



**SANMARKS & ASSOCIATES**  
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT**

To the members of,  
DEE FABRICOM INDIA PRIVATE LIMITED

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of DEE FABRICOM INDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and the Statement of Cash Flows for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and loss, 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 specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our 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 accompanying financial statements.

**Other Information**

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

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

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

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

**Responsibilities of management and those charged with governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the



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

In preparing the Ind AS 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.

#### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal 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 explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
1. 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.



2. 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.
3. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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 B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in Annexure B, 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 purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting of the Company as on 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure A expressed an unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities, ("Intermediaries"); with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest



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

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.


v. The company has not declared and paid any dividend during the year in contravention of the provisions of Section 123 of the Companies Act 2013.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has not operated throughout the year for all relevant transactions recorded in the software. Further, the audit trail feature is not enabled for certain changes made using privileged/administrative access rights and for direct changes to data when using certain access rights. The matter has been described in Note XX to the financial Statements.

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

h) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Sanmarks & Associates  
Chartered Accountants  
(Firm's Registration Number: 003343N)

  
Santosh Kumar Agrawal  
(Partner)  
Membership No. 091127



Place: Faridabad  
Date: 08/07/2024

UDIN: 24091127BKALWT2973

## **Annexure A to the Independent Auditor's Report**

**Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of DEE FABRICOM INDIA PRIVATE LIMITED, on the financial statements for the year ended 31 March 2024**

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

1. We have audited the internal financial controls with reference to financial statements of M/s DEE FABRICOM INDIA PRIVATE LIMITED ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.
5. 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 financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 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 financial statements.



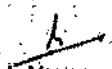
### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

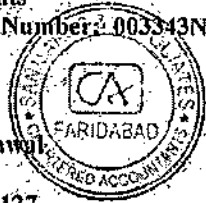
7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of 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 controls 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**

8. 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Sanmarks & Associates**  
**Chartered Accountants**  
**(Firm's Registration Number: 003343N)**

  
**Santosh Kumar Agrawal**  
**(Partner)**  
**Membership No. 091127**



**Place: Faridabad**  
**Date: 08/07/2024**  
**UDIN: 24091127BKALWT2973**

**Annexure B to the Independent Auditor's Report**

**Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of DEE  
FABRICOM INDIA PRIVATE LIMITED, on the financial statements for the year ended 31 March 2024**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified every year. In accordance with this program, the fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. There was no inventory lying with third parties as at year end. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company was not sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks on the basis of security of current assets and therefore the question of our commenting on whether the Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account does not arise.
- (iii) The Company has not made investments in any company during the year. The Company has not granted secured / unsecured loans/advances in nature of loans, stood guarantor, or provided security to any parties. Therefore, the reporting under clauses (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, in our opinion, and according to the information and explanations given to us, the Company has not made any investments during the year and thus, question of complying with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it does not arise and the Company has not provided any loans, guarantees or security to the parties covered under Section 186 of the Act.
- (v) The Company has not accepted any deposits or amounts, which are deemed deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) In our opinion, the company is not required to maintain the cost records u/s 148(1) of the Companies Act as it has not crossed the threshold limit for same.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs and other material statutory dues, as applicable, with the appropriate authorities.




- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained. In respect of the term loans which were taken in the previous year, those were applied for the purpose for which the loans 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 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) The company has no subsidiaries, therefore reporting under clauses (ix)e and (ix)f are not applicable to it.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year. Accordingly, reporting under this clause is not required for the company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under applicable accounting standard.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company does not require to have an internal audit system. Accordingly, clause 3(xiv)(a) and 3(xiv)(b) of the order are not applicable on the company.





- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 32 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) The provisions of CSR are not applicable to the company as it has not crossed the threshold limits defined for same under Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) are not applicable to the company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Sanmarks & Associates  
Chartered Accountants  
(Firm's Registration Number: 2003343N)

  
Santosh Kumar Agrawal  
(Partner)  
Membership No. 091127



Place: Faridabad  
Date: 08/07/2024  
UDIN: 24091127BKALWT2973

DEE Fabricom India Private Limited  
Balance Sheet as at 31st March 2024

(Amt. In INR Lacs)

Particulars	Notes	As at 31-03-2024	As at 31-03-2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	2,544.84	2,879.35
(b) Intangible assets	3 (B)	1.22	2.19
(c) Right of use assets	3C	186.37	190.70
(d) Financial assets			
(i) Officers	4(D)	57.84	60.44
(e) Deferred tax assets (net)	13	162.31	319.73
<b>Total non-current assets</b>		<b>2,962.58</b>	<b>3,482.41</b>
<b>(2) Current assets</b>			
(a) Inventories	6	680.48	149.39
(b) Financial assets			
(i) Trade receivables	4(A)	507.88	506.25
(ii) Cash and cash equivalents	4(B)	208.32	2.45
(iii) Bank balances other than (ii) above	4(C)	78.04	17.55
(iv) Others	4(D)	0.96	0.50
(c) Other current assets	5	199.04	299.40
<b>Total current assets</b>		<b>1,674.72</b>	<b>976.54</b>
<b>Total Assets</b>		<b>4,637.30</b>	<b>4,458.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7(C)	900.00	900.00
(b) Other equity	8	(421.26)	(917.06)
<b>Total equity</b>		<b>478.74</b>	<b>(17.06)</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	9(A)	1,853.51	2,535.10
(ii) Lease Liabilities	10A	163.15	167.86
(iii) Other financial liabilities	10		118.59
(b) Provisions	11	11.50	14.82
<b>Total non-current liabilities</b>		<b>2,028.16</b>	<b>2,836.37</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	9(B)	1,151.77	1,001.90
(ii) Lease Liabilities	10A	45.15	39.13
(iii) Trade payables	14	782.67	459.69
(iv) Other financial liabilities	10	123.37	
(b) Provisions	11	7.65	0.41
(c) Other current liabilities	12	19.79	107.51
<b>Total current liabilities</b>		<b>2,130.40</b>	<b>1,608.64</b>
<b>Total Equity and Liabilities</b>		<b>4,637.30</b>	<b>4,427.95</b>

Summary of significant accounting policies

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The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For SANMARKS AND ASSOCIATES  
Chartered Accountants  
ICAI Firm Reg. No. - 00033



Santosh Kumar Agrawal  
Partner  
M. No: 091127

For and on behalf of the Board of Directors of  
DEE Fabricom India Private Limited

