment on Property, Plant and Equipment / Intangible assets**

Property, Plant and Equipment and Intangible assets are depreciated/ amortized on Straight Line Basis/ Written Down Value Basis over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II to the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

**4.2 Right-of-use assets and lease liability**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**4.3 Impairment allowances on trade receivables**

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. In case of variation in financial condition the amount of impairment as recognised may vary having a significant impact on the Consolidated Financial Statement.

**4.4 Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are matters pending before various judicial authorities outcome whereof are uncertain. Further, material judgement and assumptions are involved for arriving at timing differences and consequential adjustments on account of deferred taxation.

**4.5 Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**4.6 Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

(Rupees In Lakhs)

## 5. Property, Plant and Equipment

| Particulars | Freehold Land | Land - Right of use (ROU) | Building - Right of use (ROU) | Factory Building | Plant and Equipment | Furniture and Fixtures | Vehicles (Refer Note No. 5. 1) | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| **(A) Gross Carrying Amount** | | | | | | | | | |
| **As at March 31, 2022** | **1,998.71** | **119.24** | **45.63** | **1,396.08** | **24,263.75** | **86.72** | **303.18** | **245.41** | **28,458.72** |
| On account of consolidation of LAEL (refer (note no. 49 | - | 1,562.99 | - | 5,727.95 | 23,860.06 | 21.63 | - | 7.58 | 31,180.21 |
| Additions/Adjustments | - | - | 19.80 | 192.62 | 1,529.46 | 3.66 | 17.56 | 31.11 | 1,794.21 |
| Less: Disposals/Adjustments | - | - | - | - | 174.04 | - | 23.81 | - | 197.85 |
| **As at March 31, 2023** | **1,998.71** | **1,682.23** | **65.43** | **7,316.65** | **49,479.23** | **112.01** | **296.93** | **284.10** | **61,235.29** |
| Additions/Adjustments | - | - | 43.37 | 864.83 | 3,636.39 | 0.87 | - | 15.54 | 4,561.00 |
| Less: Disposals/Adjustments | - | - | - | - | 15.13 | - | 6.39 | 1.89 | 23.41 |
| **As at March 31, 2024** | **1,998.71** | **1,682.23** | **108.80** | **8,181.48** | **53,100.49** | **112.88** | **290.54** | **297.75** | **65,772.88** |
| **Accumulated impairment** | | | | | | | | | |
| **As at March 31, 2022** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| On account of consolidation of LAEL (refer note no. 49) | - | - | - | 5,025.19 | 21,413.86 | 7.37 | - | 2.04 | 26,448.46 |
| Additions during the year | - | - | - | - | - | - | - | - | - |
| Disposal/ adjustments during the year | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2023** | **-** | **-** | **-** | **5,025.19** | **21,413.86** | **7.37** | **-** | **2.04** | **26,448.46** |
| Additions during the year | - | - | - | - | - | - | - | - | - |
| Disposal/ adjustments during the year | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2024** | **-** | **-** | **-** | **5,025.19** | **21,413.86** | **7.37** | **-** | **2.04** | **26,448.46** |
| **(B) Accumulated Depreciation** | | | | | | | | | |
| **As at March 31, 2022** | **-** | **8.95** | **33.81** | **311.44** | **11,670.05** | **52.75** | **154.44** | **189.89** | **12,421.33** |
| On account of consolidation of LAEL (refer note no. 49) | - | 23.95 | - | 82.73 | 977.61 | 8.99 | - | 2.86 | 1,096.14 |
| Charge for the Year | - | 25.44 | 10.48 | 72.84 | 2,762.61 | 10.53 | 31.63 | 23.17 | 2,936.70 |
| Less: Disposals/Adjustments | - | - | - | - | 113.85 | - | 9.61 | - | 123.46 |
| As at March 31, 2023 | **-** | **58.34** | **44.29** | **467.01** | **15,296.42** | **72.27** | **176.46** | **215.92** | **16,330.71** |
| Charge for the Year | - | 25.44 | 17.03 | 96.02 | 2,888.59 | 7.08 | 26.31 | 20.25 | 3,080.72 |
| Disposals/Adjustments | - | - | - | - | 8.19 | - | 5.58 | - | 13.77 |
| **As at March 31, 2024** | **-** | **83.78** | **61.32** | **563.03** | **18,176.82** | **79.35** | **197.19** | **236.17** | **19,397.66** |
| **(C) Net Carrying Amount (A-B)** | | | | | | | | | |
| **As at March 31, 2023** | **1,998.71** | **1,623.89** | **21.14** | **1,824.45** | **12,768.95** | **32.37** | **120.47** | **66.14** | **18,456.12** |
| **As at March 31, 2024** | **1,998.71** | **1,598.45** | **47.48** | **2,593.26** | **13,509.81** | **26.16** | **93.35** | **59.54** | **19,926.76** |

5.1 Includes Rs. 16.31 Lakhs (March 31, 2023: Rs. 77.89 Lakhs) acquired on Hire Purchase basis by the Holding Company and under continued hire purchase agreement. Present liability for the same is Rs. 2.68 Lakhs (March 31, 2023: Rs. 16.98 Lakhs) out of which Rs. 2.68 Lakhs (March 31, 2023: Rs. 14.30 Lakhs) is payable within one year.

5.2 In earlier years, the subsidiary 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 subsidiary company's business was divided into 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 Lakhs [including Rs. 1.68 Lakhs in respect of intangible assets (refer note no. 7)] was made as on March 31, 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

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

adjustment in the carrying value of property, plant and equipment and intangible assets as estimated has been considered necessary."

5.3 Refer Note no. 19.1 and 23.1 to consolidated financial statement in respect of charge created against borrowings.

5.4 The title deeds/ lease deeds of all the immovable properties are held in the name of the respective companies included in the consolidated financial statements.

5.5 The Holding Company and its subsidiary company have not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

## 6. Capital Work In Progress (CWIP)

**As at March 31, 2024** **(Rupees In Lakhs)**

| Particulars | Amount |
|---|---|
| As per last Balance Sheet | 24.23 |
| Add: Addition during the year | - |
| Less: Capitalisation during the year | (24.23) |
| **As at March 31, 2024** | **-** |

**As at March 31, 2023** (Rupees In Lakhs)

| Particulars | Amount |
|---|---|
| As per last Balance Sheet | 0.29 |
| Add: Addition during the year | 24.23 |
| Less: Capitalisation during the year | (0.29) |
| **As at March 31, 2023** | **24.23** |

6.1 Ageing Schedule of Capital Work in Progress

(a) There is no Capital Work in Progress as on March 31, 2024

(b) Ageing of Capital Work in Progress as on March 31, 2023: **(Rupees In Lakhs)**

| Particulars | Amount in CWIP for a Period of | | | | As at March 31, 2023 |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| **Projects in Progress** | | | | | |
| Used CNC Gear Shaping Machine | 24.23 | - | - | - | 24.23 |
| **Total** | **24.23** | **-** | **-** | **-** | **24.23** |

## 7. Intangible Assets

**(Rupees In Lakhs)**

| Particulars | Computer Software | Total |
|---|---|---|
| **(A) Gross carrying Amount** | | |
| **As at March 31, 2022** | **166.86** | **166.86** |
| On account of consolidation of LAEL (refer note no. 49) | 1.68 | 1.68 |
| Addition | 19.20 | **19.20** |
| Disposals/Adjustments | **-** | **-** |
| **As at March 31, 2023** | **187.74** | **187.74** |
| Addition | 5.28 | 5.28 |
| Disposals/Adjustments | - | **-** |
| **As at March 31, 2024** | **193.02** | **193.02** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | | |
|---|---|---|
| **(B) Accumulated Impairment** | | |
| **As at March 31, 2022** | - | - |
| On account of consolidation of LAEL (refer note no. 49) | 1.68 | 1.68 |
| Addition | - | - |
| Disposals/Adjustments | - | - |
| **As at March 31, 2023** | **1.68** | **1.68** |
| Addition | - | - |
| Disposals/Adjustments | - | - |
| **As at March 31, 2024** | **1.68** | **1.68** |
| **(C) Accumulated Amortisation** | | |
| **As at March 31, 2022** | **160.52** | **160.52** |
| Charge for the year | 4.76 | 4.76 |
| Disposals/Adjustments | - | - |
| **As at March 31, 2023** | **165.28** | **165.28** |
| Charge for the year | 8.73 | 8.73 |
| Disposals/Adjustments | - | - |
| **As at March 31, 2024** | **174.01** | **174.01** |
| (C ) Net Carrying Amount (A-B) | | |
| **As at 31st March 2023** | **20.78** | **20.78** |
| **As at 31st March 2024** | **17.33** | **17.33** |

7.1 There are no intangible assets which are under development.

## 8. Non-current Investments

**(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Investment in Preference Shares of Body Corporate** | | | |
| **Unquoted, Measured at Amortised Cost** | | | |
| 80,00,000 Nos. (March 31, 2023: 50,00,000 Nos.) 3% Non-Convertible Non-cumulative Redeemable Preference Share of Rs. 10/- each fully paid up of M/s. Brua Hydrowatt Private Limited | 8.2 | 227.06 | 151.87 |
| | | **227.06** | **151.87** |

## 8.1 Additional Information

**(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Aggregate amount of Unquoted Investment | | 227.06 | 151.87 |

8.2 During the year, the Holding Company has further invested Rs. 300 Lakhs in 30 Lakhs number of 3% Non-Convertible Non-cumulative Redeemable Preference Share of Rs. 10/- each fully paid up of M/s. Brua Hydrowatt Private Limited.

These Preference shares will have the maximum term of 20 years from the date of allotment (i.e. 21st October, 2014 for first 20,00,000 Preference Shares, 19th November, 2014 for 20,00,000 Preference Shares, 27th November, 2014 for 10,00,000 Preference Shares, 1st December, 2023 for 15,00,000 Preference Shares and 26th February, 2024 for remaining 15,00,000 Preference Shares). However, these preference shares can be redeemed earlier at the option of the Holding Company but not before 3 years from the date of allotment.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

8.3 Refer Note no. 45 for information about Fair Value Measurement.

8.4 Refer Note no. 10.2.

8.5 Particulars of investments as required in terms of section 186 (4) of the Companies Act, 2013, have been disclosed under Note no. 8 above.

**9. Other Non Current Financial Assets** **(Rupees In Lakhs)**

| **Particulars** | **Note No.** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | | |
| **At Amortised Cost** | | | |
| Security Deposits | | 323.28 | 286.65 |
| Fixed Deposit with bank (having maturity more than one year) | 9.1 | 16.89 | 1.89 |
| | | **340.17** | **288.54** |

**9.1 Includes amount kept as lien against:** **(Rupees In Lakhs)**

| **Particulars** | **Note No.** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| Bank Guarantee/Letter of credit | | 1.89 | 1.89 |
| | | **1.89** | **1.89** |

**10. Other Non-current Assets** **(Rupees In Lakhs)**

| **Particulars** | **Note No.** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| Capital Advances | | 945.56 | 1,843.52 |
| **Advances other than capital advances** | | | |
| Advance Tax including Tax Deducted at Source | 10.1 | 483.39 | 390.25 |
| Amount deferred on fair valuation of financial instrument | 10.2 | 436.86 | 231.08 |
| | | **1,865.81** | **2,464.85** |

10.1 Advance Tax including Tax deducted at Source is net of provision for tax of Rs. 17,995.82 Lakhs (March 31, 2023: Rs. 9,576.95 Lakhs).

10.2 Represents the differential arising on the fair valuation of such financial assets at amortised cost and amortised over the tenure of said financial assets.

