

Partners :  
FCA Sohan Chaturvedi  
FCA Chaturvedi V N  
FCA Noshir B Captain  
FCA Rajiv Chauhan  
ACA Neha Chauhan  
ACA Shristi Chaturvedi  
FCA Prakash Mistry



# Chaturvedi Sohan & Co.

## Chartered Accountants

FRN - 118424W

### Independent Auditors Report

To The Board of Directors of Engineered Coated Fabric Private Limited

Report on the Audit of the Special purpose Financial Statements

### Opinion

We have audited the accompanying Special Purpose Financial Statements of Engineered Coated Fabric Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policy and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements of the Company for the year ended March 31, 2023 are prepared in all material respects, in accordance with the basis of accounting specified in Note 2 to the special purpose financial statement.

### Basis for Opinion

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

### Responsibilities of Management and Those charged with Governance for the Financial Statements

Management is responsible for the preparation of the Special Purpose Financial Statements in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. This includes design, implementation and maintenance of such internal control relevant to the preparation of the Special Purpose Financial Statements that are free from material misstatements, whether due to fraud or error.

The Financial Statements have been prepared for the purpose of reflecting the transition from previous Indian GAAP to Ind AS as prescribed by Ind AS 101, *First-time Adoption of Indian Accounting Standards*.

In preparing the Special Purpose Financial Statements, the management and those charged with governance are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 charged with governance are 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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



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

#### Other Matter

1. The Statutory Financial Statements of the Company for the year ended March 31, 2023, prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read together with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, were audited by predecessor auditor "Mamta K Mehta and Associates" whose report expressed an unmodified opinion.
2. As informed to us by the management of the Company, the predecessor auditors do not hold a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed their inability to perform any work on the financial information for the year ended March 31, 2023, to be included in Offer Documents. Accordingly, in accordance with the SEBI ICDR Regulations, the Guidance Note, and pursuant to SEBI Communication, we have audited the Special Purpose Financial Statements of the Company for the year ended March 31, 2023.

For Chaturvedi Sohan & Co.  
Chartered Accountants  
FRN: 118424W



Sohan Chaturvedi  
Partner  
Membership No. 030760  
UDIN: 25030760BMZWRW6910



Date: 03 September, 2025  
Place: Mumbai.

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ENGINEERED COATED FABRIC PRIVATE LIMITED  
SPECIAL PURPOSE BALANCE SHEET AS AT 31st MARCH, 2023  
(Amount in INR millions, unless otherwise stated)

| Particulars   | Notes | As at 31 March 2023 |
|---|-------|---------------------|
| <b>ASSETS</b>   |       |                     |
| <b>Non-current assets</b>   |       |                     |
| Property, plant and equipment                                       | 7     | 45.92               |
| Capital work in progress  |       |                     |
| Investments   | 8     | 0.00                |
| Other financial assets  | 9     | 3.14                |
| Non current tax assets (net)  | 11    | 2.37                |
| <b>Total non-current assets</b>                                     |       | <b>51.43</b>        |
| <b>Current assets</b>   |       |                     |
| Inventories   | 11    | 67.38               |
| Financial assets  |       |                     |
| Trade receivables   | 12    | 184.22              |
| Cash and cash equivalents   | 13    | 1.37                |
| Other bank balances   | 14    | 0.80                |
| Other financial assets  | 15    | 0.68                |
| Other current assets  | 16    | 1.10                |
| <b>Total current assets</b>   |       | <b>255.55</b>       |
| <b>TOTAL ASSETS</b>   |       | <b>306.98</b>       |
| <b>EQUITY AND LIABILITIES</b>                                       |       |                     |
| <b>EQUITY</b>   |       |                     |
| Equity share capital  | 17    | 5.51                |
| Other equity  | 18    | 40.10               |
| <b>Total equity</b>   |       | <b>45.61</b>        |
| <b>LIABILITIES</b>  |       |                     |
| <b>Non-current liabilities</b>                                      |       |                     |
| Financial liabilities   |       |                     |
| Borrowings  | 19(a) | -                   |
| Deferred tax liabilities (net)                                      | 33    | 1.53                |
| Employee benefit obligations  | 20    | 1.71                |
| <b>Total non-current liabilities</b>                                |       | <b>3.24</b>         |
| <b>Current liabilities</b>  |       |                     |
| Financial liabilities   |       |                     |
| Borrowings  | 19(b) | 7.78                |
| Trade payables  | 21    | -                   |
| Total outstanding dues of micro and small enterprises               |       | 236.29              |
| Total outstanding dues other than above micro and small enterprises |       |                     |
| Other financial liabilities   | 22    | 12.22               |
| Employee benefit obligations  | 23    | 0.73                |
| Other current liabilities   | 24    | 1.11                |
| <b>Total current liabilities</b>                                    |       | <b>258.13</b>       |
| <b>Total liabilities</b>  |       | <b>261.37</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                 |       | <b>306.98</b>       |

Summary of material accounting policies  
The accompanying notes are an integral part of the financial statements.

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As per our report of even date  
For Chaturvedi Sohan & Co.  
Chartered Accountants  
ICAI Firm Registration No: 118424W



Sohan Chaturvedi  
Partner  
Membership No:030760

Place: Mumbai  
Date:07/06/2025

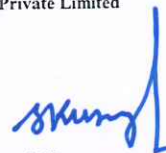


For and on behalf of the Board of Directors  
Engineered Coated Fabric Private Limited