K.L. Bansal  
Director  
DIN No. 01125121

Ashima Bansal  
Director  
DIN No. 01928449

Place: Faridabad  
Date: 08-07-2024



DEE Fabricom India Private Limited

Statement of Profit and Loss for the Year ended March 31, 2024

Particulars	Notes	(Amt. in INR Lacs)	
		For the Year ended 31-03-2024	For the Year ended 31-03-2023
I Revenue from operation	15		
II Other income	16	3,726.34	2,041.00
III Total Income (I+II)		<u>142.35</u>	<u>180.76</u>
		3,868.69	2,221.76
IV Expenses			
Cost of raw material consumed	17		88.66
Changes in inventories of finished goods, traded goods and work-in-progress	17A		22.58
Employee benefit expenses	18		
Finance costs	21	364.32	358.34
Depreciation and amortization expense	19	293.72	342.99
Other expenses	20	451.49	441.62
Total expenses (IV)		<u>2,107.49</u>	<u>1,236.12</u>
V Profit before tax (III-IV)		<u>3,217.02</u>	<u>2,490.32</u>
		651.67	(268.56)
VI Tax expense:			
(1) Current tax			
(2) Deferred tax (credit)			
Total tax expenses (VI)		<u>157.02</u>	<u>(72.41)</u>
		157.02	(72.41)
VII Profit for the year (V-VI)		<u>494.65</u>	<u>(196.15)</u>
VIII Other comprehensive income:			
Items that will not be reclassified to profit or loss:		1.15	2.01
Re-measurement gain on define benefit plans			
Income tax effect		1.55	2.71
IX Total comprehensive income for the year (net of tax) (VII+VIII)		<u>(0.40)</u>	<u>(0.70)</u>
		495.80	(194.14)
Earnings per equity share nominal value of shares INR 10 each:	22		
- Basic earnings per share		5.50	(2.18)
- Diluted earnings per share		5.50	(2.18)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For SANMARKS AND ASSOCIATES  
Chartered Accountants  
ICAI Firm Reg. No. 0003343N

Santosh Kumar Aggarwal  
Partner  
M. No: 091127

Place: Faridabad  
Date: 08-07-2024



For and on behalf of the Board of Directors of  
DEE Fabricom India Private Limited

K.L. Bansal  
Director  
DIN No. 01125121

Ashima Bansal  
Director  
DIN No. 01928449

DEE Fabriccon India Private Limited  
Statement of changes in equity for the year ended March 31, 2024

(Amt in INR Laacs)

A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Equity Shares	
	No.	INR
At 1 April 2022	90.00	900.00
Increase/ (decrease) during the year	-	-
At 31 March 2023	90.00	900.00
Increase/ (decrease) during the period	-	-
At 31 March 2024	90.00	900.00

B. Other equity

Particulars	Reserves and Surplus	Total
	Surplus in P&I:	
Balance as at 1 April 2023	(917.05)	(917.05)
Changes in accounting policies or prior period errors	-	-
Restated balance as at 1 April 2023	(917.05)	(917.05)
Add/ (less):		
Profit for the period	494.65	494.65
Other comprehensive income for the period	1.15	1.15
Balance as at 31 March 2024	(421.25)	(421.25)
Balance as at 1 April 2022	(722.91)	(722.91)
Changes in accounting policies or prior period errors	-	-
Restated balance as at 1 April 2022	(722.91)	(722.91)
Add/ (less):		
Loss for the year	(194.14)	(194.14)
Balance as at 31 March 2023	(917.05)	(917.05)

Summary of significant accounting policies

2.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For SANMARKS AND ASSOCIATES  
Chartered Accountants  
ICAI Firm Reg. No. 00033427

Santosh Kumar Agrawal  
Partner  
M. No. 091127



For and on behalf of the Board of Directors of  
DEE Fabriccon India Private Limited

K.L. Bansal  
Director  
DIN.No. 01125121

Ashima Bansal

Ashima Bansal  
Director  
DIN.No. 01928449

Place: Faridabad  
Date: 08-07-2024

DEE Fabriccom India Private Limited  
Cash Flows for the Year ended March 31, 2024

Particulars	(Amt in INR Lacs)	
	Year ended 31-03-2024	Year ended 31-03-2023
<b>A. Cash flow from operating activities</b>		
Profit before income tax	651.67	(268.56)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	451.49	441.62
Gain of use assets	-	(45.10)
Finance income	(4.64)	(3.41)
Finance costs	-	393.12
Operating profit before working capital changes	293.72	342.99
Working capital adjustments:	1,392.24	467.55
(Increase) in trade receivables	(1.63)	(273.46)
Increase/(decrease) in other inventories	(531.09)	138.90
(Increase) in financial assets	(7.85)	(1.15)
decrease in other assets	100.37	72.71
Increase in trade payables	322.99	124.28
Increase in provisions	5.48	1.14
decrease in financial liabilities	123.37	(14.08)
Increase/(decrease) in other liabilities	(87.72)	66.12
Cash generated/(used in) from operations	1,316.16	582.01
Direct tax paid		
Net cash (outflow)/inflow from operating activities	1,316.16	582.01
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, capital work in progress and intangible assets	(76.53)	(40.60)
Investments in bank deposits	(60.49)	(8.56)
Interest received	4.64	3.41
Net cash inflow/(outflow) from investing activities	(132.38)	(45.75)
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	485.00	422.03
Repayment of borrowing	(531.33)	(670.64)
Proceeds from short term borrowings (net)	(485.39)	58.00
Interest paid	(392.08)	(344.36)
Principle repayment of lease liabilities	(33.88)	-
Interest Paid on lease liabilities	(20.23)	-
Net cash inflow/(outflow) from financing activities	(977.91)	(534.97)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	205.87	1.29
Opening balance of cash and cash equivalents	2.45	1.17
Closing balance of cash and cash equivalents	208.32	2.46

Notes:

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

Particulars	As at 31 March 2024 As at 31 March 2023	
	Cash and cash equivalents	
Cash on hand	1.15	2.45
Balance with banks	207.17	-
Total	208.32	2.45

For SANMARKS AND ASSOCIATES  
Chartered Accountants  
ICAI Firm Reg. No. 00033



Santosh Kumar Agrawal  
Partner  
Date: 08-07-2024

Place: Faridabad  
Date: 08-07-2024

For and on behalf of the Board of Directors of  
DEE Fabriccom India Private Limited

*(Signature)*

K.L. Bansal  
Director  
DIN No. 01125121

*(Signature)*

Ashima Bansal  
Director  
DIN No. 01928449

## 1. Corporate Information

DEE Fabriccon India Private Limited is mainly engaged in Heavy Metal Fabrication Business. The Company has manufacturing facilities at Kutch (Gujarat). The financial statements were authorised for issue in accordance with a resolution of the directors on Date : 08-07-2024

## 2. Significant Accounting Policies

### a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)

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

- (i) Certain financial assets and liabilities measured at fair value;
- (ii) Defined benefit plan- plan assets measured at fair value.