10.3 Refer Note no. 16.1.

**11. Inventories** **(Rupees In Lakhs)**

| **Particulars** | **Note No.** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| Raw Materials | 11.1 | 2,715.77 | 3,547.26 |
| Work in Progress | 11.1 | 2,288.01 | 2,239.92 |
| Finished Goods | | 1,168.37 | 681.52 |
| Stores and Spares | 11.1 | 1,891.22 | 1,813.90 |
| Scraps | | 18.18 | 7.75 |
| | | **8,081.55** | **8,290.35** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| **11.1** Includes goods in transit in respect of | | |
| -Raw Material | - | 8.63 |
| -Work in Progress | 8.27 | 2.69 |
| -Stores and Spares | 7.54 | 1.18 |

11.2 Refer Note no. 19.1 and 23.1 to consolidated financial statements in respect of charge created against borrowings.

11.3 The mode of valuation of inventories has been stated in Note no. 3.12.

## 12. Current- Trade Receivables

**(Rupees In Lakhs)**

| **Particulars** | **Note No.** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| **Unsecured** | | | |
| Considered Good | | 17,488.33 | 22,363.86 |
| Considered Doubtful/Credit Impaired | | 153.13 | 153.13 |
| Less: Impairment Allowances for doubtful trade receivables | 12.2 | (153.13) | (153.13) |
| | | **17,488.33** | **22,363.86** |

**12.1 Trade Receivables ageing schedule based on the due date for payment there against are as follows:**

**(Rupees In Lakhs)**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| **Undisputed Trade Receivables - Considered Good** | | |
| -Within the credit period | 12,747.92 | 17,457.14 |
| -Less than 6 Months | 1,498.27 | 1,079.11 |
| -6 months - 1 Year | 382.77 | 528.79 |
| -1-2 Years | 270.80 | 334.13 |
| -2-3 Years | 88.47 | 126.36 |
| -More than 3 Years | 312.47 | 650.70 |

**(Rupees In Lakhs)**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| **Undisputed Trade Receivables - Considered Doubtful** | | |
| -Within the credit period | - | - |
| -Less than 6 Months | - | - |
| -6 months - 1 Year | - | - |
| -1-2 Years | - | - |
| -2-3 Years | - | - |
| -More than 3 Years | 153.13 | 153.13 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Disputed Trade Receivables - Considered Good** | | |
| -Within the credit period | - | - |
| -Less than 6 Months | - | - |
| -6 months - 1 Year | - | - |
| -1-2 Years | - | - |
| -2-3 Years | - | - |
| -More than 3 Years | 2,187.63 | 2,187.63 |

**12.2 Movement of Impairment allowances for bad and doubtful trade receivables** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Balance as at the beginning of the year** | | 153.13 | 153.13 |
| Recognised/(Reversed) during the year | | - | - |
| **Balance at the end of the year** | | **153.13** | **153.13** |

12.3 Refer Note no. 19.1 and 23.1 to standalone financial statement in respect of charge created against borrowings.

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

12.5 Trade receivables include Rs. 2,130.96 Lakhs (March 31, 2023: Rs. 2,130.96 Lakhs) as on March 31, 2024 from a party against whom the application filed before Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench for recovery of outstanding dues has been dismissed and the appeal filed in this respect with the Hon'ble National Company Law Appellate Tribunal (NCLAT), Delhi, challenging the NCLT's Order is pending as on this date. Accordingly, pending outcome of the decision, the subsidiary company has considered the same good and recoverable. Adjustments, if any needed in this respect will be given effect to based on the decision of the NCLAT.

12.6 No trade receivable are due from directors or other officers of the respective companies included in the Group either severally or jointly with any other person nor due from firms or private companies respectively in which any director of the Holding Company or its subsidiary company is a partner, a director or a member.

**13. Cash and Cash Equivalents**

(As certified by the management) **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Balances with banks** | | | |
| In current account | | 4,659.20 | 993.76 |
| Cheques on hand | | - | 545.00 |
| Cash on hand | | 8.12 | 6.31 |
| | | **4,667.32** | **1,545.07** |

**14. Other Bank Balances** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Fixed deposits with Banks (having maturity of more than 3 months and less than 12 months) | 14.1 | 29,655.40 | 23,239.00 |
| **Earmarked Balances with Bank** | | - | |
| Unpaid Dividend | 14.2 | 2.51 | 147.69 |
| | | **29,657.91** | **23,386.69** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**14.1 Includes amount kept as lien against:** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Bank Guarantee/Letter of credit | | 77.11 | 0.10 |
| Government Authorities | | 1.00 | 1.00 |

14.2 Represents amount credited by Bank with respect to cancelled/unencashed demand draft issued to shareholders in respect of dividend declared.

**15. Current- Other Financial Assets** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | | |
| **At Amortised cost** | | | |
| Security Deposit | | 29.99 | 28.33 |
| | | **29.99** | **28.33** |
| Interest accrued on deposits | | 1,089.18 | 694.28 |
| Advances to Employees | | 17.75 | 19.18 |
| Rent and other receivables | | 42.62 | 15.29 |
| | | **1,179.54** | **757.08** |

**16. Other Current Assets** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Advances other than capital advances** | | | |
| Advances against goods and services | | 845.39 | 1,386.63 |
| Balances with government authorities | | 352.60 | 571.65 |
| Prepaid expenses | | 84.82 | 87.73 |
| Amount deferred on fair valuation of financial instrument | 10.2 | 33.97 | 23.03 |
| Other Advances | 16.2 | 0.60 | 2.49 |
| | | **1,317.38** | **2,071.53** |

16.1 No advances (non-current and current) are due from directors or other officers of the respective companies included in the Group either severally or jointly with any other person nor due from firms or private companies respectively in which any director of the Holding Company or its subsidiary company is a partner, a director or a member.

16.2 Other Advances include Rs. Nil (March 31, 2023: Rs. 2.43 lakhs) expenditure in excess of the limit specified under section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR).

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**17. Equity Share Capital** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Authorised** | | | |
| 53,00,000 Equity Shares of Rs. 10/- each | | 530.00 | 530.00 |
| (March 31, 2023: 53,00,000 Nos) | | | |
| 20,000 Redeemable Cumulative Preference Shares of Rs. 100/- each | | 20.00 | 20.00 |
| (March 31, 2023: 20,000 Nos) | | | |
| **Issued, Subscribed and Paid-up:** | | | |
| 39,56,433 Equity Shares of Rs. 10/- each | | 395.64 | 395.64 |
| (March 31, 2023: 39,56,433 Nos) | | | |
| | | **395.64** | **395.64** |

17.1 The Holding Company has only one class of issued shares i.e. Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after payment of all preferential amounts, in proportion to their shareholding.

17.2 There has been no changes/ movements in number of shares outstanding at the beginning and at the end of the reporting period.

117.2.1 The aggregate number of equity shares bought back in immediately preceding last five years ended March 31, 2024: Nil (previous period of five years ended March 31, 2023: 10,99,630 equity shares).

**17.3 Details of Equity Shareholders holding more than 5% equity shares:**

| Name of Equity Shareholders | Note No. | Number of Equity Shares held | |
|---|---|---|---|
| | | As at March 31, 2024 | As at March 31, 2023 |
| Yashwant Kumar Daga | | 12,36,819 | 12,36,819 |
| Nandini Daga | | 9,70,625 | 9,70,625 |
| Coplama Products Private Limited | | 5,24,600 | 5,24,600 |
| Jalpaiguri Holdings Private Limited | | 6,18,312 | 6,18,312 |

**17.4 Details of Shareholdings by the Promoters are given below:**

| Promoters Name | As at March 31, 2024 | | As at March 31, 2023 | | Percentage Change during the year |
|---|---|---|---|---|---|
| | Number of Shares | % Holding | Number of Shares | % Holding | |
| Yashwant Kumar Daga | 12,36,819 | 31.26% | 12,36,819 | 31.26% | 0.00% |
| Pradip Kumar Daga | - | 0.00% | - | 0.00% | 0.00% |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**18. Other Equity** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Capital Reserve** | | | |
| As per last Balance Sheet | | 46,822.37 | 35.36 |
| Additions during the year on consolidation (refer note no. 49 and 50) | | - | 46,351.79 |
| Capital reserve on cancellation of equity shares including expenses incurred in relation to liquidation proceedings | | - | 435.22 |
| **As at Balance Sheet date** | 18.2 | **46,822.37** | **46,822.37** |
| **Capital Redemption Reserve** | | | |
| As per last Balance Sheet | | 134.17 | 134.17 |
| **As at Balance Sheet date** | 18.3 | **134.17** | **134.17** |
| **Securities Premium** | | | |
| As per last Balance Sheet | | 20,945.77 | - |
| Additions during the year on consolidation (refer note no. 49) | | - | 20,945.77 |
| **As at Balance Sheet date** | 18.4 | **20,945.77** | **20,945.77** |
| **Retained Earnings** | | | |
| As per last Balance Sheet | | (9,122.28) | 43,878.90 |
| Additions during the year on consolidation (refer note no. 49) | | - | (64,521.82) |
| Profit for the year | | 11,511.43 | 11,920.93 |
| Transfer from Other Comprehensive Income | | (34.88) | (4.65) |
| Less: Final Dividend | | (395.64) | (395.64) |
| **As at Balance Sheet date** | 18.5 | **1,958.63** | **(9,122.28)** |
| Other Comprehensive Income | | | |
| **Re-measurement of defined benefit plan** | | | |
| **As per last Balance Sheet** | | - | - |
| Other Comprehensive Income for the year | | (34.88) | (4.65) |
| Transfer to retained earnings | | 34.88 | 4.65 |
| **As at Balance Sheet date** | 18.6 | - | - |
| | | **69,860.94** | **58,780.03** |

**Note**

18.1 Refer Consolidated Statement of Changes in Equity for movement in balances of reserves.

**18.2 Capital Reserve** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Government Grant Received - Holding Company | | 35.36 | 35.36 |
| Capital Reserve on consolidation | 49 and 50 | 46,351.79 | 46,351.79 |
| Capital reserve on cancellation of equity shares including expenses incurred in relation to liquidation proceedings | | 435.22 | 435.22 |
| | | **46,822.37** | **46,822.37** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**18.3 Capital Redemption Reserve**

Capital Redemption Reserve has been created consequent to buy back of equity shares. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

**18.4 Securities Premium**

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

**18.5 Retained Earnings**

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the Group. This includes Other Comprehensive Income of Rs. (45.96 Lakhs) (March 31, 2023: Rs. (11.08 Lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss. This also includes Rs. 77.42 Lakhs (March 31, 2023: Rs. 77.42 Lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment on account of fair valuation in earlier years and taken as deemed cost on the date of transition.

**18.6 Other Comprehensive Income**

Other Comprehensive Income represents gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note no. 18.5 above.

**18.7 Dividend**

Subsequent to the Balance Sheet date, the Board of Directors of the Holding Company has recommended a dividend of Rs. 10/- per Share to be paid on fully paid Equity Shares in respect of the Financial Year ended March 31, 2024. This Equity dividend is subject to approval by Shareholders at the ensuing Annual General Meeting and has not been recognised as a Liability in these Consolidated Financial Statements. The total estimated Equity dividend to be paid is Rs. 395.64 Lakhs.

**19. Borrowings** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| | | Non Current | Current | Non Current | Current |
| **At Amortised Cost** | | | | | |
| **Secured** | | | | | |
| From Banks | | | | | |
| -Term Loan | | - | - | - | 199.99 |
| -Guranteed Emergency Credit Line (GECL 2.0) | 19.1 | 66.67 | 400.00 | 466.52 | 400.00 |
| -Vehicle Loan | 19.2 | - | 2.68 | 2.68 | 14.30 |
| | | **66.67** | **402.68** | **469.20** | **614.29** |

19.1 GECL 2.0 facility is part of Working Capital requirement taken by the Holding Company. It is provided to augment net working capital, meet operating liabilities consequent to impact due to Covid-19. It is secured by extension of charge (Pari-pasu second charge) on existing primary security for working capital limits and collaterally secured by extension of charges (Pari-pasu second charge) on the existing collateral Security for working capital. Rate of interest being 1% above 6 months MCLR and is repayable at unamortised cost as follows:

| Financial Year | Amount in Lakhs |
|---|---|
| 2024-2025 | 400.00 |
| 2025-2026 | 66.67 |
| **Total** | **466.67** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

19.2 Secured by hypothecation of vehicles acquired there against by the Holding Company. Rate of interest is 9.85% and is repayable at unamortised cost as follows:

| Financial Year | Amount in Lakhs |
|---|---|
| 2024-2025 | 2.68 |
| **Total** | **2.68** |

19.3 As available from web page of Ministry of Corporate Affairs, in respect of the Holding Company, charges against assets in respect of secured loans taken have been registered with ROC. However, in cases of certain vehicles acquired through financing arrangements in the year 2018 -2019, such charges have not been registered with ROC. Amount outstanding in this respect is Rs. Nil (March 31, 2023: Rs. 5.38 Lakhs) and the same has been repaid during the year.