Yogesh Kusumgar  
Director  
DIN: 01080769

Place: Mumbai  
Date:07/06/2025



Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date:07/06/2025



**ENGINEERED COATED FABRIC PRIVATE LIMITED**

**SPECIAL PURPOSE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March, 2023**

(Amount in INR millions, unless otherwise stated)

| Particulars  | Notes | For the year ended<br>31 March 2023 |
|--|-------|-------------------------------------|
| <b>INCOME</b>  |       |                                     |
| Revenue from operations                                      | 25    | 977.51                              |
| Other income   | 26    | 0.23                                |
| <b>Total income</b>  |       | <b>977.74</b>                       |
| <b>EXPENSES</b>  |       |                                     |
| Cost of materials consumed                                   | 27    | 909.75                              |
| Changes in inventories of stock-in-trade                     | 28    | (30.36)                             |
| Employee benefits expense                                    | 29    | 20.14                               |
| Finance costs  | 30    | 1.74                                |
| Depreciation and amortization expense                        | 31    | 6.73                                |
| Other expenses   | 32    | 60.89                               |
| <b>Total expenses</b>  |       | <b>968.89</b>                       |
| <b>Profit before tax</b>                                     |       | <b>8.85</b>                         |
| <b>Income tax expense</b>                                    | 33    |                                     |
| Current tax  |       | 0.15                                |
| (Excess) provision for tax relating to prior years           |       | 1.78                                |
| Deferred tax   |       | 0.66                                |
| <b>Total income tax expense</b>                              |       | <b>2.59</b>                         |
| <b>Profit for the year</b>                                   |       | <b>6.26</b>                         |
| <b>Other comprehensive income / (loss)</b>                   |       |                                     |
| <b>Items that will not be reclassified to profit or loss</b> |       |                                     |
| Remeasurement gain/(loss) of net defined benefit liability   |       | 0.41                                |
| Income tax effect on above                                   |       | (0.10)                              |
| <b>Other comprehensive income for the year, net of tax</b>   |       | <b>0.31</b>                         |
| <b>Total comprehensive income for the year</b>               |       | <b>6.57</b>                         |
| <b>Earnings per equity share:</b>                            |       |                                     |
| - Basic EPS (INR)  |       | 113.67                              |
| - Diluted EPS (INR)  |       | 113.67                              |

Summary of material accounting policies

2 & 3

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

As per our report of even date

For Chaturvedi Sohan & Co.

Chartered Accountants

ICAI Firm Registration No: 118424W

For and on behalf of the Board of Directors

Engineered Coated Fabric Private Limited

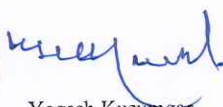


Sohan Chaturvedi

Partner

Membership No:030760





Yogesh Kusumgar

Director

DIN: 01080769

Place: Mumbai

Date:07/06/2025



Siddharth Kusumgar

Director

DIN: 01676799

Place: Mumbai

Date:07/06/2025



Place: Mumbai

Date:07/06/2025



ENGINEERED COATED FABRIC PRIVATE LIMITED  
SPECIAL PURPOSE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023  
(Amount in INR millions, unless otherwise stated)

| Particulars   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| <b>Cash flow from operating activities</b>  |                                     |
| Profit before tax   | 8.85                                |
| Adjustments for:  |                                     |
| Add :   |                                     |
| Depreciation and amortization expenses  | 6.73                                |
| Finance cost  | 1.74                                |
| Loss on sale of property, plant and equipment   | -                                   |
| Foreign Exchange Loss   | -                                   |
| Unwinding of discount on security deposits  | -                                   |
| Interest income   | (0.10)                              |
| Financial guarantee commission income   | (0.13)                              |
| <b>Operating Profit before working capital changes</b>                                | <b>17.09</b>                        |
| <b>Changes in operating assets and liabilities</b>                                    |                                     |
| Adjustments for: Operation Assets   |                                     |
| Decrease / (Increase) in trade receivables  | (117.32)                            |
| (Increase) in inventories   | (67.36)                             |
| (Increase) in loans and other financial assets  | -                                   |
| Decrease/(Increase) in other assets   | 4.93                                |
| Adjustments for: Operation Liabilities  |                                     |
| Increase / (Decrease) in trade payables   | 236.29                              |
| Increase / (Decrease) in provisions   | 0.08                                |
| Increase / (Decrease) in other financial liabilities                                  | (62.89)                             |
| Increase / (Decrease) in other liabilities  | 0.82                                |
| <b>Cash generated from operations</b>   | <b>11.65</b>                        |
| Income tax paid (net)   | (1.30)                              |
| <b>Net cash flows generated from operating activities (a)</b>                         | <b>10.35</b>                        |
| <b>Cash flows from investing activities</b>   |                                     |
| Capital work in progress and change in capital advance and creditor for capital items | -                                   |
| Purchase of property, plant and equipment   | (0.11)                              |
| Changes in ROU and lease  | -                                   |
| Interest received   | 0.10                                |
| <b>Net cash flows (used in) investing activities (b)</b>                              | <b>(0.01)</b>                       |
| <b>Cash flow from financing activities</b>  |                                     |
| Changes in borrowings   | (8.07)                              |
| Principal paid on lease liabilities   | -                                   |
| Interest paid on lease liabilities  | -                                   |
| Interest paid on borrowings   | (0.99)                              |
| <b>Net cash flows generated from financing activities (c)</b>                         | <b>(9.06)</b>                       |
| <b>Net increase in cash and cash equivalents (a+b+c)</b>                              | <b>1.27</b>                         |
| Cash and cash equivalents at the beginning of the year                                | 0.10                                |
| <b>Cash and cash equivalents at the end of the year (refer note no 17)</b>            | <b>1.37</b>                         |

| Particulars  | As at 01 April 2022 | Cash flows  | As at 31 March 2023 |
|--|---------------------|-------------|---------------------|
| Non-current borrowings                             | 6.74                | 6.74        | -                   |
| Current borrowings                                 | 9.11                | 1.33        | 7.78                |
| <b>Total liabilities from financing activities</b> | <b>15.85</b>        | <b>8.07</b> | <b>7.78</b>         |

| Particulars            | As at 01 April 2022 | Cash flows | As at 31 March 2023 |
|------------------------|---------------------|------------|---------------------|
| Non-current investment | 0.00                | -          | 0.00                |

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

1. The above Cash flow statement has been prepared under the
2. Figures in bracket indicate an outflow

As per our report of even date  
For Chaturvedi Sohan & Co.  
Chartered Accountants  
ICAI Firm Registration No: 118429W

Sohan Chaturvedi  
Partner  
Membership No:030760

Place: Mumbai  
Date:07/06/2025



For and on behalf of the Board of Directors  
ENGINEERED COATED FABRIC PRIVATE LIMITED

Yogesh Kusumgar  
Director  
DIN: 01080769

Place: Mumbai  
Date:07/06/2025

Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date:07/06/2025



ENGINEERED COATED FABRIC PRIVATE LIMITED  
SPECIAL PURPOSE STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED 31 MARCH 2023  
(Amount in INR millions, unless otherwise stated)