The financial statements are presented in INR.

### b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

### c. Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent (unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period).

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

### d. Foreign currencies

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

#### Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Company had availed the option of Para 46 A of AS 11 under previous GAAP and also same option has been continued under IND AS as per option given under IND AS 101 and accordingly exchange differences arising on translation of long-term foreign currency monetary items for the period ending immediately before the beginning of the first Ind AS financial reporting period is deferred/capitalised. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.



#### e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

#### Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured in the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### Rendering of Services

Revenue from execution and services and revenue from joint work is recognised as per the contractual terms and as and when services are rendered.

#### Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective

#### f. Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) Financial instruments - initial recognition and subsequent measurement.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### g. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset.

When the Company receives grant for non-monetary assets, the asset and the grant are recorded at fair value amounts and related to Profit or Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans of similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### h. Taxation

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



#### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax includes Minimum Alternate Tax (MAT) and recognises MAT credit available to an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period (i.e. the period for which MAT credit is allowed to be carried forward). The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have any convincing evidence that it will pay normal tax during the specified period.

For operations carried out under tax holiday period (80IA benefit of Income Tax Act, 1961), deferred tax asset or liability, if any, have been established for the six consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday period ends.

#### I. Property, Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as at the transition date.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. All the property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company, based on technical assessment made by technical expert and management estimate, depreciates plant and machineries of piping division over estimated useful lives of 10 to 25 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of other assets, depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act 2013. Depreciation on addition to or on disposal of Fixed Asset is calculated on pro-rata basis. Addition to Fixed Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

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

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

#### J. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation of the finite intangible assets is allocated on systematic basis over the best estimate of their useful life and accordingly softwares are amortised on straight line basis over the period of six years or license period, whichever is lower.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The Company has no intangible assets with an indefinite life.

#### K. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent required as an adjustment to the borrowing costs.





**1. Leases**

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

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Particulars	Useful life (years) As per Management
Leasehold Land	5-10
Leasehold Land	4

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.a) impairment of non-financial assets.

**(b) Lease Liabilities**

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

**Date (c) Short-term leases and leases of low-value assets**

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

**Company as a lessor**

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 lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**2. Inventories**

Inventories are valued as follows:-

Raw materials, Stores, Spares, Other Materials and Traded Goods	Lower of cost and net realizable value. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on weighted average cost basis.
Finished goods	Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Job Work	Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis.
Work in Progress	Jobs under execution (including materials supplied to clients under the contract) to the extent of work done but not billed is valued at the lower of actual cost incurred upto the completion or reporting date and net realizable value. Cost includes direct materials, labour and proportionate overheads.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.	Work in Progress is valued at the lower of actual cost incurred or net realizable value. Cost includes direct materials, labour and proportionate overheads.

**3. Impairment of non-financial assets**

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

**4. Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a pre-tax rate that reflects when appropriate, the risks specific to the liability.



**p. Retirement and other employee benefits**

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to the scheme for service rendered before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services rendered before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Gratuity is a defined benefit plan and provision is being made on the basis of actuarial valuation carried out by an independent actuary at the year end using projected unit credit method, and is contributed to the Gratuity fund managed by the Life Insurance Corporation of India.

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

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment; and
- ▶ The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income.

**Compensated Absences**

Accumulated leave which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to statement of Profit and Loss in the period in which they occur. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**q. Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time-frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

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

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Debt instrument at FVTOCI**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).



#### Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Derecognition

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

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL, which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ▶ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- ▶ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit and financial guarantee contracts.

##### Subsequent measurement

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



#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

#### Derecognition

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

#### c. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

#### d. Fair Value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

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

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

#### 1. Contingent liability

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

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



## ii. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision-maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of services delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the standalone Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Company as a whole and are not attributable to segments.

## v. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

## w. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share when applicable are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares when applicable are deemed converted as of the beginning of the period, unless they have been issued at a later date.

## x. New and amended Standard

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

### (i) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to customer activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are applicable for annual reporting periods beginning on or after 1 April 2022. This amendment had no impact on the standalone financial statements of the Company.

### (ii) Reference to the Conceptual Framework - Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 1' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if notified separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the standalone financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

### (iii) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to Ind AS 16

The amendments modified paragraph 17(c) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

### (iv) Ind AS 101 First-time Adoption of Indian Accounting Standards - Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Company as it is not a first-time adopter.

### (v) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the standalone financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

### (vi) Ind AS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the standalone financial statements of the Company as it did not have assets in scope of IAS 41 at the reporting date.



3. Property, plant and equipment

Particulars	Buildings	Furniture & fittings	Plant & machinery	Electrical installations and equipment	Office equipment	Motor vehicles	Computers and data processing	Total	Capital work-in-progress
<b>Gross block</b>									
As at 01 April 2022	1500.92	43.79	1473.55	141.68	1.30	19.33	28.81	4209.38	-
Additions	1.32	2.52	21.78	0.00	1.13	0.88	2.57	30.20	-
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
As at 31 March 2023	1502.24	46.31	1495.33	141.68	2.43	20.21	31.38	4239.58	-
Additions	0.00	0.45	65.89	0.00	1.07	0.80	9.89	78.01	-
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
As at 31 March 2024	1502.24	46.76	1561.22	141.68	3.50	21.01	41.27	4316.08	-

Accumulated depreciation

As at 01 April 2022	297.71	8.40	398.34	30.64	0.37	7.60	12.01	955.07	-
Charge for the year	140.67	4.34	215.29	15.46	0.28	2.31	7.81	406.46	-
Disposal/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
As at 31 March 2023	438.38	12.74	613.63	46.10	0.65	9.91	19.82	1368.23	-
Charge for the Year	141.11	4.59	239.84	13.50	0.44	2.39	9.14	411.01	-
Disposal/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
As at 31 March 2024	579.49	17.33	853.47	59.60	1.09	12.30	28.96	1779.24	-

Net Block:

As at 31 March 2023	1063.86	33.57	881.70	95.58	1.78	10.30	11.56	2871.35	-
As at 31 March 2024	922.75	29.43	707.75	82.08	2.41	7.71	12.31	2544.84	-

Capital work in progress (CWIP) Aging Schedule

As at 31 March 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	INR
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(a) There are no projects where activity has been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.