The Holding Company has a system of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

19.4 The borrowings obtained by the Holding Company from banks have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in earlier year, those were applied in the respective year for the purpose for which the loans were obtained.

No term loan has been obtained by the subsidiary company.

**20. Other Non-Current Financial Liabilities** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **At Amortised Cost** | | | |
| External Development Charges | | 400.28 | 400.28 |
| | | **400.28** | **400.28** |

**21. Non Current Provisions** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Provision for employee benefits | 44 | 252.59 | 208.12 |
| | | **252.59** | **208.12** |

**22A Deferred Tax Assets (net)**

The following is the analysis of Deferred Tax Assets/(Liabilities) in respect of subsidiary company presented in the Consolidated Balance Sheet: **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Deferred tax assets | | 263.10 | 308.40 |
| Deferred tax liabilities | | - | - |
| **Net Deferred Tax Assets/(Liabilities)** | | **263.10** | **308.40** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**22A.1. Components of Deferred Tax Liabilities/(Assets) as at March 31, 2024 are given below:**

**(Rupees In Lakhs)**

| Particulars | As at April 1, 2023 | Charge/ (Credit) recognised in statement of Profit and loss | Charge/ (Credit) recognised in other comprehensive income | As at March 31, 2024 |
|---|---|---|---|---|
| **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** |
| Deferred Tax Liabilities | - | - | - | - |
| **Total Deferred Tax Liabilities** | - | - | - | - |
| **Net Deferred Tax Assets/ (Liabilities)** | 308.40 | 45.30 | **-** | 263.10 |

**22A.2. Components of Deferred Tax Liabilities/(Assets) as at March 31, 2023 are given below:**

**(Rupees In Lakhs)**

| Particulars | As at April 1, 2022 | Charge/ (Credit) recognised in statement of Profit and loss | Charge/ (Credit) recognised in other comprehensive income | As at March 31, 2023 |
|---|---|---|---|---|
| **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** |
| Deferred Tax Liabilities | - | - | - | - |
| **Total Deferred Tax Liabilities** | - | - | - | - |
| **Net Deferred Tax Assets/ (Liabilities)** | - | **(308.40)** | **-** | **308.40** |

**22A.3. Details of unrecognised Deferred tax assets in case of the subsidiary company**

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 absence of virtual certainty with convincing evidence that sufficient taxable income will be available in the future against which the deferred tax assets can be realised in the normal course of business of the subsidiary company.

Expiry schedule of losses as per Income tax Return on which deferred tax assets is not recognised by the subsidiary company is as under:

**(Rupees In Lakhs)**

| Expiry of losses (as per Local Tax Laws) | 2024-2025 | 2025-2026 | Beyond 5 years | Indefinite | Total |
|---|---|---|---|---|---|
| Business Losses | 300.43 | 2,381.03 | 243.77 | - | 2,925.23 |
| Unabsorbed Depreciation | - | - | - | 35,702.02 | 35,702.02 |
| **Total** | **300.43** | **2,381.03** | **243.77** | **35,702.02** | **38,627.25** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**22B. Deferred Tax Liabilities (net)**

The following is the analysis of Deferred Tax Assets/(Liabilities) in respect of Holding Company presented in the Consolidated Balance Sheet**:**

**(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Deferred tax assets | | 86.30 | 88.97 |
| Deferred tax liabilities | | (407.00) | (605.53) |
| **Net Deferred Tax Assets/(Liabilities)** | | **(320.70)** | **(516.56)** |

**22B.1 Components of Deferred Tax Liabilities/(Assets) as at March 31, 2024 are given below:**

**(Rupees In Lakhs)**

| Particulars | As at April 1, 2023 | Charge/ (Credit) recognised in statement of Profit and loss | Charge/ (Credit) recognised in other comprehensive income | As at March 31, 2024 |
|---|---|---|---|---|
| **Deferred Tax Assets:** | | | | |
| Expenses allowed on payment basis | 88.97 | 2.67 | - | 86.30 |
| **Total Deferred Tax Assets** | **88.97** | **2.67** | **-** | **86.30** |
| **Deferred Tax Liabilities:** | | | | |
| Timing difference with respect to Property, Plant and Equipment and Intangible assets | 572.21 | (190.82) | - | 381.39 |
| Fair valuation of financial assets and financial liabilities | 24.46 | 1.95 | - | 26.41 |
| Remeasurement of defined benefit obligations | 8.86 | - | (9.66) | (0.80) |
| **Total Deferred Tax Liabilities** | **605.53** | **(188.87)** | **(9.66)** | **407.00** |
| **Net Deferred Tax Liabilities/(Assets)** | **516.56** | **(186.20)** | **(9.66)** | **320.70** |

**22B.2 Components of Deferred Tax Liabilities/(Assets) as at March 31, 2023 are given below:**

**(Rupees In Lakhs)**

| Particulars | As at April 1, 2022 | Charge/ (Credit) recognised in statement of Profit and loss | Charge/ (Credit) recognised in other comprehensive income | As at March 31, 2023 |
|---|---|---|---|---|
| **Deferred Tax Assets:** | | | | |
| Expenses allowed on payment basis | 89.93 | 0.96 | - | 88.97 |
| **Total Deferred Tax Assets** | **89.93** | **0.96** | **-** | **88.97** |
| **Deferred Tax Liabilities:** | | | | |
| Timing difference with respect to Property, Plant and Equipment and Intangible assets | 760.03 | (187.82) | - | 572.21 |
| Fair valuation of financial assets and financial liabilities | 28.30 | (3.84) | - | 24.46 |
| Remeasurement of defined benefit obligations | 10.42 | - | (1.56) | 8.86 |
| **Total Deferred Tax Liabilities** | **798.75** | **(191.66)** | **(1.56)** | **605.53** |
| **Net Deferred Tax Liabilities/(Assets)** | **708.82** | **(190.70)** | **(1.56)** | **516.56** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**23. Current Borrowings** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Secured** | | | |
| **From Banks** | | | |
| Working Capital Loan Repayable on demand | 23.1 | 6,063.13 | 7,742.34 |
| Current maturities of Long-term debt | 19 | 400.00 | 599.99 |
| Current maturities of Vehicle Loan | 19 | 2.68 | 14.30 |
| | | **6,465.81** | **8,356.63** |

23.1 Secured on 1st hypothecation charge on pari-passu basis by way of entire current assets including Stocks and Receivables of the Holding Company and is collaterally secured on 1st pari-passu basis by way of hypothecation on the entire plant and machinery of the Holding Company (both existing and future) and also hypothecation on all mortgaged immovable properties (factory land and building) of the Holding Company located at Kolkata, Faridabad and Rudrapur.

23.2 Also refer Note no. 19.3 for status of filing and satisfaction of charges with ROC.

23.3 In respect of the Holding Company's borrowings on the basis of securities of Current Assets, quarterly statements filed with the banks are in agreement with the unaudited books of accounts of the Holding Company.

**24. Trade Payables** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Total outstanding dues of micro enterprise and small enterprises | 24.1 | 703.34 | 745.06 |
| Total outstanding dues of creditors other than micro enterprise and small enterprises | 24.2 | 3,553.18 | 5,474.26 |
| | | **4,256.52** | **6,219.32** |

24.1 Disclosure of sundry creditors under Trade Payables is based on the information available with the respective companies included in the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given below:

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | | 703.34 | 745.06 |
| (b) The amount of the interest paid by the buyer in terms of section 16 of MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | | - | - |
| (c) The amount of the interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | | - | - |
| (d) The amount of Interest accrued and remaining unpaid at the end of each accounting year. | | - | 19.03 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

| | | | |
|---|---|---|---|
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED, Act 2006. | | - | - |

24.2 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.

**24.3 Trade Payable ageing schedule based on the outstanding based on the period from date of payment are as follows:**

**(Rupees In Lakhs)**

| Undisputed - Non MSME | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within credit period | 3,112.87 | 4,321.68 |
| Less than 1 year | 331.21 | 740.66 |
| 1-2 years | 71.10 | 147.02 |
| 2-3 years | 17.64 | 24.31 |
| More than 3 years | 20.36 | 240.59 |

| Undisputed - MSME | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within credit period | 696.78 | 457.82 |
| Less than 1 year | 6.56 | 287.24 |
| 1-2 years | - | |
| 2-3 years | - | - |
| More than 3 years | - | - |

**25. Current- Other Financial Liabilities**

**(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Financial Liabilities at amortised cost** | | | |
| Security Deposit | | 86.67 | 26.56 |
| **Liability for capital goods** | | | |
| Total outstanding dues of micro enterprise and small enterprises | 25.1 | - | - |
| Total outstanding dues of Creditors other than micro enterprise and small enterprises | | 228.93 | 228.37 |
| Liability relating to employees | | 485.76 | 690.57 |
| Liability relating to Others | | 604.91 | 623.32 |
| Unpaid/unclaimed Dividend | 25.3 | 2.51 | 147.69 |
| Interest Accrued | 25.2 | 36.86 | 41.20 |
| Provision for expenses | | - | |
| | | **1,445.64** | **1,757.71** |

25.1 To the extent of information available to the respective companies included in the Group, there are no outstanding balances with suppliers for capital goods as defined under "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

25.2 Includes interest accrued Rs. Nil (March 31, 2023: Rs. 19.03 Lakhs) on delayed payment to suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

25.3 The amount required to be transferred to the Investor Education and Protection Fund has been transferred by the Holding Company within prescribed time limit as required under Companies Act, 2013.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund in case of Subsidiary company.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**26. Current- Other Liabilities** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Statutory dues (includes Goods and Services Tax, Provident Fund, Employees State Insurance, Tax Deducted at Source, etc.) | | 374.13 | 1,006.45 |
| Payable to Provident Fund Trust Fund | | 5.64 | 1.60 |
| Advances from Customers | 26.1 | 770.32 | 1,289.41 |
| Deferred Government Grant | 26.2 | 79.14 | 221.07 |
| Others | | 57.00 | 57.00 |
| | | **1,286.23** | **2,575.53** |

**26.1 Contract Balances**

Advance from customers is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards products or services to be provided in future periods. Revenue is recognised once the performance obligation is met i.e., once the control over a product or service has been transferred to the customer.

**26.2 Details of Deferred Government Grant are as follows:** **(Rupees In Lakhs)**

| Particulars | Duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment | |
|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 |
| **As at the beginning of the year** | **221.07** | **309.85** |
| Add: Received during the year | - | - |
| Less: Transfer to Statement of Profit and Loss | 141.93 | 88.78 |
| **As at the end of the year** | **79.14** | **221.07** |

The above relates to export obligation/commitment of Rs. 562.96 Lakhs (March 31, 2023: Rs. 1,525.40 Lakhs) to be completed before the expiry of the time stipulated under the scheme. The amount of the Deferred Government Grant is adjusted to the Statement of Profit and Loss in proportion to the export obligation being completed on year to year basis.

**27. Provisions** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Provision for employee benefits | 44 | 220.35 | 174.05 |
| | | **220.35** | **174.05** |

**28. Current Tax Liabilities** **(Rupees In Lakhs)**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Provisions for Income Tax | 28.1 | 12.39 | 251.94 |
| | | **12.39** | **251.94** |

28.1 Provision for Income Tax is net of Advance Tax including Tax deducted at Source of Rs. 6,258.70 Lakhs (March 31, 2023: Rs. 10,253.71 Lakhs).