(a) EQUITY SHARE CAPITAL

| Particulars                     | No. of Shares |
|---------------------------------|---------------|
| As at 1 April 2022              | 5.51          |
| Changes in equity share capital | -             |
| As at 31 March 2023             | 5.51          |

(b) OTHER EQUITY

| Particulars  | Securities premium | General reserve | Retained earnings | Other comprehensive | Total |
|--|--------------------|-----------------|-------------------|---------------------|-------|
| Balance as at 1 April 2022                           | 5.40               | 0.21            | 27.92             | -                   | 33.53 |
| Profit for the year                                  | -                  | -               | 6.26              | -                   | 6.26  |
| Other Comprehensive Income for the year (net of tax) | -                  | -               | -                 | 0.31                | 0.31  |
| Balance as at 31 March 2023                          | 5.40               | 0.21            | 34.19             | 0.31                | 40.10 |

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

As per our report of even date  
For Chaturvedi Sohan & Co.  
Chartered Accountants  
ICAI Firm Registration No: 118424W

Sohan Chaturvedi  
Partner  
Membership No:030760

Place: Mumbai  
Date:07/06/2025

For and on behalf of the Board of Directors  
Engineered Coated Fabric Private Limited

Yogesh Kusumgar  
Director  
DIN: 01080769

Place: Mumbai  
Date:07/06/2025

Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date:07/06/2025



**ENGINEERED COATED FABRIC PRIVATE LIMITED**

**Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**

(Amount in INR million, unless otherwise stated)

**1.0 Company overview**

Engineered Coated Fabric Pvt Ltd' was incorporated on 19th June 1985. The company was incorporated with the main objective of manufacturing, processing, designing, importing, exporting, whole sale trading and distribution of all kinds of fabrics and textile materials, to undertake fabrication and sales and marketing of all types of fabrics textile materials. The Registered office of the company is located in Mumbai

**2.0 Basis of Preparation of Financial Statements**

**(a) Statement of Compliance with Ind AS**

The Special purpose financial statement of the Company comprises of the Special Purpose Balancesheet as at March 31, 2023, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Cash Flows, the Special Purpose Statement of Changes in Equity for the year ended March 31, 2023, the summary of material accounting policies and Other explanatory Information (collectively, the "Special purpose financial statements").

These Special purpose financial statement have been prepared by the Management of the Group to comply with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "ICDR Regulations")

(c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

The Special purpose Ind AS financial statements of the Company for the year ended March 31, 2023 which were prepared by management of the Company after taking into consideration the requirements of SEBI and were approved by the Board of Directors at their meetings held on June 7, 2025.

The Special Purpose Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated financial information for inclusion in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these Special Purpose Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of the Restated financial information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

These Special purpose financial statement were authorized for issue by Board of Directors on June 7, 2025

**(b) Basis of measurement**

The Restated financial statements have been prepared on accrual basis and under historical cost convention, except for the following:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

- Employees defined benefit obligation and leave encashment are recognised as per actuarial valuation.

**Classification into current and non-current:**

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:

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

**(c) Use of estimates, judgements and assumptions**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 4 for details on estimates and judgments.

**(d) Functional and presentation currency**

The financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of million with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

**(e) Going Concern**

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

**(f) Offsetting financial instruments**

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

**3.0 Material accounting policies**

A summary of the material accounting policies applied in the preparation of the Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Financial Statements.

**3.01 Property, plant and equipment**

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.





The Company identifies and determines cost of each part of an item of property plant and equipment separately if the part has a cost which is significant to the total cost of that item of property plant and equipment and has useful life that is materially different from that of the remaining item.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of comprehensive income during the year in which they are incurred.

#### Transition to Ind AS

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognised in the financial statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

#### Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, or re-assessed by the Company. The Company has estimated the following as useful life to provide depreciation on its Property, Plant & Equipment.

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

| Name of the asset       | Estimated Useful Lives by the management |
|-------------------------|--|
| Buildings               | 30 years                                 |
| Plant & Machinery       | 15 years                                 |
| Electrical Installation | 10 years                                 |
| Furniture & Fixtures    | 10 years                                 |
| Office Equipment        | 5 years                                  |
| Computers               | 3 years                                  |

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Comprehensive Income under 'Other expenses' / 'Other Income' respectively.

#### 3.02 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 CGU's fair value less costs of disposal and its value in use.

The 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 groups 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### 3.03 Inventories

Inventories are valued at the lower of cost or net realizable value.

#### 3.04 Cash and cash equivalents and Cash flow statement

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, fixed deposits having a original maturity of less than 3 months which are subject to an insignificant risk of changes in value.

#### 3.05 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.



### 3.06 Fair value measurement

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

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

- 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 accessible to the Company.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Comprehensive Income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

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

### 3.07 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.

#### (a) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset measured not at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of comprehensive income. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### (ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

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 amortization is included in finance income in the Statement of comprehensive income.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of comprehensive income.

When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of comprehensive income and recognized in other gains / losses.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity Instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading 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 it is irrevocable.

In case of equity instruments classified 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 Statement of comprehensive income, 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 Statement of comprehensive income.





(iii) Impairment of financial assets

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

**Trade receivables:**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers". The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

**Other financial assets: Security Deposits**

For recognition of impairment loss on 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 subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL is the expected credit loss 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 year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) 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.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Statement of comprehensive income. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- a) the rights to receive cash flows from the financial asset is transferred or expired
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of comprehensive income.

(b) Financial liabilities and equity instruments

**Classification as debt or equity**

An instrument issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

**Financial liabilities**

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

(ii) 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.





#### Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for such contracts is generally a bank.

Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income/other expense.

Assets or liabilities in this category are presented as financial assets or financial liabilities.

#### Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of comprehensive income.

The entity's long-term borrowings are all at a variable interest rate; therefore, the unamortised transaction costs incurred on these borrowings are amortized on a straight-line basis instead of using the effective interest rate (EIR) method."

#### Financial liabilities at amortised cost

All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of comprehensive income.

#### (iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of comprehensive income as finance costs.

#### (c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### 3.08 Corporate Guarantee

Corporate guarantees received from related party are recognized as financial asset upon initial measurement.