**DEE Fabricom India Private Limited**

Notes to the financial statements for the year ended March 31, 2024

(Amt in INR Lacs)

**3 (b) Intangible assets**

<b>Particulars</b>	<b>Software</b>
<b>Gross block</b>	
As at 1 April 2022	0.94
Additions	2.30
Disposal	-
As at 31 March 2023	3.24
Additions	-
Disposal	-
As at 31 March 2024	3.24
<b>Accumulated depreciation</b>	
As at 1 April 2022	0.14
Charge for the year	0.91
Disposal	-
As at 31 March 2023	1.05
Charge for the Year	0.97
Disposal	-
As at 31 March 2024	2.02
<b>Net Block:</b>	
As at 31 March 2023	2.19
As at 31 March 2024	1.22



3 Financial assets

(A) Trade receivables

Particulars	Current	
	As at 31 March 2024	As at 31 March 2023
Increased, considered good Trade receivables	507.88	506.25
Total receivables	507.88	506.25
<b>Trade receivables - ageing schedule</b>		
Classifying for following periods from due date of payment:	As at 31 March 2024	As at 31 March 2023
Current less than 12 months	507.88	506.25
12 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	507.88	506.25

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from any of the company's employees, respectively in (A) any capacity as a partner, officer or a director except as disclosed above.  
Trade receivables are recognized on invoice and are generally in terms of 0 to 120 days.  
Ageing and conditions relating to trade receivables, refer page 25

(B) Cash and cash equivalents

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Cash on hand	-	-	0.15	2.43
Term deposit	-	-	207.17	-
Total	-	-	207.32	2.43

(C) Other bank balances other than cash and cash equivalents

Particulars	As at	
	31 March 2024	31 March 2023
Fixed deposit with original maturity the term more than twelve but upto 1 year*	78.91	17.39
Total other bank balances	78.91	17.39

As at 31 March 2024, the company had available BKR 19.39 Lacs (As at 31 March 2023 Rs: 61.59 Lacs) of undrawn borrowing facilities.

(D) Other financial assets

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Financial assets classified as amortized cost:				
Term deposits with maturity within 12 months				
Term deposits with original maturity less than 12 months:				
12 months or more	67.82	66.44	0.26	0.32
12 months or less	-	-	0.18	0.11
Total	67.82	66.44	0.44	0.43

\* Deposits given to various banks against Non fund based facilities.

Net debt financials

The following table set out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	Lease liabilities (a)		Non current debt (b)		Current debt (c)		Total
	As at 1 April 2022	As at 31 March 2023	As at 1 April 2022	As at 31 March 2023	As at 1 April 2022	As at 31 March 2023	
Cash flows	139.01	139.01	2,828.30	2,828.30	853.90	853.90	3,821.21
Interest	(45.16)	(45.16)	(361.71)	(361.71)	(108.50)	(108.50)	(515.37)
Interest expenses	(10.95)	(10.95)	-	-	28.97	28.97	17.92
Interest paid	-	-	(372.97)	(372.97)	(139.97)	(139.97)	(512.94)
Transactions with subsidiaries	12.85	12.85	-	-	-	-	25.70
Net debt as at 31 March 2023*	206.95	206.95	2,456.30	2,456.30	714.40	714.40	3,377.65

\* Net debt as at 31 March 2023 doesn't include unsecured loan from director entities

Particulars	Lease liabilities (a)		Non current debt (b)		Current debt (c)		Total
	As at 1 April 2023	As at 31 March 2024	As at 1 April 2023	As at 31 March 2024	As at 1 April 2023	As at 31 March 2024	
Cash flows	306.87	306.87	2,335.40	2,335.40	1,091.90	1,091.90	3,734.17
Interest	(54.11)	(54.11)	(681.50)	(681.50)	(189.87)	(189.87)	(925.48)
Interest expense	(4.19)	(4.19)	-	-	12.93	12.93	7.54
Interest paid	-	-	(376.34)	(376.34)	(12.93)	(12.93)	(389.27)
Transactions with subsidiaries	12.85	12.85	-	-	-	-	25.70
Net debt as at 31 March 2024*	261.42	261.42	1,653.90	1,653.90	902.03	902.03	2,817.35

\* Net debt as at 31 March 2024 doesn't include unsecured loan from director entities

(E) Other assets

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Capital advances	-	-	-	7.00
Payable expenses	-	-	3.39	3.68
Deposit Tax Receivable	-	-	81.96	63.22
Advance to suppliers	-	-	3.66	11.33
Advance to employees	-	-	-	4.78
Balance with Government authorities	-	-	115.00	202.31
Total other assets	-	-	103.01	188.02

(F) Intangibles

Particulars	Current	
	As at 31 March 2024	As at 31 March 2023
Patentable intangible	462.48	139.19
Total	462.48	139.19





**DFE Development India Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024.**

**(A) Equity share capital** (Amt. in INR Crores)

Particulars	As at	
	31 March 2023	31 March 2024
As at 1 April 2022		
Increase/decrease during the year	100.00	1,000.00
As at 31 March 2023		
Increase/decrease during the year	100.00	1,000.00
As at 31 March 2024	<b>100.00</b>	<b>1,000.00</b>

(B) **Forfeited amount, attached to equity shares:**  
 The Company has only one class of Equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share. The dividend except interim dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ordinary Annual General Meeting.

**(C) Fixed equity capital**

Particulars	As at	
	31 March 2023	31 March 2024
Equity shares of INR 10 each fully paid		
As at 1 April 2022		
Increase/decrease during the year	99.00	990.00
As at 31 March 2023		
Increase/decrease during the year	98.00	908.00
As at 31 March 2024	<b>99.00</b>	<b>908.00</b>

**(D) Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
DFE Development Engineers Ltd (Holding Company)	99.00	100%	99.00	100%

As per records of the Company, including the register of shareholders members and other documents received from shareholders regarding beneficial interests, the above shareholding represents both legal and beneficial ownership of shares.