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**29(i).Revenue From Operations** **(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Sale of Products | | 75,748.67 | 78,453.77 |
| **Other Operating Revenue** | | | |
| Sale of Scrap | | 1,444.32 | 1,568.11 |
| Sale of Service | | 536.75 | 415.40 |
| Export Incentives | 29(i).2 | 177.69 | 108.97 |
| | | **77,907.43** | **80,546.25** |

**29(i). 1 Disaggregation of Revenue**

**Revenue based on Business Segment** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Automobile gears | 66,834.42 | 70,304.86 |
| Industrial gears | 10,887.13 | 9,962.89 |
| Solar power | 185.88 | 278.50 |
| **Total** | **77,907.43** | **80,546.25** |

**Revenue based on Geography** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Domestic | 76,265.44 | 79,758.02 |
| Export | 1,641.99 | 788.23 |
| **Total** | **77,907.43** | **80,546.25** |

**29 (i). 2** Includes Rs. 141.93 Lakhs (March 31, 2023: Rs. 88.78 Lakhs) in respect of Export incentives under EPCG Scheme (refer note 26.2)

**29 (ii). Other Income** **(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Interest Income | | | |
| On Bank Deposits and others | | 2,277.10 | 1,369.75 |
| On Financial assets measured at amortised costs | | 18.50 | 15.55 |
| **Other non-operating income (net of expenses directly attributable to such income)** | | 0.34 | - |
| Profit on sale of Property, Plant and Equipment (net) | | 5.73 | 42.47 |
| Liabilities and Unclaimed Balances written back | | 255.97 | 186.81 |
| Gain on Foreign Currency transactions and translations | | 12.87 | 20.14 |
| Rent income | 29(ii).1 | 2.06 | 1.60 |
| Miscellaneous Income | | 166.08 | 152.50 |
| | | **2,738.65** | **1,788.82** |

29 (ii). 1 The Holding Company has certain operating lease arrangements for residential and office accommodation.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

Income earned on account of rent during the year has been recognised in the Consolidated Statement of Profit and Loss amounting to Rs. 2.06 Lakhs (March 31, 2023: Rs. 1.60 Lakhs).

## 30. Cost of Materials Consumed

**(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Opening Inventories | | 3,547.26 | 4,006.95 |
| Add: Purchase | | 35,547.42 | 37,119.75 |
| | | 39,094.68 | 41,126.70 |
| Less: Closing Inventories | | 2,715.77 | 3,547.26 |
| | | **36,378.91** | **37,579.44** |

## 31. Changes in Inventories of finished goods, Stock-in-Trade and work-in-progress

**(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Opening Stock** | | | |
| Finished Goods | | 681.52 | 708.46 |
| Work in Progress | | 2,239.92 | 2,703.95 |
| Scrap | | 7.75 | 15.81 |
| | | **2,929.19** | **3,428.22** |
| **Less: Closing Stock** | | | |
| Finished Goods | | 1,168.37 | 681.52 |
| Work in Progress | | 2,288.01 | 2,239.92 |
| Scrap | | 18.18 | 7.75 |
| | | **3,474.56** | **2,929.19** |
| **(Increase)/Decrease in Inventories of finished goods, Stock-in-Trade and work-in-progress** | | **(545.37)** | **499.03** |

## 32. Employee Benefits Expense

**(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Salaries and Wages | | 8,096.13 | 7,380.24 |
| Contribution to Provident and Other Funds | 44 | 373.94 | 367.03 |
| Staff Welfare Expenses | | 329.97 | 269.83 |
| | | **8,800.04** | **8,017.10** |

## 33. Finance Costs

**(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Interest expense | | 587.05 | 581.20 |
| Interest Expense on Finance Lease | | 2.61 | 1.67 |
| Interest expenses on Income tax | | 22.73 | - |
| Other Borrowing Costs | | 34.89 | 23.49 |
| | | **647.28** | **606.36** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**34. Depreciation and amortisation expenses** **(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Depreciation on Property, Plant and Equipment (including Right-of-use Assets) | 5 | 3,080.70 | 2,936.70 |
| Amortisation on Intangible assets | 7 | 8.73 | 4.76 |
| | | **3,089.43** | **2,941.46** |

**35. Other Expenses** **(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Consumption of Stores, Spare Parts and Packing Materials | | 5,141.85 | 5,316.11 |
| Power and Fuel | | 3,483.38 | 3,479.99 |
| Job Charges | | 2,984.58 | 2,913.99 |
| Repairs and Maintenance to Buildings | | 165.39 | 193.72 |
| Repairs and Maintenance to Machinery | | 1,443.97 | 1,659.10 |
| Brokerage and Commission on Sales | | 130.02 | 58.70 |
| Transport and Forwarding Expenses | | 903.90 | 1,111.88 |
| Rent | 36 | 55.66 | 73.39 |
| Director Fees and Commission | | 30.65 | 21.40 |
| Donation | | 30.00 | 30.00 |
| Auditors' Remuneration | 35.1 | 14.35 | 14.35 |
| Bad Debt | | 362.91 | 108.89 |
| Amortisation of deferred portion of Financial instruments | | 25.15 | 22.53 |
| Sundry Balances Written Off | | 3.09 | 24.45 |
| Miscellaneous Expenses | 35.2 | 1,954.02 | 2,023.13 |
| | | **16,728.92** | **17,051.63** |

**35.1 Details of Auditors' Remuneration:** **(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Audit Fees | | 12.10 | 12.10 |
| Certification and other services | | 2.25 | 2.25 |
| | | **14.35** | **14.35** |

35.2 Includes Rs. 226.55 Lakhs (March 31, 2023: 160.75 Lakhs) on account of Corporate Social Responsibility (CSR). Gross amount required to be spent by the Holding Company during the year Rs. 226.55 Lakhs (March 31, 2023: Rs. 160.75 Lakhs).

35.2.1 Holding Company has carried forward of amount on account of excess expenses made in the year 2022-2023 of Rs. 2.43 Lakhs which has been considered as utilised for the current year.

## Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**Details of amount spent:** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Amount required to be spent during the year | 226.55 | 160.75 |
| Add: Balance of unspent amount of earlier years | - | 25.50 |
| Utilisation of excess spent amount carried forward | 2.43 | - |
| Balance amount required to be spent during the year | 224.12 | 186.25 |
| Amount spent during the year | 224.12 | 188.68 |
| Total Amount considered as amount spent during the year | 226.55 | 160.75 |
| Excess amount spent during the year | - | 2.43 |
| - Amount to be carried forward (refer note no. 16) | - | 2.43 |

**35.2.2 The breakup of CSR expenditure under various heads of expenses incurred is as below:**

**(Rupees In Lakhs)**

| CSR Expenses | For the year ended March 31, 2024 | | | For the year ended March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Amount spent | Amount provided for | Total | Amount spent | Amount provided for | Total |
| (i) Health Care and Sanitation | 126.39 | - | **126.39** | 101.08 | - | 101.08 |
| (ii) Education and Skill Development | 40.66 | - | **40.66** | 52.50 | - | 52.50 |
| (iii) Civil Welfare | 32.43 | - | **32.43** | - | - | - |
| (iv) Environment and Animal Welfare | 4.98 | - | **4.98** | 9.60 | - | 9.60 |
| (v) Sports | 5.50 | - | **5.50** | - | - | - |
| (vi) Contribution to PM CARES fund | 14.16 | - | **14.16** | - | - | - |
| **Total (Refer Note no. 35.2.2.1)** | **224.12** | - | **224.12** | **163.18** | - | **163.18** |

35.2.2.1 Includes Rs. Nil (March 31, 2023: Rs. 2.43 Lakhs) being excess amount spent during the year and shown as other advances under Note no. 16.2.

**35.2.3 Amount spent during the year on:** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | | | For the year ended March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Paid | Yet to be paid | Total | Paid | Yet to be paid | Total |
| i) Construction/acquisition of any assets | 145.91 | - | 145.91 | 73.04 | - | 73.04 |
| ii) On purpose other than (i) above (Refer Note no. 35.2.3.1) | 78.21 | - | 78.21 | 115.64 | - | 115.64 |

**35.2.3.1** Includes Rs. Nil (March 31, 2023: Rs. 25.50 Lakhs) incurred pertaining to earlier years and also includes Rs. Nil (March 31, 2023: Rs. 2.43 Lakhs) being excess amount spent during the year and shown as other advances under Note no. 16.2.

**36.** Disclosures regarding leases as per IND AS -116 “Leases”

Treatment of Leases as per Ind AS 116 :

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has applied the following practical expedients on initial application of Ind AS 116:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e) The weighted average incremental borrowing rate applied to leases recognised during FY 2023-24 is 8.56%.

(i) Nature of lease: The Group's significant leasing arrangements is in respect of Land and Premises for offices on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(ii) The Group has incurred Rs. 55.66 Lakhs and Rs. 73.39 Lakhs for the year ended March 31, 2024 and March 31, 2023 respectively towards rental expenses relating to short term leases and leases of low value assets. The total cash outflow for leases is Rs. 55.66 Lakhs and Rs. 73.39 Lakhs for the year ended March 31, 2024 and March 31, 2023 respectively.

(iii) Movement in lease liabilities during the year: **(Rupees In Lakhs)**

| **Particulars** | **March 31, 2024** | **March 31, 2023** |
|---|---|---|
| Opening Balance | 24.36 | 15.12 |
| Additions in lease liabilities | 40.72 | 19.80 |
| Finance cost accrued during the year | 2.61 | 1.67 |
| Less: Payment of lease liabilities | (19.19) | (12.23) |
| **Closing Balance** | **48.50** | **24.36** |

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

**(Rupees In Lakhs)**

| **Particulars** | **March 31, 2024** | **March 31, 2023** |
|---|---|---|
| Not later than one year | 20.19 | 13.46 |
| Later than one year and not later than five years | 34.09 | 11.93 |
| Later than five years | 12.79 | 12.98 |

(v) Lease Liabilities

**(Rupees In Lakhs)**

| **Particulars** | **Note No.** | **As at March 31, 2024** | | **As at March 31, 2023** | |
|---|---|---|---|---|---|
| | | **Non-Current** | **Current** | **Non-Current** | **Current** |
| Lease Liabilities | | 30.47 | 18.03 | 12.99 | 11.37 |
| **Total** | | **30.47** | **18.03** | **12.99** | **11.37** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**37. Tax Expenses** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Current Tax** | | |
| In respect of Current Year | 4,177.96 | 4,218.22 |
| In respect of Earlier Year | (1.62) | - |
| **Total Current tax expense recognised in the current year** | **4,176.34** | **4,218.22** |
| **Deferred Tax** | | |
| In respect of the current year | (140.90) | (499.10) |
| **Total Deferred tax expense recognised in the current year** | **(140.90)** | **(499.10)** |
| **Total Tax expense recognised in the Statement of Profit and Loss** | **4,035.44** | **3,719.12** |

**37.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

**(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Profit before tax** | 15,546.87 | 15,640.05 |
| Income tax expense calculated at tax rates as applicable for corporate entities on taxable profits under the Indian tax laws | 3,910.30 | 3,935.21 |
| **Add: Effect of Expenses that are not deductible in determining Taxable Profit** | | |
| Expenses not allowed for Tax Purposes | 57.02 | 40.45 |
| Effect of other adjustments | 68.12 | (256.54) |
| **Income tax expense recognised in the statement of profit and loss** | **4,035.44** | **3,719.12** |

**37.2 Income tax recognized in Other Comprehensive income** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Deferred tax charge on:** | | |
| Remeasurement gains of defined benefit obligation | (9.66) | (1.56) |
| **Income tax recognized in Other Comprehensive income** | **(9.66)** | **(1.56)** |
| **Bifurcation of the income tax recognized in Other comprehensive income into:** | | |
| Items that will be reclassified to profit or loss | **-** | **-** |
| Items that will not be reclassified to profit or loss | **(9.66)** | **(1.56)** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**37.3 Components of Other Comprehensive Income** **(Rupees In Lakhs)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Items that will not be reclassified to statement of profit or loss** | | |
| Remeasurement of defined benefit obligation (net of tax) | (34.88) | (4.65) |
| | **(34.88)** | **(4.65)** |

**38. Contingent Liabilities and Commitments (to the extent not provided for)**

**Contingent Liabilities**

**(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **In respect of the Holding Company** | | | |
| **Claims against the Company not acknowledged as Debt** | | | |
| Various show cause notices/demands issued/raised (including interest to the extent ascertained) pending before at different levels of appeal. These matter in the opinion of the management are not tenable. | | | |
| Central Excise/Service Tax/Sales tax matter under appeal- Disallowances of Input Tax credits. (Amount paid under protest - Rs. 2,00,000 (March 31, 2023: Rs. 2,00,000)) | | 4.19 | 4.19 |
| Income Tax matters under appeal- Short allowances of claims under Section 80 IC, MAT Credits, accomodation entriesand other disallowances contested by the Holding Company (paid under protest - Rs. 115.48 Lakhs (March 31, 2023: 218.23 Lakhs) | | 317.61 | 392.52 |
| Interest on External Development Charges | | 37.26 | 34.21 |
| Other Claims not acknowledged as debt | | 23.06 | 23.06 |

The subsidiary company does not have any commitments outstanding as on March 31, 2024 and March 31, 2023.