This recognition is recorded as a deferred income asset (such as 'unearned financial guarantee commission') at their fair value, with a corresponding credit recognized as a deemed distribution to the promoters/shareholder.

The initially recognized fair value of the guarantee is amortized over the term of the guarantee on a systematic basis, reflecting the time pattern of the usage of the guarantee. The amortization is recognized in the profit or loss account under other income.

#### 3.09 Leases

As a lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to:

- a) control use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to not recognize leases with a lease term of 12 months or less or low-value leases in the balance sheet, and lease costs for those short-term leases or low-value leases are recognized on a straight-line basis over the lease term in the Statement of comprehensive income. The Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component.



### 3.10 Employee Benefits

#### (i) Defined benefit plans

Gratuity: The Company's gratuity benefit scheme is a defined benefit plan. Company's net obligation in respect of a defined benefit plan is calculated by estimating amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Present value of obligation under such benefit plan is determined based on actuarial valuation using projected unit credit method which recognizes each period of service that give rise to additional units of employee benefit entitlement and measures each unit separately to build up final obligation. Obligation is measured at present values of estimated future cash flows. The discounted rates used for determining present value are based on market yields on Government Securities as at the balance sheet dates.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Statement of comprehensive income in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of comprehensive income *when they occur*.

ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of comprehensive income.

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

#### (ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The company provides benefits such as provident fund to its employees which is treated as defined contribution plan.

#### (iii) Short-term employee benefit obligations

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

#### (iv) Compensated absences:

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method.

Presentation and disclosure:

For the purpose of presentation of defined benefit plans and compensated absences, the allocation between the current and non-current provisions has been made as determined by an actuary.

### 3.11 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from contracts with customers involving sale of goods is recognised at a point in time when control of the product has been transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of time of transfer of control to customers depends on the terms of the trade/ delivery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of trade discounts, volume rebates offered by the Company as part of the contract and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

#### (ii) Other Operating revenue

Export Benefit (Government Grant)

Revenue from export benefits arising from Remission of Duties and Taxes on Export Products, merchandise export Incentive scheme, duty drawback scheme, are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income'.

#### (b) Other income

##### (i) Interest Income

For all financial instruments classified and measured at amortized cost, interest income is recorded using the effective interest rate (EIR).

The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of comprehensive income.





### 3.12 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the year.

#### (a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Company intends to settle the asset and liability on a net basis.

Current income tax relating to items recognised outside the Statement of comprehensive income is 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.

#### (b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. 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.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

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 relating to items recognised outside Statement of comprehensive income 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.

### 3.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### 3.14 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. The Company is engaged in selling of goods. The CODM identified entire business as a single reportable segment, hence segment reporting is not applicable.

## 4.0 Material accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 years.

### 4.01 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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.

#### (a) Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

#### (b) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of comprehensive income and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

#### (c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### (d) Contingencies

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

#### (e) Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.





(f) **Provision for expected credit losses of trade receivables and contract assets**

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables and contract assets.

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Company's historical credit loss experience may also not be representative of customer's actual default in the future.

**5.0 New Standards/ Amendments and Other Changes adopted Effective 1 April 2022 or thereafter**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind AS which are effective from 01 April 2022:

(a) **Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

(b) **Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments doesn't have a material impact on these financial statements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

The amendments doesn't have a material impact on these financial statements.

**5.01 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**6.0 First-time adoption of Ind-AS**

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2025, together with the comparative year data as at and for the year ended 31 March 2024, as described in the material accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2023.

**6.01 Exemptions availed on first time adoption of Ind AS**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

**6.02 Optional Exemption**

(a) **Deemed Cost of property plant and equipment and other intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment and intangible assets as recognised in the financial statement as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(b) **Revenue Recognition**

The Company has availed the following practical expedients in applying the standard retrospectively:

- For completed contracts within the same annual reporting period, no restatement has been done;
- For contracts that were completed before the transition date, no restatement has been done.

(c) **Leases**

The Company has availed the following practical expedients in applying Ind AS 116:

1. With leases previously classified as operating leases according to Previous GAAP, the lease liability was measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at March 31, 2024. The respective right-of-use asset was recognised at an amount equal to the lease liability;

2. Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2024, were recognised as short-term leases;

3. At the date of initial application, the measurement of a right-of-use asset excluded the initial direct costs.

4. Hindsight was considered when determining the lease term if the contract contains options to extend or terminate the leases.

**6.03 Mandatory Exceptions on first-time adoption of Ind AS**

(a) **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Impairment of financial assets based on expected credit loss model.



(b) **Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

(c) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

(d) **Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. Company has applied this exception prospectively.



ENGINEERED COATED FABRIC PRIVATE LIMITED  
Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023  
(Amount in INR millions, unless otherwise stated)

6.04 Reconciliations

(a) Reconciliation of total equity as at 31 March 2023

| Particulars  | Notes to first-time adoption | As at 31 March 2023 |
|--|------------------------------|---------------------|
| Equity share capital   |                              | 5.51                |
| Other equity   |                              | 40.99               |
| <b>Shareholder's equity as per Previous GAAP (A)</b>                 |                              | <b>46.50</b>        |
| <b>Add/(Less): Adjustment</b>  |                              |                     |
| Impairment allowance for expected credit losses on trade receivables | (ii)                         | (4.27)              |
| on security deposits   | (ii)                         | -                   |
| Impact on account of adoption of Ind AS 116                          | (iii)                        | -                   |
| Fair valuation corporate guarantee                                   | (iv)                         | 0.63                |
| Grauity and leave encashment   | (v)                          | 0.27                |
| Fair value of security deposit                                       | (vi)                         | -                   |
| Deferred tax impact on Ind AS adjustments                            | (viii)                       | 2.48                |
| <b>Total adjustments (B)</b>   |                              | <b>(0.89)</b>       |
| <b>Shareholder's equity as per Ind AS (A-B)</b>                      |                              | <b>45.61</b>        |