(E) There are no equity shares held as bonus shares subject for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

**(F) Details of shares held by promoters:**

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the period	No. of shares at the end of the year	% of Total Shares	% Change during the year
	Equity shares of INR 10 each fully paid DFE Development Engineers Ltd.	99.00		99.00	100.00%	
	<b>Total</b>	<b>99.00</b>		<b>99.00</b>	<b>100.00%</b>	

**As at 31 March 2023**

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
	Equity shares of INR 10 each fully paid DFE Development Engineers Ltd.	99.00	(99.00)	0.00	100.00%	
	<b>Total</b>	<b>99.00</b>	<b>(99.00)</b>	<b>0.00</b>	<b>100.00%</b>	

**(G) Other Equity:**

Particulars	As at	
	31 March 2023	31 March 2024
Surplus in the statement of profit and loss		
Opening balance		
Add: Profit for the year	1917.06	(727.91)
Other comprehensive income (loss) for the year	298.55	(196.15)
Net result included in the statement of profit and loss	1.15	(2.01)
Closing balance	1811.76	(917.86)

**(H) Borrowings**

**(A) Non-current borrowings**

Particulars	Non Current		Current	
	As at 31 March 2024	31 March 2023	As at 31 March 2024	31 March 2023
Term Loan				
3.30% Bank (Interest free) loan	272.06	950.00	272.06	272.06
3.30% Bank (Interest free) loan (Interest free)				2.85
Unsecured loan				
(i) From Holding Company	1,000.00	1,200.00	260.00	-
(ii) From NBFC	124.85	-	60.72	-
(iii) From Director	500.00	325	110.00	-
Total	1,896.91	2,575.00	642.78	274.91

For further information of long term debt financial under short term borrowings refer note 9(a)



DKF, Faridkot India Private Limited  
Notes to the financial statements for the year ended March 31, 2024

Management Schedule of long term borrowings - non-current:		Amount in INR Lacs			
		As at 31 March 2024		As at 31 March 2023	
Particulars		INR	Repayment Intermittent	INR	Repayment Intermittent
<b>Secured Loans</b>					
(i)	1160000 (9% to 10% (31 March 2022) 9% to 10 (01/01/24)	820.81	1 equal quarterly instalment and 16 Monthly instalments	794.55	8 equal quarterly instalments and 40 Monthly instalments
<b>Unsecured Loans</b>					
(ii)	Provision 9.25% (31 March 2023) 9.25%	106.25	2 equal monthly instalments	135.50	14 equal monthly instalments
	Provision 12%	121.45	21 equal monthly instalments		
	Provision 10% (31 March 2022) 10%	1,000.00	On account	1,366.90	On account
	Interest free loan from Directors	500.00	On account	325.00	On account
		<b>1,657.51</b>		<b>2,832.10</b>	
Notes:					
a	Joint loan of Rs. 950.10 Lacs (31 March 2023) INR 1671.14 Lacs from bank secured by immovable property in any interest share, Bank A/Cs, Floating charge, movable property/stock held by (i) of the company, personal guarantee of promoters and corporate guarantee of DKF Development Engineering Limited.				
b	Vehicle loan of Rs. 0.100 Lacs (31 March 2023) INR 2.95 Lacs from bank secured by the vehicle of the Company, financed under the scheme.				
<b>(B) Current borrowings</b>					
Particulars		As at 31 March 2024		As at 31 March 2023	
<b>Secured</b>					
Cash credit facilities (i) below					
Cash credit				278.31	
Current liabilities of long-term debt (refer note 9(A))				(158.27)	723.69
<b>Total</b>				<b>119.04</b>	<b>1,001.06</b>
Notes:					
Secured by fixed charge on current assets including cash and bank deposits, personal guarantee of promoters and corporate guarantee of DKF Development Engineering Ltd.					
<b>(C) Other financial liabilities</b>					
Particulars		Non Current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Financial liabilities classified as amortised cost:					
- bank deposits and other borrowings			118.59	123.37	
- Other financial liabilities			118.59	123.37	
<b>(D) Lease liabilities</b>					
Particulars		Non Current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Financial liabilities classified as amortised cost:					
Lease liabilities		163.15	167.64	45.15	99.11
- Other financial liabilities		163.15	167.64	45.15	99.11
The effective interest rate for lease liabilities is 10%					
<b>(E) Provisions</b>					
Particulars		Non Current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for gratuity		11.50	3.99	0.15	0.03
Provision for compensated absence			1.93	7.21	0.58
Other provisions		11.50	11.83	2.47	9.91
<b>(F) Other liabilities</b>					
Particulars		Non Current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Accrued dues				18.06	15.04
Advance received from customers				111	91.71
- Other liabilities				19.79	107.48
<b>(G) Income tax</b>					
As at March 31, 2024		As at 31 March 2024		As at 31 March 2023	
Particulars		As at 31 March 2024	Recognized in statement of profit and loss	Recognized in OCI	As at 31 March 2023
Provision for employee benefits		(8.30)	11.90	20.70	(4.89)
Lease liabilities		(63.81)	1.40		(51.47)
Others		(299.13)	(44.47)		(384.68)
<b>Deferred tax assets (A)</b>		<b>(451.24)</b>	<b>160.99</b>	<b>0.40</b>	<b>(311.07)</b>
Current, plant and equipment and other tangible assets - depreciation, impairment and amortization		93.51	(7.14)		(42.16)
Right of use assets		18.00	(1.70)		8.32
Deferred tax liabilities (B)		(33.53)	(6.95)		(49.56)
<b>Net deferred tax liabilities (A - B)</b>		<b>(409.71)</b>	<b>(157.82)</b>	<b>0.40</b>	<b>(162.31)</b>



24 Trade Payables

Particulars	Current					
	As at 31 March 2024	As at 31 March 2023				
Trade payables <sup>1</sup>	782.67	494.69				
Trade payables in Active, Small and Medium Enterprises	-	-				
Total trade payables	782.67	494.69				
Terms and conditions of the above financial liabilities:						
<sup>1</sup> Trade payables are non-interest bearing and are normally settled on 6 to 60 days from						
the terms and conditions relating to financial liability payable, refer note 23						
<sup>2</sup> Include following:						
	80.74	66.70				
Trade Payables Analysis Schedule	Outstanding for following periods from the date of payment					
As at 31 March 2024	Not due (including sundries)	1 to less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of small enterprises, MSME and enterprises	14.67	247.04	0.36	-	-	262.07
Total outstanding dues of medium enterprises and small enterprises	-	-	-	-	-	-
Total dues of creditors other than small enterprises and MSME enterprises	-	-	-	-	-	-
Total	14.67	247.04	0.36	-	-	262.07
As at 31 March 2023	Outstanding for following periods from the date of payment					
Total outstanding dues of small enterprises, MSME and enterprises	14.60	356.56	0.17	-	-	471.33
Total outstanding dues of medium enterprises and small enterprises	-	-	-	-	-	-
Total dues of creditors other than small enterprises and MSME enterprises	-	-	-	-	-	-
Total	14.60	356.56	0.17	-	-	471.33