38.1 The Holding Company's pending litigation comprises of claim against the Holding Company and proceeding pending tax/statutory/Government authorities. The Holding Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Consolidated Financial Statements. The Holding Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgements/decisions.

**Capital and Other Commitments** **(Rupees In Lakhs)**

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **In respect of the Holding Company** | | | |
| **Capital Commitment:** Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of Rs. 945.56 Lakhs (March 31, 2023: Rs. 1,843.52 Lakhs) | | 800.25 | 2,729.25 |
| **Other Commitment:** Future export obligation/commitments under import of capital goods at concessional rate of Custom Duty. | | 562.96 | 1,525.40 |

The subsidiary company does not have any commitments outstanding as on March 31, 2024 and March 31, 2023.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**39. Contingent Assets**

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 group. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

**40. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:**

**(A) Names of related parties and nature of relationship**

**(i) Key Managerial Personnel and their relatives**

(a) Pradip Kumar Daga- Chairman cum Managing Director - upto 15th December, 2023 and thereafter with effect from 3rd Februrary, 2024 designated as Chairman Emeritus

(b) Yashwant Kumar Daga - Vice-Chairman cum Joint Managing Director - upto 2nd February, 2024

- Chairman cum Managing Director- with effect from 3rd February, 2024

(c) Anand Prasad Agarwalla- Independent Director

(d) Meera Dokania- Independent Director - upto 22nd May, 2022- Non independent Director - with effect from 23rd May, 2022

(e) Sujit Chakravorti-Independent Director

(f) Ganapathy Anantha Narayanan-Independent Director

(g) Niraj Agarwala-Relative of the Director

(h) Amritesh Daga -Relative of the Director

**(ii) Entities over which any person decribed in (i) above is able to exercise significant influence and with whom the Company has transaction during the year**

(a) Deepak Spinners Limited

(b) Brua Hydrowatts Private Limited

(c) Coplama Products Private Limited

(d) Bansidhar Daga Foundation - Trust

(e) Daga Seva Nidhi - Trust

(f) Merlin Holdings Private Limited

**(iii) Post Employment Benefit Plan**

(a) Deepak Industries Provident Fund

(b) Deepak Industries Gratuity Fund

**(iv) Aggregate amount of transactions with related parties:** **(Rupees In Lakhs)**

| Nature of Transaction | Note No. | Name of Related Party | For the year endedMarch 31, 2024 | For the year endedMarch 31, 2023 |
|---|---|---|---|---|
| **(a) Remuneration (included in Employee Benefits Expense)** | | Yashwant Kumar Daga | 236.25 | 210.00 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| Nature of Transaction | Note No. | Name of Related Party | For the year endedMarch 31, 2024 | For the year endedMarch 31, 2023 |
|---|---|---|---|---|
| **(b) Sitting Fees** | | Anand Prasad Agarwalla | 2.30 | 2.55 |
| | | Meera Dokania | 1.10 | 1.80 |
| | | Sujit Chakravorti | 1.40 | 1.45 |
| | | Ganpathy Anantha Narayanan | 1.85 | 1.60 |
| **(c) Commission** | | Anand Prasad Agarwalla | 6.00 | 3.50 |
| | | Meera Dokania | 6.00 | 3.50 |
| | | Sujit Chakravorti | 6.00 | 3.50 |
| | | Ganapathy Anantha Narayanan | 6.00 | 3.50 |
| **(d) Professional Fees** | | Anand Prasad Agarwalla | 1.79 | 0.68 |
| | | Niraj Agarwala | 0.35 | 0.11 |
| | | Amritesh Daga | 12.00 | 6.00 |
| **(e) Sales of solar power** | | Deepak Spinners Limited | 169.19 | 134.72 |
| **(f) Sale of Fixed Assets** | | Contransys Private Limited | 1.00 | - |
| **(g) Office Expenses (Rent, Telephone, Electricity, etc.)** | | Coplama Products Private Limited | 1.69 | 1.82 |
| | | Merlin Holdings Private Limited | 6.75 | - |
| **(h) Contribution to Employees Provident Fund Trust** | | Deepak Industries Provident Fund | 6.70 | 2.01 |
| **(i) Contribution to Gratuity Trust** | | Deepak Industries Gratuity Fund | 93.63 | 57.37 |
| **(j) Club Membership Fees** | | Yashwant Kumar Daga | 1.77 | 3.54 |
| | | Pradip Kumar Daga | 0.30 | 0.21 |
| **(k) Donation** | | Bansidhar Daga Foundation | 15.00 | 15.00 |
| | | Daga Seva Nidhi | 15.00 | 15.00 |
| **(l) Medical Insurance Premium** | | Yashwant Kumar Daga | 11.74 | 8.88 |
| **(m) Investment in 3% Non Cumulative non Convertible Redeemable Preference Share** | | Brua Hydrowatts Private Limited | 300.00 | - |

## Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| Nature of Transaction | Note No. | Name of Related Party | For the year endedMarch 31, 2024 | For the year endedMarch 31, 2023 |
|---|---|---|---|---|
| **(n) Rent Received** | | Coplama Products Private Limited | 0.03 | - |
| | | Contransys Private Limited | 0.07 | - |
| | | Jalpaiguri Holdings Private Limited | 0.03 | - |
| | | Longview Tea Company Limited | 0.04 | |
| | | Lotus Auto Engineering Limited | 0.04 | - |

**(v) Balance of related parties are as follows:**

| Nature of Transaction | Note No. | Name of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **(a) Closing value of Investment in Non Cumulative non Convertible Redeemable Preference Share** | 40(A)(vii) | Brua Hydrowatts Private Limited | - | 151.87 |
| **(b) Balance Receivable** | | Deepak Spinners Limited | 14.16 | 18.43 |
| **(c) Balance Payable** | | Anand Prasad Agarwalla | 6.00 | 3.50 |
| | | Meera Dokania | 6.00 | 3.50 |
| | | Sujit Chakraborty | 6.00 | 3.50 |
| | | Ganapathy Anantha Narayanan | 6.00 | 3.50 |
| **(d) Payables to Trust created for Post Employment Benefit Plans** | | Deepak Industries Provident Fund | 5.64 | 1.60 |
| | | Deepak Industries Gratuity Fund | 136.98 | 93.63 |

**(vi) The remuneration of directors and other members of key management personnel during the year are as follows:**

**(Rupees In Lakhs)**

| Particulars | | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Short–term employee benefits | | | 236.25 | 210.00 |
| Post–employment benefits* | | | - | - |

*Excluding contribution to gratuity and provident fund

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

(vii) The Holding Company has made investments of Rs. 800 Lakhs (March 31, 2023: Rs. 500.00 Lakhs) in 3% Non-Convertible Non-cumulative Redeemable Preference Share which as required in term of Ind AS 109 "Financial Instruments" have been fair valued to Rs. 227.06 Lakhs (March 31, 2023: Rs. 151.87 Lakhs) and corresponding effect have been shown as amount deferred on fair valuation of financial instruments under other Non current and current assets.

**(B) Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Group has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2024, the Group has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2023 Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**41. Segment Information**

**41.1 Basis for segmentation**

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The CODM of the Group evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the business segment of the Group

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Group has identified three business segments viz. Automobile Gears, Industrial Gears and Solar Power and presented the same in the Consolidated Financial Statements. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to Group as a whole and are not allocable to a segment on reasonable basis have been disclosed as ""Unallocable"" .

Segment Assets and Segment Liabilities represents assets and liabilities of respective segments. Investments, Tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as ""Unallocable

| Reportable Segment | Description of products/services |
|---|---|
| Automobile Gears and components | The segment is engaged in manufacturing of tractors and Automobile gears and Shaft, Moped/Motor Cycle parts |
| Industrial Gears and components | The segment is engaged in manufacturing of helical gears, worm gear boxes and geared motors |
| Solar Power | The segment is engaged in generation and distribution of electricity. |

**41.2 Information about reportable segments**

The following is an analysis of revenue and results from operations by reportable segments:

**(Rupees In Lakhs)**

| Particulars | Automobile Gear and components | | Industrial Gears and components | | Solar Power | | Unallocated Amounts | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| **Revenue** | | | | | | | | | | |
| Sale and services to external customer | 66,834.42 | 70,304.86 | 10,887.13 | 9,962.89 | 185.88 | 278.50 | - | - | 77,907.43 | 80,546.25 |
| Revenue from Operations (Gross) | 66,834.42 | 70,304.86 | 10,887.13 | 9,962.89 | 185.88 | 278.50 | - | - | 77,907.43 | 80,546.25 |

## Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Segment Results** | **11,880.24** | **13,955.47** | **1,347.47** | **434.90** | **(123.81)** | **(232.96)** | **-** | **-** | **13,103.90** | **14,157.41** |
| Unallocated Corporate Expenses (Net of unallocable income) | - | - | - | - | - | - | (2,466.32) | (1,483.20) | (2,466.32) | (1,483.20) |
| Finance Costs | - | - | - | - | - | - | 23.35 | 0.56 | 23.35 | 0.56 |
| **Profit(Loss) Before Tax** | **11,880.24** | **13,955.47** | **1,347.47** | **434.90** | **(123.81)** | **(232.96)** | **2,442.97** | **1,482.64** | **15,546.87** | **15,640.05** |
| Tax Expenses | - | - | - | - | - | - | 4,035.44 | 3,719.12 | 4,035.44 | 3,719.12 |
| **Profit(Loss) After Tax** | **11,880.24** | **13,955.47** | **1,347.47** | **434.90** | **(123.81)** | **(232.96)** | **(1,592.47)** | **(2,236.48)** | **11,511.43** | **11,920.93** |
| Segment Assets | 43,613.20 | 45,239.48 | 7,919.89 | 9,439.46 | 295.96 | 562.29 | - | - | 51,829.05 | 55,241.23 |
| Unallocated Corporate Assets | - | - | - | - | - | - | 33,203.21 | 24,888.14 | 33,203.21 | 24,888.14 |
| **Total Assets** | **43,613.20** | **45,239.48** | **7,919.89** | **9,439.46** | **295.96** | **562.29** | **33,203.21** | **24,888.14** | **85,032.26** | **80,129.37** |
| Segment Liabilities | 5,649.60 | 7,486.28 | 8,468.61 | 12,240.70 | 222.36 | 216.67 | - | - | 14,340.57 | 19,943.65 |
| Unallocated Corporate Liabilities | - | - | - | - | - | - | 435.11 | 1,010.05 | 435.11 | 1,010.05 |
| | | | | | | | | | | |
| **Total Liabilities** | 5,649.60 | **7,486.28** | 8,468.61 | **12,240.70** | 222.36 | **216.67** | 435.11 | **1,010.05** | **14,775.68** | **20,953.70** |
| | | | | | | | | | | |
| Capital Expenditure | 3,588.87 | 1,490.73 | 953.19 | 326.82 | - | - | - | - | 4,542.06 | 1,817.55 |
| | | | | | | | | | | |
| Depreciation/ Amortisation | 2,637.84 | 2,320.07 | 192.06 | 231.69 | 259.01 | 389.04 | 0.52 | 0.66 | 3,089.43 | 2,941.46 |

Finance income and fair value gains and losses on financial instruments are not allocated to individual segments as the underlying instruments are managed at Group level. Current Taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at Group level.

Capital Expenditure consists of addition to Property, Plant and Equipment including Right of use assets, Capital Work In Progress and Intangible assets.