(b) Reconciliation of total comprehensive income / (loss) for the year ended 31 March 2023

| Particulars  | Notes to first-time adoption | As at 31 March 2023 |
|--|------------------------------|---------------------|
| <b>Profit after tax as per Previous GAAP (A)</b>                     |                              | <b>6.54</b>         |
| <b>Add/(Less): Adjustment</b>  |                              |                     |
| Impairment allowance for expected credit losses on trade receivables | (ii)                         | -                   |
| on security deposits   | (ii)                         | -                   |
| Impact on account of adoption of Ind AS 116                          | (iii)                        | -                   |
| Fair valuation corporate guarantee                                   | (iv)                         | (0.62)              |
| Grauity and leave encashment   | (v)                          | (0.04)              |
| Fair value of security deposit                                       | (vi)                         | -                   |
| Remeasurement (gain)/loss of net defined benefit liability           | (vii)                        | -                   |
| Deferred tax impact on Ind AS adjustments                            | (viii)                       | 0.38                |
| <b>Total adjustments (B)</b>   |                              | <b>(0.28)</b>       |
| <b>Profit after tax as per Ind AS (C=A-B)</b>                        |                              | <b>6.26</b>         |
| <b>Add/(Less): Adjustment</b>  |                              |                     |
| Remeasurement loss of net defined benefit plan                       | (vii)                        | 0.41                |
| Income tax effect on above   |                              | (0.10)              |
| <b>Remeasurement loss of net defined benefit plan, net (D)</b>       |                              | <b>0.31</b>         |
| <b>Total comprehensive income / (loss) for the year (E= C-D)</b>     |                              | <b>6.57</b>         |

(c) Notes to first-time adoption

(i) **Deemed Cost of property plant and equipment and other intangible assets**

The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment and other intangible assets as on the date of transition i.e. 1 April 2022 and hence the Net block carrying amount (as per IGAP) has been considered as the gross block carrying amount (as per Ind AS) on that date i.e. 1 April 2022.

(ii) **Impairment allowance for expected credit losses**

Under Previous GAAP, the Company has created provision for impairment of receivables based on the incurred loss model. Under Ind AS 109 "Financial Instruments", all financial assets recorded at amortised costs are required to recognise a loss allowance for expected credit losses. Ind AS requires an entity shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables using the simplified approach method and for security deposit as per general approach method. At the date of transition to Ind AS and at each reporting dates, the Company applied the simplified approach for trade receivable and general approach for security deposit to record loss allowance.





(iii) **Impact on account of adoption of Ind AS 116**

Under Previous GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS 116, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company has applied the modified retrospective approach and measured the lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Right-of-use assets were measured at the amount equal to the lease liabilities and also include the impact of fair valuation of security deposit.

(iv) **Impact on fair value of corporate guarantee**

Under the previous GAAP, corporate guarantees received from related party were disclosed under related party transactions. However, under Ind AS 109, "Financial Instruments," corporate guarantees received from related are recognized as financial asset upon initial measurement.

This recognition is recorded as a deferred income asset (such as 'unearned financial guarantee commission') at their fair value, with a corresponding credit recognized as a deemed distribution to the promoter/shareholder.

The initially recognized fair value of the guarantee is amortized over the term of the guarantee on a systematic basis, reflecting the time pattern of guarantee usage. The amortization is recognized in the profit or loss account.

(v) **Impact of Transaction cost on Long term borrowings**

Under the previous GAAP, borrowings were carried at their principal amount, and transaction costs, primarily in the form of upfront processing fees, were expensed in the profit and loss. However, under Ind AS 109, "Financial Instruments," long-term borrowings are carried at amortized cost using the effective interest rate (EIR) method. Transaction costs are debited to the borrowings rather than expensed in the profit and loss.

Since the entity's long-term borrowings are all at a variable interest rate, the transaction costs incurred on these borrowings are amortized on a straight-line basis to the profit and loss.

(vi) **Fair valuation of security deposit**

Under Previous GAAP, interest free security deposits are recorded at its transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. Accordingly, the Company has fair valued these security deposit under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepayment lease rental (part of ROU asset) which has been amortised over its lease term. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income grouped under 'other income'.

(vii) **Remeasurement gain/(loss) of net defined benefit plan**

Under Previous GAAP, actuarial gains and losses on defined benefit obligation were recognised in the standalone statement of profit and loss. Under Ind AS, all actuarial gains and losses are recognised in the other comprehensive income. Further to the above, the deferred tax impact on above transaction has also been regrouped from standalone statement of profit and loss to other comprehensive income as per guidance under Ind AS 12 'Income taxes'.

(viii) **Deferred Tax**

Retained earnings and statement of profit & loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

(ix) **Statement of cashflow**

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.



**ENGINEERED COATED FABRIC PRIVATE LIMITED**  
**Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**  
(Amount in INR millions, unless otherwise stated)

**7 PROPERTY, PLANT AND EQUIPMENT**

| Particulars                             | Leasehold Improvements | Electrical Installation | Plant & Machinery* | Furniture & Fixtures | Office Equipment | Factory Equipment | Computers | Total |
|---|------------------------|-------------------------|--------------------|----------------------|------------------|-------------------|-----------|-------|
| Gross carrying amount (Deemed cost)     |                        |                         |                    |                      |                  |                   |           |       |
| Balance as at 1 April 2022              | 5.75                   | 0.33                    | 77.21              | 0.61                 | 0.31             | 1.26              | 0.18      | 85.65 |
| Additions                               |                        |                         | 0.03               |                      | 0.03             |                   | 0.06      | 0.12  |
| Disposals                               | -                      |                         | -                  |                      | -                |                   |           | -     |
| Balance as at 31 March 2023             | 5.75                   | 0.33                    | 77.24              | 0.61                 | 0.34             | 1.26              | 0.24      | 85.77 |
| Accumulated depreciation                |                        |                         |                    |                      |                  |                   |           |       |
| Balance as at 1 April 2022              | 3.44                   | 0.05                    | 27.74              | 0.44                 | 0.17             | 1.15              | 0.12      | 33.11 |
| Depreciation charge during the year     | 1.26                   | 0.03                    | 5.26               | 0.06                 | 0.04             | 0.04              | 0.04      | 6.73  |
| Disposals                               | -                      | -                       | -                  | -                    | -                | -                 | -         | -     |
| Balance as at 31 March 2023             | 4.70                   | 0.09                    | 33.00              | 0.50                 | 0.21             | 1.19              | 0.16      | 39.85 |
| Net carrying amount as at 31 March 2023 | 1.05                   | 0.24                    | 44.24              | 0.11                 | 0.13             | 0.07              | 0.08      | 45.92 |