DLK Fabritec India Private Limited  
Notes to the financial statements for the year ended March 31, 2024

(Amt. in INR Lacs)

15. Revenue from operation

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products:		
Sale of finished goods		149.76
Sale of traded goods		23.58
Sale of services:		
Job work	3,374.93	1,742.47
Other operating income	351.41	86.19
Total revenue from contracts with customers	3,726.34	2,041.99

16. Other Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest received from bank	8.64	3.01
Profit on sale of fixed assets		29.16
Rent income	136.20	148.19
Interest on income tax Refund	1.51	
Total other income	146.35	180.36

17. Cost of raw material consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year		
Add: Purchase during the year		88.66
Less: Inventory at the end of the year		
Cost of raw material consumed		88.66

17A. Changes in inventories of finished goods, traded goods and work in progress

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock:		
Traded goods		22.58
Work-in-progress		
Less: Closing stock:		
Traded goods		
Work-in-progress		
Total change in inventories of finished goods, traded goods and work in progress		22.58

18. Employee benefit expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	337.57	336.88
Contributions to provident and other funds	11.16	10.68
Gratuity expense (refer note 24)	4.18	3.40
Staff welfare expenses	11.41	6.10
Total employee benefit expenses	364.32	357.06

19. Depreciation and amortization expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on tangible assets (refer note 3 Property, plant and equipment)	411.00	404.66
Amortisation of intangible assets (refer note 3. (b) Intangible assets)	0.97	0.91
Depreciation on right of use assets (refer note 33)	39.52	36.05
Total depreciation and amortization expense	451.49	441.62



## 20. Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	1,186.99	335.82
Fabrication and job charges	460.26	356.24
Repairs & Maintenance	36.04	32.00
Office and factory maintenance	11.92	12.88
Rent, including lease rentals	132.27	103.94
Rates and taxes	13.89	0.18
Insurance	14.59	14.67
Power, Fuel and water charges	129.69	90.73
Inspection & Testing	8.24	8.81
Auditor's remuneration	5.00	7.00
Legal and professional	28.82	32.44
Travelling and conveyance expense	28.66	21.44
Bank Charges	8.21	0.31
Donation	0.05	0.05
Security and servicing charges	20.74	19.55
Printing & Stationery	4.71	3.01
Internet Charges	3.20	-
Miscellaneous	14.21	5.95
<b>Total</b>	<b>2,107.49</b>	<b>1,236.12</b>

## Payment to auditors:

	Year ended 31 March 2024	Year ended 31 March 2023
As auditors		
- Statutory audit fee	5.00	1.00
<b>Total</b>	<b>5.00</b>	<b>1.00</b>

## 21. Finance costs:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest Expense		
- on term loans	134.54	176.67
- on others	12.95	29.97
- on unsecured loan (Holding company)	126.00	116.30
Interest on lease liability	20.33	20.05
<b>Total</b>	<b>293.72</b>	<b>342.99</b>

## 22. Earnings per share (EPS)

Basic EPS amounts is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to equity holders of the Company for basic and diluted earnings (A)	494.65	(196.15)
Weighted average number of Equity shares for basic and diluted EPS* (B)	90.00	90.00
<b>Earnings per share (A/B)</b>		
- Basic earnings per share	5.50	(2.18)
- Diluted earnings per share	5.50	(2.18)

\*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no transaction involving Equity shares or potential Equity shares during the year.



## 23 Significant accounting judgements, estimates and assumptions

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

### Judgements

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

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### - Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

#### - Taxes

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### - Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

#### - Fair value measurement of financial instruments

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



24 Gratuity and other post-employment benefit plans

A. Defined benefit plans - general description

The Company has a defined gratuity benefit plan. Every employee who completes service of five years or more, gets a gratuity, of 15 days salary (last drawn salary) for each completed year of service.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the financial status and amounts recognised in the balance sheet for the plan (based on actuarial valuation):

Amount recognised in statement of profit and loss

Net employee benefit expense recognized in the employee costs

Particulars	Year ended 31 march 2024	Year ended 31 march 2023
Service cost	3.52	2.89
Net interest cost	0.66	0.59
Expenses recognised in the statement of profit and loss	<u>4.18</u>	<u>3.48</u>

Amount recognised in other comprehensive income

Particulars	Year ended 31 march 2024	Year ended 31 March 2023
Net actuarial (gain)/ loss recognised in the year	1.55	2.71
Expenses recognised in the other comprehensive income	<u>1.55</u>	<u>2.71</u>

Balance sheet

Benefit asset/ liability

Particulars	Year ended 31 march 2024	Year ended 31 March 2023
Present value of defined obligation at the end of the year	11.66	9.03
Less : Fair value of the plan assets at the end of the year		
Net present value of defined benefit obligation	<u>11.66</u>	<u>9.03</u>

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 march 2024	Year ended 31 March 2023
Opening defined benefit obligation	9.03	8.26
Service cost	3.52	2.89
Interest cost	0.66	0.59
Actuarial (gain)/ loss on obligation	(1.55)	(2.71)
Closing defined benefit obligation	<u>11.66</u>	<u>9.03</u>

B. The principal actuarial assumptions used in determining gratuity are as follows:

(a) Economic assumptions

Particulars	Year ended 31 march 2024	Year ended 31 March 2023
Discount rate	7.22	7.36
Average salary escalation rate	5.00	5.00
Ages	Withdrawal rate %	Withdrawal rate %
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



C. Demographic assumptions

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Retirement age	58 years	58 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)

D. A quantitative sensitivity analysis for significant assumptions as at 31 March is as shown below:

Assumptions	Sensitivity Level	Impact on defined benefit obligation
Discount rates 31 March 2024	Increase of 0.50%	(0.86)
	Decrease of 0.50%	0.95
31 March 2023	Increase of 0.50%	(1.67)
	Decrease of 0.50%	0.74
Future salary increases 31 March 2024	Increase of 0.50%	0.96
	Decrease of 0.50%	(0.88)
31 March 2023	Increase of 0.50%	0.76
	Decrease of 0.50%	(0.69)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

E. The following payments are expected contributions in the defined benefit plan in future years:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Within the next 12 months (next annual reporting period)	0.16	0.02
Between 2 and 5 years	0.82	0.68
Beyond 5 years	10.68	8.12
Total expected payments	11.66	8.82

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.39 years (March 31, 2023 : 18.72)





**DEE Fabricom India Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**

(Amt in INR Lacs)