### 41.3 Geographical Information

**(Rupees In Lakhs)**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **Revenue by Geographical market** | | |
| Sale of Products and Services | | |
| - Domestic | 76,265.44 | 79,758.02 |
| - Export | 1,641.99 | 788.23 |
| **Total** | **77,907.43** | **80,546.25** |
| **Assets** | | |
| Trade Receivable (Net of Impairment allowances for bad and doubtful trade receivables) | | |
| - Within India | 16,787.39 | 21,580.04 |
| - Outside India | 700.94 | 783.82 |
| **Total** | **17,488.33** | **22,363.86** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**41.4 Information about major customers**

Revenue in respect of automobile gear include sale to two public companies and one private company (March 31, 2023: four public companies) pertaining to the automobile sector which account for more than 10% in each case and Rs. 42,193.57 Lakhs (March 31, 2023: Rs. 54,016.70 Lakhs) in aggregate of the total revenue of the Group.

**42. Calculation of Earning Per Share (EPS) is as follows:** **(Rupees In Lakhs)**

| Particulars | | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (Rs. In Lakhs) | | 11,511.43 | 11,920.93 |
| **Net profit for basic and diluted earnings per share (Rs. In Lakhs)** | (a) | **11,511.43** | **11,920.93** |
| **Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)** | | | |
| No. of equity shares outstanding as on | | 39,56,433 | 39,56,433 |
| Weighted average number of equity shares considered in calculating basic and diluted EPS | (b) | **39,56,433** | **39,56,433** |
| **Earnings per share (EPS) of Equity Share of Rs. 10 each:** | | | |
| Basic and Diluted (a/b) (Rs.) | | 290.96 | 301.31 |

43. In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.

**44. Post Retirement Employee Benefits**

The disclosures required under Indian Accounting Standard 19 on"Employee Benefits" (Ind AS - 19) are given below:

**(a) Defined Contribution Scheme** **(Rupees In Lakhs)**

| Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|
| **Contribution to Defined Contribution Plan recognised as expense for the year are as under:** | | |
| Employer's Contribution to Provident Fund | 135.79 | 125.56 |
| Employer's Contribution to Family Pension Fund | 116.85 | 153.96 |

**(b) Defined Benefit Plan**

**(I) In respect of the Holding Company**

The Holding Company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The Holding Company makes annual contribution of Gratuity to Gratuity Fund maintained by Trust created by the Holding Company for the scheme.

The Holding Company also extends benefit of compensated absences to the employee, whereby they are eligible to carry forward there entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Holding Company has a separate Provident Fund Trust (Funded), whereby all the employees covered under the said Trust are entitled to benefits as per Provident Fund Act/Trust Deed. Any shortfall for the Trust is borne by

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

the Holding Company, hence the same is treated as a defined benefit scheme. Contribution to those provident funds amounting to Rs. 6.70 Lakhs (March 31, 2023: Rs. 2.01 Lakhs) including shortfall in the funds of Rs. 5.64 Lakhs (March 31, 2023: Rs. 1.22 Lakhs) is recognised as expenses and included in "Employee Benefits Expense.

The employee's gratuity fund scheme managed by Deepak Industries Gratuity Fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**Gratuity (Funded)** **(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| A . | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 1,107.27 | 1,035.25 |
| | Current Service Cost | 92.58 | 82.57 |
| | Interest Cost | 81.94 | 73.50 |
| | Benefit Paid | (69.12) | (79.30) |
| | **Actuarial (Gain)/Losses arising from:** | | |
| | Remeasurements- Due to Financial Assumptions | 24.67 | (19.12) |
| | Remeasurements- Due to Experience Adjustments | 6.66 | 14.37 |
| | **Liability at the end of the year** | **1,244.00** | **1,107.27** |
| B . | **Change in Fair Value of plan Assets:** | | |
| | Fair value of Plan Assets at the beginning of the year | 1,013.63 | 977.87 |
| | Interest Income | 75.92 | 68.65 |
| | Contributions by the Employers | 93.64 | 57.37 |
| | Benefit paid | (69.12) | (79.30) |
| | Remeasurements- Return on Assets (excluding Interest Income) | (7.06) | (10.96) |
| | **Fair value of plan Assets at the end of the year** | **1,107.01** | **1,013.63** |
| C . | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 1,244.00 | 1,107.27 |
| | Fair value of Plan Assets at the end of the year | 1,107.01 | 1,013.63 |
| | | **136.99** | **93.64** |
| D . | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 92.58 | 82.57 |
| | Interest Cost | 81.94 | 73.50 |
| | Expected Return on Plan Assets | (75.92) | (68.65) |
| | Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI | - | - |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss** | **98.60** | **87.42** |
| E . | **Remeasurements Recognized in Other Comprehensive Income** | | |
| | Remeasurements- Due to Financial Assumptions | 24.67 | (19.12) |
| | Remeasurements- Due to Experience Adjustments | 6.66 | 14.37 |
| | Remeasurements- Return on Assets (excluding Interest Income) | 7.06 | 10.96 |
| | **Remeasurements Recognized in Other Comprehensive Income** | **38.39** | **6.21** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| **F .** | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 93.64 | 57.38 |
| | Defined Benefit Cost included in Profit and Loss | 98.60 | 87.42 |
| | Remeasurements Recognized in Other Comprehensive Income | 38.39 | 6.21 |
| | Employers Contribution | (93.64) | (57.37) |
| | **Amount Recognised in BalanceSheet** | **136.99** | **93.64** |

**G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:**

| | Particulars | | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|---|
| | Equity | | - | - |
| | Bonds | | 96.23% | 99.47% |
| | Other Current Assets | | 3.77% | 0.53% |
| | Insurance policies | | | |
| **H .** | **The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:** | | | |
| | **Summary of Financial Assumption** | | | |
| | Discount Rate | | 7.10% | 7.40% |
| | Salary Escalation- First Five Years | | 6.00% | 6.00% |
| | Salary Escalation- After Five Years | | 6.00% | 6.00% |
| | Expected Return on Plan Assets | | 7.10% | 7.40% |
| | **Summary of Demographic Assumptions** | | | |
| | Mortality Table | | IALM (2012-14) Table Ultimate | |
| | Disability Rate(a % of above mortality rate) | | 5.00% | 5.00% |
| | Withdrawal Rates | | 1% to 8% | 1% to 8% |
| | Retirement Age | | 58Years | 58Years |
| | Average future service | | 17.15 | 17.79 |
| | | | | **(Rupees In Lakhs)** |
| **I.** | **Sensitivity analysis** | | | |
| | **Particulars** | **Change in Assumptions** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Salary Escalation | 1% | 1,330.49 | 1,188.52 |
| | Salary Escalation | -1% | 1,171.05 | 1,038.61 |
| | Withdrawal Rates | 1% | 1,251.84 | 1,115.83 |
| | Withdrawal Rates | -1% | 1,239.48 | 1,101.58 |
| | Discount Rate | 1% | 1,170.80 | 1,042.58 |
| | Discount Rate | -1% | 1,332.09 | 1,185.05 |
| | Mortality Rate | 10% | 1,244.87 | 1,108.06 |
| | Mortality Rate | -10% | 1,243.14 | 1,106.51 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

| Particulars | Gratuity |
|---|---|
| 01 Apr 2024 to 31 Mar 2025 | 297.01 |
| 01 Apr 2025 to 31 Mar 2026 | 85.57 |
| 01 Apr 2026 to 31 Mar 2027 | 46.84 |
| 01 Apr 2027 to 31 Mar 2028 | 59.73 |
| 01 Apr 2028 to 31 Mar 2029 | 78.12 |
| 01 Apr 2029 Onwards | 191.62 |

| K. | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Average number of people employed | 869 | 894 |

**(II)In respect of the subsidiary company**

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 subsidiary 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:

**Gratuity (Unfunded)** **(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| **A .** | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 1.41 | - |
| | Current Service Cost | 2.29 | 0.60 |
| | Past service cost including curtailment gains/ losses | - | 0.81 |
| | Interest Cost | 0.10 | - |
| | Benefit Paid | - | - |
| | **Actuarial (Gain)/Losses arising from:** | | |
| | Remeasurements- Due to Financial Assumptions | 0.02 | - |
| | Remeasurements- Due to Experience Adjustments | 6.13 | - |
| | **Liability at the end of the year** | **9.95** | **1.41** |
| **B.** | **Change in Fair Value of plan Assets:** | | |
| | Fair value of Plan Assets at the beginning of the year | - | - |
| | Interest Income | - | - |
| | Contributions by the Employers | - | - |
| | Benefit paid | - | - |
| | Remeasurements- Return on Assets (excluding Interest Income) | - | - |
| | **Fair value of plan Assets at the end of the year** | **-** | **-** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| **C.** | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 9.95 | 1.41 |
| | Fair value of Plan Assets at the end of the year | - | - |
| | | **9.95** | **1.41** |
| **D.** | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 2.29 | 0.60 |
| | Past service cost including curtailment gains/ losses | - | 0.81 |
| | Interest Cost | 0.10 | - |
| | Expected Return on Plan Assets | - | - |
| | Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI | - | - |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss** | **2.39** | **1.41** |
| **E.** | **Remeasurements Recognized in Other Comprehensive Income** | | |
| | Remeasurements- Due to Financial Assumptions | 0.02 | - |
| | Remeasurements- Due to Experience Adjustments | 6.13 | - |
| | Remeasurements- Return on Assets (excluding Interest Income) | - | - |
| | **Remeasurements Recognized in Other Comprehensive Income** | **6.15** | **-** |
| **F.** | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 1.41 | - |
| | Defined Benefit Cost included in Profit and Loss | 2.39 | 1.41 |
| | Remeasurements Recognized in Other Comprehensive Income | 6.15 | - |
| | Employers Contribution | - | - |
| | **Amount Recognised in Balance Sheet** | **9.95** | **1.41** |

| | | | |
|---|---|---|---|
| **G.** | **Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:** | | |
| | **Particulars** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Equity | - | - |
| | Bonds | - | - |
| | Other Current Assets | - | - |
| | Insurance policies | | |
| **H.** | **The Principal Actuarial Assumptions as at Balance Sheetdate are set out as below:** | | |
| | **Summary of Financial Assumption** | | |
| | Discount Rate | 7.23% | 7.34% |
| | Salary Escalation | 6.00% | 6.00% |
| | Expected Return on Plan Assets | - | - |
| | **Summary of Demographic Assumptions** | | |
| | Mortality Table | IALM (2012-14) Table Ultimate | |
| | Retirement Age | 58 Years | 58 Years |
| | Average future service | 13.97 | 12.82 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

(Rupees In Lakhs)

| I. | Sensitivity analysis | | | |
|---|---|---|---|---|
| | **Particulars** | **Change in Assumptions** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Salary Escalation | 0.50% | 0.11 | 0.05 |
| | Salary Escalation | -0.50% | (0.11) | (0.05) |
| | Discount Rate | 0.50% | (0.10) | (0.05) |
| | Discount Rate | -0.50% | 0.11 | 0.05 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet.