**Deemed Cost -**

The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment as on the date of transition i.e. 1 April 2022 and hence the Net carrying amount (as per IGAAP) has been considered as the gross carrying amount (as per Ind AS) on that date i.e. 1 April 2022. Refer note below for the gross carrying amount and the accumulated depreciation on 1 April 2022 under the Previous GAAP and deemed cost -

| Particulars                                 | Leasehold Improvements | Electrical Installation | Plant & Machinery* | Furniture & Fixtures | Office Equipment | Factory Equipment | Computers | Total |
|---|------------------------|-------------------------|--------------------|----------------------|------------------|-------------------|-----------|-------|
| Gross carrying amount as at 1 April 2022    | 5.75                   | 0.33                    | 77.21              | 0.61                 | 0.31             | 1.26              | 0.18      | 85.65 |
| Accumulated depreciation as at 1 April 2022 | 3.44                   | 0.17                    | 27.74              | 0.44                 | 1.15             | 0.05              | 0.12      | 33.11 |
| Deemed cost as at 1 April 2022              | 2.31                   | 0.17                    | 49.47              | 0.17                 | (0.84)           | 1.21              | 0.06      | 52.54 |



**ENGINEERED COATED FABRIC PRIVATE LIMITED**
**Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**

(Amount in INR millions, unless otherwise stated)

**8 LEASES**
**Company as a lessee**

The Company has entered into various agreements to take premises on rent.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2022 is between 8.65%

Information about leases for which the Company is a lessee is presented below:

**(a) Right-of-use asset**

| Particulars                                | Land and Building | Total |
|--|-------------------|-------|
| Gross carrying amount (deemed cost)        |                   |       |
| Balance as at 1 April 2022                 | -                 | -     |
| Additions                                  | -                 | -     |
| Balance as at 31 March 2023                | -                 | -     |
| Gross carrying amount as on 1st April 2023 | -                 | -     |
| Additions                                  | 13.71             | 13.71 |
| Balance as at 31 March 2024                | 13.71             | 13.71 |
| Accumulated depreciation                   |                   |       |
| Balance as at 1 April 2022                 | -                 | -     |
| Depreciation for the year                  | -                 | -     |
| Balance as at 31 March 2023                | -                 | -     |
| Accumulated depreciation                   |                   |       |
| Balance as at 1 April 2023                 | -                 | -     |
| Depreciation for the year                  | 0.38              | 0.38  |
| Balance as at 31 March 2024                | 0.38              | 0.38  |
| Net carrying amount as at 31 March 2023    | -                 | -     |
| Net carrying amount as at 31 March 2024    | 13.33             | 13.33 |

**(b) Lease liabilities**

| Particulars   | 00-Jan-00 | As at 31 March 2023 | As at 01 April 2022 |
|---|-----------|---------------------|---------------------|
| Balance of lease liability at the beginning of the year | -         | -                   | -                   |
| On adoption of Ind AS 116                               | -         | -                   | -                   |
| Add: Additions during the year                          | 13.30     | -                   | -                   |
| Add: Interest on lease liabilities                      | 0.09      | -                   | -                   |
| Less: Lease payments                                    | (0.40)    | -                   | -                   |
| Add: Translation difference                             | -         | -                   | -                   |
| Balance of lease liability at the end of the year       | 12.99     | -                   | -                   |
| Current portion of lease liabilities                    | 4.59      | -                   | -                   |
| Non-current portion of lease liabilities                | 8.40      | -                   | -                   |

**(c) Amounts recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases:

| Particulars  | Refer note | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|------------|----------------------------------|----------------------------------|
| Depreciation charge of right-of-use assets   | 31         | 0.38                             | -                                |
| Interest expense (included in finance costs)   | 30         | 0.09                             | -                                |
| Expense relating to short-term leases (included in rent expenses under other expenses) | -          | -                                | -                                |
| Expense relating to leases of low-value assets (included in rent expenses)             | -          | -                                | -                                |
| Variable lease payments (included in rent expenses under other expenses)               | -          | -                                | -                                |

**(d) Amounts recognised in the cash flow statement**

The cash flow statement shows the following amounts relating to leases:

| Particulars                            | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|----------------------------------|----------------------------------|
| Principal payment of lease liabilities | 0.31                             | -                                |
| Interest payment on lease liabilities  | 0.09                             | -                                |





ENGINEERED COATED FABRIC PRIVATE LIMITED

Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023  
(Amount in INR millions, unless otherwise stated)

8 INVESTMENTS (NON CURRENT)

| Particulars  | As at<br>31 March 2023 |
|--|------------------------|
| Investment in equity instruments   | -                      |
| Investment in other entities at cost (unquoted)<br>100 (31 March, 2023; 100 and 01 April, 2022: 100) Equity Shares of The Shamrao Vithal Co op Bank Ltd<br>(Face Value Rs.25; Total Value Rs.2500/-) | 0.00<br>0.00           |
| <b>Total</b>   | <b>0.00</b>            |
| Aggregate amount of unquoted investments (Rs.2,500/-)  | 0.00                   |
| Aggregate amount of impairment in value of investments   | -                      |

9 OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars               | As at<br>31 March 2023 |
|---------------------------|------------------------|
| Security deposits         | 3.14                   |
| Financial Guarantee Asset | -                      |
| <b>Total</b>              | <b>3.14</b>            |

10 NON CURRENT TAX ASSETS (NET)

| Particulars      | As at<br>31 March 2023 |
|------------------|------------------------|
| Income tax asset | 2.37                   |
| <b>Total</b>     | <b>2.37</b>            |

11 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

| Particulars          | As at<br>31 March 2023 |
|----------------------|------------------------|
| Raw Material         | 36.57                  |
| Semi Finished Fabric | -                      |
| Finished Fabric      | 30.38                  |
| Stores & Spares      | 0.43                   |
| <b>Total</b>         | <b>67.38</b>           |