**25- Related party transactions**

**(A) Names of related parties and related party relationship:**

Nature of relationship:	Name of related parties
(i) Holding Company:	DEE Development Engineers Ltd.
(ii) Key management personnel:	Mr. K.L. Bansal (Director) Mrs. Ashita Bansal (Director) Mrs. Shriti Agarwal (Director)

**(B) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:**

Name of related party	Year ended 31 March 2024	Year ended 31 March 2023
<b>(i) With Holding Company - DEE Development Engineers Ltd.</b>		
Purchase of goods	785.05	2.18
Sale of product	5.72	22.58
Job Work Income	124.22	198.37
Interest expense	126.00	116.30
Rent Received	12.00	12.00
Corporate Guarantee Taken	-	-
<b>(ii) With Key management personnel and their relatives:</b>		
Loan Received from Mr. K. L. Bansal	285.00	590.00
Loan Paid back to Mr. K. L. Bansal	-	265.00
Rent Paid to Mr. K. L. Bansal	0.24	0.24

**(C) Following are the balances outstanding as at period end:**

Name of related party	As at 31 March 2024	As at 31 March 2023
<b>(i) With Holding Company - DEE Development Engineers Ltd.</b>		
Advance Received	-	85.51
Loan Taken	1,260.00	1,260.00
Interest payable	113.40	104.67
<b>(ii) With Key Management Personnel :</b>		
Mr. K.L. Bansal	610.02	325.00

**(D) 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 other than unsecured loan from parent company.

For the Year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.



26 Commitments and Contingencies

Commitments

(a) Capital Commitments

Particulars	As at:	As at:
	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid INR 0.00) (31 March 2023: INR 0.79)		15.58



DEE Fabrikom India Private Limited  
Notes to the financial statements for the year ended March 31, 2024

(Amount in INR Lacs)

27. Fair values

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

Particulars	Carrying value		Fair value	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>(A) Financial assets</b>				
<b>Non-current</b>				
Security deposits	67.84	60.44	67.84	60.44
<b>Current</b>				
Trade Receivables	507.88	506.25	507.88	506.25
Cash and bank balances	208.32	2.45	208.32	2.45
Term deposits with maturity within 12 months	78.04	17.55	78.04	17.55
Interest Receivable	0.78	0.32	0.78	0.32
Security deposits	0.18	0.18	0.18	0.18
<b>Total financial assets</b>	<b>863.04</b>	<b>587.19</b>	<b>863.04</b>	<b>587.19</b>
<b>(B) Financial liabilities</b>				
<b>Non-Current</b>				
Borrowings	1,853.51	2,535.10	1,853.51	2,535.10
Lease liability	163.15	167.86	163.15	167.86
Other financial liabilities	-	118.59	-	118.59
<b>Current</b>				
Borrowings	1,151.77	1,001.90	1,151.77	1,001.90
Lease liability	45.13	39.13	45.13	39.13
Trade payables	782.67	459.69	782.67	459.69
Other financial liabilities	123.37	-	123.37	-
Interest accrued and not due on borrowings	123.37	-	123.37	-
<b>Total financial liabilities</b>	<b>4,242.99</b>	<b>4,322.27</b>	<b>4,242.99</b>	<b>4,322.27</b>

Note:-

The management assessed that cash and cash equivalents, other bank balances, trade receivables, loan to employees, current portion of security deposits, other current assets, interest accrued on fixed deposits, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a. Security deposits: The fair value of security deposits and inter-corporate loans are determined by using DCE method using discount rate that reflects the market rate of such instruments as at the end of the reporting period. Management has assessed that the carrying value of the instruments is significantly equal to fair value as on reporting date.

b. Term deposits: The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.

c. Long-term borrowings: The fair value of long-term borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value.

d. Others: For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



**28 Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:  
(a) recognised and measured at fair value, and  
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

This section explains the judgements and estimates made. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Specific valuation techniques used to value financial instruments include:

- (i) the use of quoted market prices or dealer quotes for similar instruments
- (ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- (iii) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**A Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2024:**

Particulars	Date of valuation	Total	Fair value measurement
			Significant unobservable inputs
<b>Financial assets measured at amortised cost</b>			
Security deposits	31-Mar-24	67.84	67.84
<b>Financial liabilities measured at amortised cost</b>			
Non-current borrowings	31-Mar-24	1,833.31	1,833.31
Non-current lease liabilities	31-Mar-24	0.01	0.01

There have been no transfers between Level 1 and Level 2 during the period.

**B Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023:**

Particulars	Date of valuation	Total	Fair value measurement
			Significant unobservable inputs
<b>Financial assets measured at amortised cost</b>			
Security deposits	31-Mar-23	66.44	66.44
<b>Financial liabilities measured at amortised cost</b>			
Long-term borrowings (including current maturities)	31-Mar-23	2,535.10	2,535.10
Non-current lease liabilities	31-Mar-23	167.86	167.86

There have been no transfers between Level 1 and Level 2 during the year.



29 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits given, employee advances, trade and other receivables, cash and term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised 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 risk: interest rate risk, currency risk, and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings. The Company is not exposed to currency risk and other price risk.

The sensitivity analysis for the following sections relate to the position as at 31 March 2024 and 31 March 2023:

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2024.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumption have been made in calculating the sensitivity analysis:

The sensitivity in the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk because Company borrows funds in both floating interest rates. These exposures are reviewed by appropriate levels of management. The Company regularly monitors the market rate of interest to mitigate the risk exposure. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31-Mar-24	
	Increase / Decrease in basis	Effect on profit before tax
Loan from banks	+0.50%	6.73
	-0.50%	(6.73)

**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 including deposits with banks and financial institutions, financial exchange transactions and other financial instruments.