(Rupees In Lakhs)

| J. | Estimate of expected benefit payments (In absolute terms i.e. undiscounted) | |
|---|---|---|
| | **Particulars** | **Leave** |
| | 01 Apr 2024 to 31 Mar 2025 | 7.80 |
| | 01 Apr 2025 to 31 Mar 2026 | 0.02 |
| | 01 Apr 2026 to 31 Mar 2027 | 0.02 |
| | 01 Apr 2027 to 31 Mar 2028 | 0.03 |
| | 01 Apr 2028 to 31 Mar 2029 | 0.04 |
| | 01 Apr 2029 Onwards | 2.04 |

| K. | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | Average number of people employed | 11 | 7 |

**(c) Other Long Term Employee Benefit**

**(I) Compensated absences (Unfunded)**

**In respect of the Holding Company and its subsidiary company**

(Rupees In Lakhs)

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| A . | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 236.15 | 231.17 |
| | Current Service Cost | 23.51 | 18.34 |
| | Past service cost including curtailment gains/ losses | - | 0.98 |
| | Interest Cost | 17.48 | 16.41 |
| | Benefit Paid | (13.30) | (11.22) |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | **Actuarial (Gain)/Losses arising from:** | | |
| | Remeasurements- Due to Financial Assumptions | 4.81 | (4.44) |
| | Remeasurements- Due to Experience Adjustments | (0.31) | (15.09) |
| | **Liability at the end of the year** | **268.34** | **236.15** |
| **B .** | **Change in Fair Value of plan Assets:** | | |
| | Fair value of Plan Assets at the beginning of the year | - | - |
| | Interest Income | - | - |
| | Contributions by the Employers | 13.30 | 11.22 |
| | Benefit paid | (13.30) | (11.22) |
| | Remeasurements- Return on Assets (excluding Interest Income) | - | - |
| | **Fair value of plan Assets at the end of the year** | **-** | **-** |
| **C .** | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 268.34 | 236.15 |
| | Fair value of Plan Assets at the end of the year | - | - |
| | | **268.34** | **236.15** |
| **D .** | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 23.51 | 18.34 |
| | Past service cost including curtailment gains/ losses | - | 0.98 |
| | Interest Cost | 17.48 | 16.41 |
| | **Total Defined Benefit Cost recognized in the Statement of Profit and Loss** | **40.99** | **35.73** |
| **E .** | **Remeasurements Recognized in Statement of Profit and Loss** | | |
| | Remeasurements- Due to Financial Assumptions | 4.81 | (4.44) |
| | Remeasurements- Due to Experience Adjustments | (0.31) | (15.09) |
| | **Remeasurements Recognized in Statement of Profit and Loss** | **4.50** | **(19.53)** |
| **F .** | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 236.15 | 231.17 |
| | Defined Benefit Cost included in Profit and Loss | 40.99 | 35.73 |
| | Remeasurements Recognized in Other Comprehensive Income | 4.50 | (19.53) |
| | Employers Contribution | (13.30) | (11.22) |
| | **Amount Recognised in Balance Sheet** | **268.34** | **236.15** |

| **G .** | **Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:** | | |
|---|---|---|---|
| | **Particulars** | **For The Year Ended March 31, 2024** | **For The Year Ended March 31, 2023** |
| | Equity | N.A. | N.A. |
| | Bonds | N.A. | N.A. |
| | Other Current Assets | N.A. | N.A. |
| | Insurance policies | N.A. | N.A. |
| | | | |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

| H . | The Principal Actuarial Assumptions as at Balance Sheet date are set out as below: | | |
|---|---|---|---|
| | **Summary of Financial Assumption in respect of the Holding Company** | | |
| | Discount Rate | 7.10% | 7.40% |
| | Salary Escalation- First Five Years | 6.00% | 6.00% |
| | Salary Escalation- After Five Years | 6.00% | 6.00% |
| | Expected Return on Plan Assets | N.A | N.A |
| | **Summary of Demographic Assumptions in respect of the Holding Company** | | |
| | Mortality Table | IALM (2012-14) Table Ultimate | |
| | Disability Rate(a % of above mortality rate) | 5.00% | 5.00% |
| | Withdrawal Rates | 1% to 8% | 1% to 8% |
| | Retirement Age | 58 Years | 58 Years |
| | Average future service | 17.15 | 17.79 |
| | **Summary of Financial Assumption in respect of the subsidiary company** | | |
| | Discount Rate | 7.23% | 7.34% |
| | Salary Escalation | 6.00% | 6.00% |
| | Expected Return on Plan Assets | N.A | N.A |
| | **Summary of Demographic Assumptions in respect of the subsidiary company** | | |
| | Retirement Age | 58 Years | 58 Years |
| | Mortality Table | IALM (2012-14) Table Ultimate | |

**I. Sensitivity analysis**
**In respect of the Holding Company** **(Rupees In Lakhs)**

| | Particulars | Change in Assumptions | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|---|
| | Salary Escalation | 1% | 277.66 | 251.11 |
| | Salary Escalation | -1% | 244.62 | 219.99 |
| | Withdrawal Rates | 1% | 261.48 | 236.13 |
| | Withdrawal Rates | -1% | 258.55 | 232.82 |
| | Discount Rate | 1% | 244.58 | 220.77 |
| | Discount Rate | -1% | 277.97 | 438.57 |
| | Mortality Rate | 10% | 259.95 | 234.44 |
| | Mortality Rate | -10% | 260.24 | 234.70 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| J. | Estimate of expected benefit payments (In absolute terms i.e. undiscounted) | |
|---|---|---|
| | **Particulars** | **Sick - Leave** |
| | 01 Apr 2024 to 31 Mar 2025 | 86.92 |
| | 01 Apr 2025 to 31 Mar 2026 | 10.03 |
| | 01 Apr 2026 to 31 Mar 2027 | 7.99 |
| | 01 Apr 2027 to 31 Mar 2028 | 7.02 |
| | 01 Apr 2028 to 31 Mar 2029 | 14.17 |
| | 01 Apr 2029 Onwards | 30.91 |

| K. | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | **Average number of people employed** | | |
| | Holding Company | 870 | 894 |
| | Subsidiary company | 11 | 7 |

**(II) Sick Leave (Unfunded)**

**In respect of the Holding Company and its subsidiary company** **(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| A | **Change in fair value of Defined Benefit Obligation:** | | |
| | Present Value of Defined Benefit Obligations as at the beginning of the year | 50.97 | 48.66 |
| | Current Service Cost | 7.48 | 5.77 |
| | Past service cost including curtailment gains/ losses | | 0.25 |
| | Interest Cost | 3.77 | 3.46 |
| | Benefit Paid | - | - |
| | Actuarial (Gain)/Losses arising from: | | |
| | Remeasurements- Due to Financial Assumptions | 1.16 | (1.04) |
| | Remeasurements- Due to Experience Adjustments | (5.72) | (6.13) |
| | Liability at the end of the year | 57.66 | 50.97 |

| B | **Change in Fair Value of plan Assets:** | | |
|---|---|---|---|
| | Fair value of Plan Assets at the beginning of the year | - | - |
| | Interest Income | - | - |
| | Contributions by the Employers | - | - |
| | Benefit paid | - | - |
| | Remeasurements- Return on Assets (excluding Interest Income) | - | - |
| | **Fair value of plan Assets at the end of the year** | - | - |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| C | **Amount Recognized in Balance Sheet:** | | |
| | Present Value of Defined Benefit Obligations as at the end of the year | 57.66 | 50.97 |
| | Fair value of Plan Assets at the end of the year | - | - |
| | | 57.66 | 50.97 |

| | | | |
|---|---|---|---|
| D | **Components of Defined Benefit Cost** | | |
| | Current Service Cost | 7.48 | 5.77 |
| | Past service cost including curtailment gains/ losses | - | 0.25 |
| | Interest Cost | 3.77 | 3.46 |
| | Total Defined Benefit Cost recognized in the Statement of Profit and Loss | 11.25 | 9.48 |

| | | | |
|---|---|---|---|
| E | **Remeasurements Recognized in Statement of Profit and Loss** | | |
| | Remeasurements- Due to Financial Assumptions | 1.16 | (1.04) |
| | Remeasurements- Due to Experience Adjustments | (5.72) | (6.13) |
| | Remeasurements Recognized in Statement of Profit and Loss | (4.56) | (7.17) |

| | | | |
|---|---|---|---|
| F | **Balance Sheet Reconciliation** | | |
| | Opening Net Liability | 50.97 | 48.66 |
| | Defined Benefit Cost included in Profit and Loss | 11.25 | 9.48 |
| | Remeasurements Recognized in Other Comprehensive Income | (4.56) | (7.17) |
| | Amount Recognised in Balance Sheet | 57.66 | 50.97 |

| | | | |
|---|---|---|---|
| G | **Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:** | | |
| | Equity | N.A. | N.A. |
| | Bonds | N.A. | N.A. |
| | Other Current Assets | N.A. | N.A. |
| | Insurance policies | N.A. | N.A. |
| | | | |
| H . | **The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:** | | |
| | **Summary of Financial Assumption in respect of the Holding Company** | | |
| | Discount Rate | 7.10% | 7.40% |
| | Salary Escalation- First Five Years | 6.00% | 6.00% |
| | Salary Escalation- After Five Years | 6.00% | 6.00% |
| | Expected Return on Plan Assets | N.A | N.A |
| | **Summary of Demographic Assumptions in respect of the Holding Company** | | |
| | Mortality Table | IALM (2012-14) Table Ultimate | |
| | Disability Rate(a % of above mortality rate) | 5.00% | 5.00% |
| | Withdrawal Rates | 1% to 8% | 1% to 8% |
| | Retirement Age | 58 Years | 58 Years |
| | Average future service | 16.46 | 16.05 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| | | | |
|---|---|---|---|
| | **Summary of Financial Assumption in respect of the subsidiary company** | | |
| | Discount Rate | 7.23% | 7.34% |
| | Salary Escalation | 6.00% | 6.00% |
| | Expected Return on Plan Assets | N.A | N.A |
| | | | |
| | **Summary of Demographic Assumptions in respect of the subsidiary company** | | |
| | Retirement Age | 58 Years | 58 Years |
| | Mortality Table | IALM (2012-14) Table Ultimate | |

**I. Sensitivity analysis**
**In respect of the Holding Company** **(Rupees In Lakhs)**

| Particulars | Change in Assumptions | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| | | | |
| **Salary Escalation** | 1% | 61.34 | 54.39 |
| Salary Escalation | -1% | 53.32 | 47.11 |
| Withdrawal Rates | 1% | 57.41 | 50.88 |
| Withdrawal Rates | -1% | 56.72 | 50.14 |
| Discount Rate | 1% | 53.35 | 47.33 |
| Discount Rate | -1% | 61.37 | 97.40 |
| Mortality Rate | 10% | 57.05 | 50.50 |
| Mortality Rate | -10% | 57.12 | 50.56 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as followed while calculating the defined benefit obligation recognised within the Balance Sheet

**J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)** **(Rupees In Lakhs)**

| Particulars | Leave |
|---|---|
| **01 Apr 2024 to 31 Mar 2025** | 12.18 |
| 01 Apr 2025 to 31 Mar 2026 | 3.10 |
| 01 Apr 2026 to 31 Mar 2027 | 2.27 |
| 01 Apr 2027 to 31 Mar 2028 | 1.91 |
| 01 Apr 2028 to 31 Mar 2029 | 4.18 |
| 01 Apr 2029 Onwards | 8.45 |

| | Particulars | For The Year Ended March 31, 2024 | For The Year Ended March 31, 2023 |
|---|---|---|---|
| K | **Average number of people employed** | | |
| | Holding Company | 744 | 600 |
| | Subsidiary company | 11 | 7 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

## 45. FINANCIAL INSTRUMENTS

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

**(Rupees In Lakhs)**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Assets (Current and Non-Current)** | | | | |
| **Financial Assets measured at Amortised Cost** | | | | |
| Investments | 227.06 | 227.06 | 151.87 | 151.87 |
| Trade receivables | 17,488.33 | 17,488.33 | 22,363.86 | 22,363.86 |
| Cash and cash equivalents | 4,667.32 | 4,667.32 | 1,545.07 | 1,545.07 |
| Other Bank Balances | 29,657.91 | 29,657.91 | 23,386.69 | 23,386.69 |
| Other Financial Assets | 1,519.71 | 1,519.71 | 1,045.62 | 1,045.62 |
| **Total** | **53,560.33** | **53,560.33** | **48,493.11** | **48,493.11** |
| **Financial Liabilities (Current and Non-Current)** **Financial Liabilities measured at Amortised Cost** | | | | |
| Borrowings | 6,532.48 | 6,532.48 | 8,825.83 | 8,825.83 |
| Lease Liabilities | 48.50 | 48.50 | 24.36 | 24.36 |
| Trade Payables | 4,256.52 | 4,256.52 | 6,219.32 | 6,219.32 |
| Other Financial Liabilities | 1,845.92 | 1,845.92 | 2,157.99 | 2,157.99 |
| **Total** | **12,683.42** | **12,683.42** | **17,227.50** | **17,227.50** |

**Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

The fair value of cash and cash equivalents, other bank balances, current trade receivables and payables, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the consolidated financial statements approximate their fair values.

A substantial portion of the Group's long–term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the Group.