12 TRADE RECEIVABLES

| Particulars                                    | As at<br>31 March 2023 |
|--|------------------------|
| Unsecured                                      |                        |
| Considered good                                | 184.22                 |
| Which have significant increase in credit Risk | 4.27                   |
| Total  | 188.49                 |
| Less- Allowance for expected credit loss       | 4.27                   |
| <b>Total</b>                                   | <b>184.22</b>          |

| March 31, 2023                                   | Current  |         |   |                   |           |                   |               |
|--|----------|---------|---|-------------------|-----------|-------------------|---------------|
| Particulars                                      | Unbilled | Not Due | Outstanding for following periods from due date of Receipts |                   |           |                   | Total         |
|  |          |         | Less than 6 months  | 6 months - 1 year | 1-2 years | More than 3 years |               |
| <b>Undisputed trade receivables</b>              |          |         |   |                   |           |                   |               |
| - considered good                                | -        | -       | 184.22  | -                 | -         | -                 | 184.22        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -                 | -             |
| - credit impaired                                | -        | -       | -   | -                 | -         | -                 | -             |
| <b>Disputed trade receivables</b>                |          |         |   |                   |           |                   |               |
| - considered Doubtful                            | -        | -       | -   | -                 | 4.27      | -                 | 4.27          |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -                 | -             |
| - credit impaired                                | -        | -       | -   | -                 | -         | -                 | -             |
| Subtotal   | -        | -       | 184.22  | -                 | 4.27      | -                 | 188.49        |
| Less: Allowance for expected credit loss         |          |         |   |                   |           |                   | -4.27         |
| <b>Total</b>                                     |          |         |   |                   |           |                   | <b>184.22</b> |



## 13 CASH AND CASH EQUIVALENTS

| Particulars         | As at<br>31 March 2023 |
|---------------------|------------------------|
| Balances with banks |                        |
| In current accounts | 1.29                   |
| Cash on hand        | 0.08                   |
| <b>Total</b>        | <b>1.37</b>            |

## 14 OTHER BANK BALANCES

| Particulars              | As at<br>31 March 2023 |
|--------------------------|------------------------|
| Fixed deposit            |                        |
| Against bank guarantees  | 0.80                   |
| Against letter of credit | -                      |
| <b>Total</b>             | <b>0.80</b>            |

## 15 OTHER FINANCIAL ASSETS (CURRENT)

| Particulars                 | As at<br>31 March 2023 |
|-----------------------------|------------------------|
| Financial Guarantee Asset   | 0.63                   |
| Interest accrued on deposit | 0.05                   |
| <b>Total</b>                | <b>0.68</b>            |

## 16 OTHER CURRENT ASSETS

| Particulars                                     | As at<br>31 March 2023 |
|---|------------------------|
| Balance with statutory & government authorities | 0.86                   |
| Prepaid expenses                                | 0.16                   |
| Employee's loan                                 | 0.08                   |
| <b>Total</b>                                    | <b>1.10</b>            |



**ENGINEERED COATED FABRIC PRIVATE LIMITED**  
**Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**  
(Amount in INR millions, unless otherwise stated)

**17 EQUITY SHARE CAPITAL**

| Particulars  | As at<br>31 March 2023 |
|--|------------------------|
| <b>Authorized share capital</b>  |                        |
| 60,000 (31 March 2023: 60,000, 1 April 2022: 60,000) Equity Shares of INR 100 each         | 6.00                   |
|  | <b>6.00</b>            |
| <b>Issued, subscribed and paid up</b>  |                        |
| 55100 (31 March 2023: 55100, 1 April 2022: 55100) Equity Shares of INR 100 each fully paid | 5.51                   |
| <b>Total</b>   | <b>5.51</b>            |

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year**

| Particulars                               | As at<br>31 March 2023 |             |
|---|------------------------|-------------|
|   | Number of shares       | Amount      |
| Outstanding at the beginning of the year  | 55,100                 | 5.51        |
| Add: Issued during the year               | -                      | -           |
| <b>Outstanding at the end of the year</b> | <b>55,100</b>          | <b>5.51</b> |

**(b) Rights, preferences and restrictions attached:**

- 1) The Company has only one class of Equity Shares having a par value of ` 100 per share. Each holder of Equity Shares is entitled to one vote per share.  
(c) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

| Name of shareholder  | As at<br>31 March 2023 |           |
|----------------------|------------------------|-----------|
|                      | No. of shares          | % holding |
| Siddharth Y Kusumgar | 27,550                 | 50.00     |
| Sapna S Kusumgar     | 27,550                 | 50.00     |

**(d) Details of Equity shares held by Promoters at the end of the year**

| Promoter name        | As at<br>31 March 2023 |                          |
|----------------------|------------------------|--------------------------|
|                      | No of shares           | % change during the year |
| Siddharth Y Kusumgar | 27550                  | 0.00%                    |
| Sapna S Kusumgar     | 27550                  | 0.00%                    |

- (e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year  
(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.





ENGINEERED COATED FABRIC PRIVATE LIMITED  
Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023  
(Amount in INR millions, unless otherwise stated)

18 OTHER EQUITY

| Particulars        | As at<br>31 March 2023 |
|--------------------|------------------------|
| Securities premium | 5.40                   |
| General reserve    | 0.21                   |
| Retained earnings  | 34.49                  |
| <b>Total</b>       | <b>40.10</b>           |

(a) Securities premium

| Particulars                                      | As at<br>31 March 2023 |
|--|------------------------|
| Opening balance                                  | 5.40                   |
| Add : Securities premium credited on share issue | -                      |
| <b>Closing balance</b>                           | <b>5.40</b>            |

(b) General reserve

| Particulars                                    | As at<br>31 March 2023 |
|--|------------------------|
| Opening balance                                | 0.21                   |
| Add : General reserve credited during the year | -                      |
| <b>Closing balance</b>                         | <b>0.21</b>            |

(c) Retained Earnings (refer notes below)

| Particulars  | As at<br>31 March 2023 |
|--|------------------------|
| Opening balance  | 27.92                  |
| Add: Profit/ (Loss) for the year                                   | 6.26                   |
| Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan | 0.31                   |
| <b>Closing balance</b>   | <b>34.49</b>           |

Nature and purpose of reserves

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

(b) The amount in general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

(c) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(c) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