**Trade receivables**

Trade receivables do not have any significant potential credit risk for the Company as the business of the Company is majorly cash based. Accordingly, any significant impairment analysis is not required to be performed by the management at each reporting date except on individual basis for major clients. The Company is a power generating company. The company is dealing with single customer having good credit worthiness, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customer is reviewed, according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

**Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits and bank loans. Most of loans borrowed by the Company's will not mature in less than one year at 31 March 2023, based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

As at 31 March 2024, the company had available INR 19.39 Lacs (as at 31 March 2023 Rs. 67.39 Lacs) of undrawn borrowing facilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Year ended 31 March 2024</b>						
Long term borrowings (including current maturities)	1,300.00	198.13	585.59	549.46	-	2,633.18
Short term borrowings	-	-	-	-	-	-
Trade payables	-	782.67	-	-	-	782.67
Other financial liabilities	-	123.37	-	-	-	123.37
	1,300.00	1,104.17	585.59	549.46	-	3,539.22
<b>Year ended 31 March 2023</b>						
Long term borrowings (including current maturities)	1,585.00	189.26	540.78	950.10	-	3,265.14
Short term borrowings	278.21	-	-	-	-	278.21
Trade payables	-	459.59	-	-	-	459.59
Other financial liabilities	-	-	-	-	-	-
	1,863.21	639.85	540.78	950.10	-	3,994.94



30. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

The Company's gearing ratio is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings including current maturities	2,505.28	3,212.00
Less: cash and cash equivalents	(208.32)	(2.45)
Net debt (A)	2,296.96	3,209.55
-Equity (refer note 7 and 8)	478.74	(17.06)
Total capital (B)	478.74	(17.06)
Total capital and net debt (C) = (A) + (B)	2,775.70	3,192.50
Gearing ratio (A)/(C) (%)	82.75%	100.53%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.



31. Other statutory information:

- (i) The company do not have any Benami Property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
- (ii) The company do not have any transactions with companies struck off.
- (iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - (a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The company have not 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 assessment under the income tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The company has not been declared as willful defaulter.
- (ix) The company has complied with the number of layers prescribed under clause (B7) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

32. ACCOUNTING RATIOS:

Sr. No.	Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for variance more than 25%
(a)	Current Ratio (in times)	Current assets	Current liabilities	0.79	0.01	307%	Due to Increase in Current assets
(b)	Debt-Equity Ratio (in times)	Total debt	Shareholder equity	6.28	-207.38	-101%	Due to increase in Net worth.
(c)	Debt Service Coverage Ratio (in times)	Earnings for Debt Service - Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of fixed assets	Debt service - Interest & Lease Payments + Principal Repayments	0.92	0.07	1124%	Due to increase in EBIT
(d)	Return on Equity ratio (%)	Net Profit after tax	Average Shareholder's Equity	103.32%	1150.02%	-91%	Due to Increase Net Profit & Net Worth
(e)	Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory		0.41	NA	NA
(f)	Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average trade receivable	7.35	5.52	33%	Due to Increase in Revenue.
(g)	Trade Payable Turnover Ratio (in times)	Net Purchases	Average trade payables	3.76	1.26	118%	Due to increase in Credit Purchase
(h)	Net Capital Turnover Ratio (in times)	Revenue from operations	Average working capital	(8.18)	(3.22)	1111%	Due to increase in Revenue & Working Capital.
(i)	Net Profit ratio (%)	Net Profit after Tax	Revenue from operations	13.27%	-9.61%	-238%	Due to Increase in Net Profit
(j)	Return on Capital Employed (%)	Earnings before Interest and taxes (EBIT)	Capital Employed	27.13%	2.30%	1082%	Due to increase in EBIT
(k)	Return on Investment (%)	Interest (Finance Income)	Investment	N/A	N/A	NA	NA



## 33 Leases

- i) The Company's leased assets primarily consists of lease for factory lands, computers and data processing equipment having lease term of 5-10 years. The Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of inception and has measured right of use asset at an amount equal to lease liability adjusted for previously recognised prepaid or accrued lease payments. Further, lease arrangements where the Company is lessor, lease rentals are recognized on straight line basis over the non-cancellable period. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.
- The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

## ii) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Factory Land	Plant & Machinery	Total
Right of use assets, as at 01 April 2022	843.37	51.20	894.57
Additions	151.37	-	151.37
Deletions	(119.19)	-	(119.19)
Depreciation Expenses	(415.27)	(20.78)	(436.05)
As at 31 March 2023	460.28	30.42	490.70
Additions	-	35.19	35.19
Deletions	-	-	-
Depreciation Expenses	(48.71)	(24.79)	(73.50)
As at 31 March 2024	411.57	40.82	452.39

## iii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the year ended March 31, 2024:

Particulars	Factory Land	Plant & Machinery	Total
Lease Liability as at 01 April 2022	161.80	67.27	229.07
Additions	151.37	-	151.37
Deletions/Adjustment	(148.35)	-	(148.35)
Interest	13.05	7.00	20.05
Repayment	(19.09)	(26.01)	(45.10)
As at 31st March 2023	158.78	48.21	206.99
Additions	-	35.19	35.19
Deletions/Adjustment	-	-	-
Interest	11.35	6.88	18.23
Repayment	(23.03)	(31.08)	(54.11)
As at 31 March 2024	147.10	59.20	206.30
Current	18.79	26.43	45.22
Non Current	128.31	32.77	161.08

iv) The maturity analysis of contractual undiscounted cash flows:  
As at March 31, 2024

	Less than 1 year	1 to 5 years	More than 5 year
Factory Land	24.35	98.35	60.17
Plant & Machinery	34.91	18.58	-
	59.26	146.93	60.17

As at March 31, 2023

	Less than 1 year	1 to 5 years	More than 5 year
Factory Land	23.03	101.32	81.55
Plant & Machinery	31.08	80.33	-
	54.11	181.65	81.55





(v) The effective interest rate for the lease liabilities is 10% with maturity between 2023-2029

(vi) The following are the amounts recognised in the statement of profit and loss:

Particulars	Factory Land	Plant & Machinery	31-Mar-24
Depreciation expense of right-of-use assets	14.73	24.79	39.52
Interest expense on lease liabilities	13.35	6.88	20.23

(vii) The Company had total cash outflows for leases of Rs. 541143 for the Year ended March 31, 2024.

(viii) The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

34. The Code on Social Security, 2020 ("Code"), relating to employee benefits during employment and post employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

35. Other statutory information:

(i) The Company do not have any Benami Property, where any proceeding has been initiated or pending against the company for holding any Benami Property.

(ii) The Company do not have any transactions with companies struck off.

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

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.

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

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(viii) The Company has not been declared as willful defaulter.

(ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

36. The figures for the corresponding previous period have been regrouped/reclassified, wherever considered necessary including requirements of the amended schedule III to the Companies Act, 2013, to make them comparable with current year classification.

For SANMARKS AND ASSOCIATES  
Chartered Accountants  
ICAI Firm Reg. No. 809471N, ANU 20152515

For and on behalf of the Board of Directors of  
DEE Fabriccom India Private Limited

Santosh Kumar Agarwal  
Partner  
M. No. 091127

K.L. Bansal  
Director  
DIN No. 01125121

Ashima Bansal

Ashima Bansal  
Director  
DIN No. 01928419

Place : Faridabad  
Date : 08-07-2024