Fair value of Investment in unquoted Non Cumulative Non Convertible Redeemable Preference Share and Security Deposit which cannot be measured based on quoted prices in active market have been determined on Effective interest Rate method (EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**FINANCIAL RISK MANAGEMENT**

The Group's financial liabilities comprise mainly of borrowings, trade and other payables. The Group's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, trade receivables and other receivables, deposits and investments.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Group's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised as below:

**MARKET RISK**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and trade receivables.

**Interest rate risk**

The Group's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. Borrowings at fixed interest rate exposes the Group to the fair value interest rate risk. Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

**(Rupees In Lakhs)**

| Nature of Borrowing | Increase in basis points | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Rupee Loan | 0.50 | 34.63 | 32.83 |

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Group's financial statements.

**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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's trade and other receivables and trade and other payables and these are unhedged. The Group evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks

**The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:**

**(Rupees In Lakhs)**

| Particulars | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Trade Receivables | Trade Payables | Other Current Liabilities | Net Assets / (liabilities) |
| SGD | 2.43 | - | - | 2.43 |
| STP | 9.04 | - | - | 9.04 |
| USD | 292.17 | (34.08) | - | 258.09 |
| EURO | 14.99 | (10.03) | - | 4.96 |
| JPY | - | (17.88) | - | (17.88) |
| **Total** | **318.63** | **(61.99)** | **-** | **256.64** |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| Particulars | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Trade Receivables | Trade Payables | Other Current Liabilities | Net Assets / (liabilities) |
| SGD | 38.71 | - | - | 38.71 |
| STP | 8.72 | - | - | 8.72 |
| USD | 453.35 | (82.47) | - | 370.88 |
| EURO | 7.71 | (20.97) | - | (13.26) |
| CHF | - | (0.60) | - | (0.60) |
| **Total** | **508.49** | **(104.04)** | **-** | **404.45** |

**Sensitivity analysis resulting in profit or loss mainly from SGD, STP, USD, EURO and JPY denominated receivables and payables are as follows:**

**(Rupees In Lakhs)**

| Particulars | For The Year Ended 31st March, 2024 | For The Year Ended 31st March, 2023 |
|---|---|---|
| **Receivables (Weakening of INR by 5%)** | | |
| SGD | 0.12 | 1.94 |
| STP | 0.45 | 0.44 |
| USD | 14.61 | 22.67 |
| EURO | 0.75 | 0.39 |
| **Total** | **15.93** | **25.44** |
| **Payables (Weakening of INR by 5%)** | | |
| USD | (1.70) | (4.12) |
| EURO | (0.50) | (1.05) |
| JPY | (0.89) | (0.03) |
| **Total** | **(3.09)** | **(5.20)** |

Figures in bracket represents loss

A 5% stregthening of INR would have an equal and opposite effect on the Company's standalone financial statements.

**CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the consolidated financial statements, (net of impairment losses), represents the Group's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

**Financial assets that are past due but not impaired**

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise except those which are impaired.

**LIQUIDITY RISK**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital loans from banks. The Group invests its surplus funds in bank fixed deposit which carry no market risk. The Group relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement

**Liquidity table**

The following tables detail the Group's 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 Group can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

**Interest rate and currency of borrowings**

| **As at March 31, 2024** | | | | |
|---|---|---|---|---|
| **Particulars** | **Total Borrowings** | **Floating Rate Borrowings** | **Fixed Rate Borrowings** | **Weighted average interest rate** |
| **INR** | 6,532.48 | 6,063.13 | 469.35 | 7.64% |

**Interest rate and currency of borrowings**

| **As at March 31, 2023** | | | | |
|---|---|---|---|---|
| **Particulars** | **Total Borrowings** | **Floating Rate Borrowings** | **Fixed Rate Borrowings** | **Weighted average interest rate** |
| **INR** | 8,825.83 | 8,825.83 | - | 6.80% |

**Maturity Analysis of unamortised Financial Liabilities** **(Rupees In Lakhs)**

| **As at March 31, 2024** | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Carrying Amount** | **On Demand** | **Less than 6 months** | **6 to 12 months** | **> 1 year** | **Total** |
| Borrowings | 6,532.48 | 6,063.13 | 202.68 | 200.00 | 66.67 | 6,532.48 |
| Other Financial Liabilities | 1,845.92 | - | 1,445.64 | - | 400.28 | 1,845.92 |
| Trade payables | 4,256.52 | - | 4,256.52 | - | - | 4,256.52 |

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**Maturity Analysis of unamortised Financial Liabilities** **(Rupees In Lakhs)**

| As at March 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Carrying Amount** | **On Demand** | **Less than 6 months** | **6 to 12 months** | **> 1 year** | **Total** |
| Borrowings | 8,825.83 | 7,742.33 | 409.92 | 204.38 | 469.20 | 8,825.83 |
| Other Financial Liabilities | 2,157.99 | - | 1,757.71 | - | 400.28 | 2,157.99 |
| Trade payables | 6,219.32 | - | 6,219.32 | - | - | 6,219.32 |

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

The Group relies on operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**CAPITAL MANAGEMENT**

a) The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group'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 Group is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Group.

The gearing ratio are as follows : **(Rupees In Lakhs)**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| Borrowings | 6,532.48 | 8,825.83 |
| Less: Cash and Cash Equivalents | 4,667.32 | 1,545.07 |
| **Net Debt** | 1,865.16 | 7,280.76 |
| Equity | 70,256.58 | 59,175.67 |
| Equity and Net Debt | 72,121.74 | 66,456.43 |
| Gearing Ratio | 0.03 | 0.11 |

**b) Refer Note no. 18.7 for dividend proposed during the year.**

46. Based on the information to the extent available with the Group, there were no transactions with the companies struck off under section 248 of the Companies Act, 2013.

**47. Disclosure regarding borrowed funds have been considered part of other disclosures :**

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 Holding Company or its subsidiary company, which are companies incorporated in India, 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 Holding Company or its subsidiary company (Ultimate Beneficiaries). The Holding Company or its subsidiary company, which are companies incorporated in India, have not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company or its subsidiary 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.

**48. Other disclosures required under schedule III of Companies Act, 2013:**

a. The Group does not hold any Benami Properties and there is no proceedings initiated or pending against the Group for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

rules made thereunder.

b. The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

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

d. The Group has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**48A. Additional information as required under Schedule III to the Companies Act, 2013**

**As at March 31, 2024** **(Rupees in lakhs)**

| Particulars | Net assetsi.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income | Amount |
| **Holding Company** | | | | | | | | |
| Deepak Industries Limited | 95.75% | 67,273.48 | 103.35% | 11,897.09 | 82.37% | (28.73) | 103.41% | 11,868.36 |
| **Subsidiary** | | | | | | | | |
| **Indian** | | | | | | | | |
| Lotus Auto Engineering Limited | 6.00% | 4,218.65 | (4.56%) | (524.39) | 17.63% | (6.15) | (4.62%) | (530.54) |
| **Elimination** | (1.75%) | (1,235.55) | 1.21% | 138.73 | - | - | 1.21% | 138.73 |
| **Total** | **100.00%** | **70,256.58** | **100.00%** | **11,511.43** | **100.00%** | **(34.88)** | **100.00%** | **11,476.55** |

**As at March 31, 2023** **(Rupees in lakhs)**

| Particulars | Net assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income | Amount |
| **Holding Company** | | | | | | | | |
| Deepak Industries Limited | 94.30% | 55,800.76 | 98.62% | 11,756.98 | 100.00% | (4.65) | 98.62% | 11,752.33 |
| **Subsidiary** | | | | | | | | |
| **Indian** | | | | | | | | |
| Lotus Auto Engineering Limited | 7.95% | 4,703.89 | 0.80% | 95.40 | - | - | 0.80% | 95.40 |
| **Elimination** | (2.25%) | (1,328.98) | 0.58% | 68.55 | - | - | 0.58% | 68.55 |
| **Total** | **100.00%** | **59,175.67** | **100.00%** | **11,920.93** | **100.00%** | **(4.65)** | **100.00%** | **11,916.28** |

49. The consolidated financial statements for the year ended March 31, 2024 include the figures of the Holding Company together with its subsidiary company ""Lotus Auto Engineering Limited.

The Company vide ordered dated 7th September, 2022 of Hon""ble National Company Law Tribunal (NCLT), New Delhi Bench acquired on a going concern basis, Lotus Auto Engineering Limited (LAEL), a manufacturing company under liquidation process as per the provisions of the Insolvency and Bankruptcy Code, 2016 and for such acquisition invested Rs. 436 lakhs by way of equity shares and Rs. 3364 lakhs by way of zero coupon optionally convertible debentures in the said company. Pursuant to this, LAEL became the wholly owned subsidiary with effect from 7th September, 2022.

## Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

LAEL is engaged primarily in the business of Processing of machine parts required in the automobile industries and all other activities are incidental thereto.

Financial statements of the said subsidiary were considered with effect from the said date for the purpose of consolidated financial statements of the Holding Company for the year ended March 31, 2023. Previous year's figures are therefore not comparable with the figures of the current year.

**50. Liquidation proceedings, Certificate of sale and Hon'ble NCLT, New Delhi Bench order dated 7th September, 2022 in respect of the subsidiary**

Corporate Insolvency Resolution Process (CIRP) was initiated in respect of Lotus Auto Engineering Limited (""the subsidiary 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 subsidiary company following which the Hon'ble NCLT on 1st June, 2020 ordered the liquidation of the subsidiary company and Mr. Ashok Kumar Gulla was appointed as Liquidator for the subsidiary company vide order dated 12th June, 2020.

During the liquidation process, Deepak Industries Limited ("DIL") filed its proposal for the acquisition of the subsidiary company (Corporate debtor) and was adjudged as the successful bidder. On payment of entire sale consideration of Rs. 3,800.00 Lakhs by DIL on 28th May, 2021, the Liquidator issued sale certificate on 9th June, 2021 for sale of the subsidiary 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.

The sale certificate and the order of the Hon'ble NCLT dated 7th September, 2022, upon implementation by the management, has resulted into following impact:

a. As per the sale certificate, sale proceeds of Rs. 3,800.00 Lakhs 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 subsidiary 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 subsidiary 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 subsidiary 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 subsidiary 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:

# Notes to Consolidated Financial Statements For the year ended 31st March, 2024 *(Contd.)*

**(Rupees In Lakhs)**

| 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 | 98.98 |
| **Total expenses** | **268.09** |
| **Transfer to capital reserve pursuant to effect of liquidation proceedings (net)** | **46,351.79** |

51. **Mantainance of Fixed assets register and other registers required to be maintained under the Companies Act 2013 in respect of the subsidiary**

    The subsidiary 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 subsidiary company is also in the process of maintainaing other registers as prescribed under the Companies Act 2013.

52. The Board of Directors of the Holding Company in its meeting held on 3rd February, 2024 has approved the Scheme of Arrangement for amalgamation of its wholly owned subsidiary, Lotus Auto Engineering Limited, with the Holding Company with effect from the appointed date 1st October, 2023. The said scheme has been filed before National Company Law Tribunal (NCLT) and the same is pending for their necessary approval as on this date.

53. Previous year's figures have been regrouped wherever necessary, in order to make them comparable.

54. These consolidated financial statements have been approved by Board of Directors of the Holding Company in their meeting dated May 23, 2024 for issue to the shareholders for their adoption.

**As per our report of even date**
**For Lodha & Co LLP**
*Chartered Accountants*
Firm Regn No. 301051E/300284

**R.P. Singh**
*Partner*
Membership No. 052438
Place: Kolkata
Date: May 23, 2024

**For and on behalf of the Board of Directors**

**Y.K Daga**
(DIN: 00040632)
*Chairman-Cum-Managing Director*

**A P Agarwalla**
(DIN: 00312652)

**G. A. Narayanan**
(DIN: 09491346)

**Meera Dokania**
(DIN: 07094376)

**Maneesh Khanna**
*Chief Financial Officer*

**Nikita Puria**
*Company Secretary*

**If undelivered, please return to :**

**DEEPAK INDUSTRIES LIMITED**

**62, HAZRA ROAD, KOLKATA-700019**