19 Borrowings

(a) Non-current borrowings

| Particulars                                     | As at<br>31 March 2023 |
|---|------------------------|
| Secured   |                        |
| (i) Term loan (from Bank) (refer sub-note 1)    | 7.78                   |
| Less: Current maturities of long term borrowing | (7.78)                 |
|   | -                      |
| <b>Total</b>                                    | <b>-</b>               |

(b) Current borrowings

| Particulars   | As at<br>31 March 2023 |
|---|------------------------|
| Secured   |                        |
| Current maturities of long-term borrowings(Term Loan) | 7.78                   |
| <b>Total</b>  | <b>7.78</b>            |

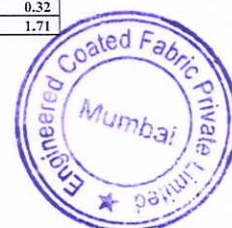
Sub-note 1- Term loans

a.Term Loan was sanctioned by SVC Bank Ltd and secured by way hypothecation of Machinery, charge on Property Located at Pardi, Gujarat, Personal guarantee of Directors and Corporate guarantee of Kusumgar Corporates Pvt Ltd. Rate of interest on term loan is 10.90 % p.a.

b.The loan was repaid on 6th Nov 2024 and charge has been released by Bank.

20 EMPLOYEE BENEFIT OBLIGATIONS (NON CURRENT)

| Particulars              | As at<br>31 March 2023 |
|--------------------------|------------------------|
| Gratuity Payable         | 1.88                   |
| Less:Current Liability   | (0.48)                 |
| <b>Total</b>             | <b>1.40</b>            |
| Leave encashment payable | 0.57                   |
| Less:Current Liability   | (0.25)                 |
| <b>Total</b>             | <b>0.32</b>            |
| <b>Total</b>             | <b>1.71</b>            |



## 21 TRADE PAYABLES

| Particulars   | As at<br>31 March 2023 |
|---|------------------------|
| Total outstanding dues of micro enterprises and small enterprises                       |                        |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 236.29                 |
| <b>Total</b>  | <b>236.29</b>          |

| Particulars  | As at<br>31 March 2023 |
|--|------------------------|
| (i) The amounts remaining unpaid to micro and small suppliers as at the end of the year:   |                        |
| - Principal  | -                      |
| - Interest   | -                      |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | -                      |
| (iii) The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.   | -                      |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.                                 | -                      |
| (v) The amount of interest accrued and remaining unpaid at the end of each accounting year.  | -                      |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.  | -                      |

| As at 31 March 2023       | Current       |                  |  |           |           |                   |               |
|---------------------------|---------------|------------------|--|-----------|-----------|-------------------|---------------|
| Particulars               | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |           |           |                   | Total         |
|                           |               |                  | Less than 1 year   | 1-2 years | 2-3 Years | More Than 3 Years |               |
| Undisputed trade payables |               |                  |  |           |           |                   |               |
| - MSME                    | -             | -                | -  | -         | -         | -                 | -             |
| - Others                  | -             | -                | 236.29   | -         | -         | -                 | 236.29        |
| Disputed trade payables   |               |                  |  |           |           |                   |               |
| - MSME                    | -             | -                | -  | -         | -         | -                 | -             |
| - Others                  | -             | -                | -  | -         | -         | -                 | -             |
| <b>Total</b>              | <b>-</b>      | <b>-</b>         | <b>236.29</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>236.29</b> |

## 22 OTHER FINANCIAL LIABILITIES (CURRENT)

| Particulars                       | As at<br>31 March 2023 |
|-----------------------------------|------------------------|
| Employee dues payable             | 0.72                   |
| Outstanding Interest on term loan | 0.07                   |
| Expenses payables                 | 11.44                  |
| <b>Total</b>                      | <b>12.22</b>           |

## 23 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

| Particulars              | As at<br>31 March 2023 |
|--------------------------|------------------------|
| Leave Encashment Payable | 0.25                   |
| Gratuity Payable         | 0.48                   |
| <b>Total</b>             | <b>0.73</b>            |

## 24 OTHER CURRENT LIABILITIES

| Particulars    | As at<br>31 March 2023 |
|----------------|------------------------|
| Statutory dues | 1.11                   |
| <b>Total</b>   | <b>1.11</b>            |



## ENGINEERED COATED FABRIC PRIVATE LIMITED

Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023

(Amount in INR millions, unless otherwise stated)

## 25 REVENUE FROM OPERATIONS

| Particulars                         | For the year ended<br>31 March 2023 |
|-------------------------------------|-------------------------------------|
| Revenue from contract with customer |                                     |
| Sale of products*                   |                                     |
| Manufactured goods                  | 930.04                              |
| Sale of services                    | 44.71                               |
|                                     | 974.76                              |
| Other Operating Income              |                                     |
| Sale of scrap                       | 2.76                                |
|                                     | 2.76                                |
| <b>Total</b>                        | <b>977.51</b>                       |

Refer note 46 for revenue disclosures as per Ind AS 115.

Amount of related parties included in Sale of goods of INR 174.87 Million.

Amount of related parties included in Sale of Service of INR 44.45 Million.

## 26 OTHER INCOME

| Particulars                            | For the year ended<br>31 March 2023 |
|--|-------------------------------------|
| Interest income on                     |                                     |
| Fixed deposit                          | 0.01                                |
| DGVCL Deposit                          | 0.05                                |
| Other interest income                  | 0.03                                |
| Unwinding discount on Security deposit | -                                   |
| Financial Guarantee commission income  | 0.13                                |
| <b>Total</b>                           | <b>0.23</b>                         |

## 27 COST OF MATERIALS CONSUMED

| Particulars         | For the year ended<br>31 March 2023 |
|---------------------|-------------------------------------|
| Opening Stock       | -                                   |
| Add: Purchases*     | 946.32                              |
| Less: Closing stock | 36.57                               |
| <b>Total</b>        | <b>909.75</b>                       |

## 28 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

| Particulars                               | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Inventories at the end of the year:       |                                     |
| Finished Stock                            | 30.38                               |
| Semi Finished Stock                       | -                                   |
|   | 30.38                               |
| Inventories at the beginning of the year: |                                     |
| Finished Stock                            | 0.02                                |
| Semi Finished Stock                       | -                                   |
|   | 0.02                                |
| <b>Net (increase)/ decrease</b>           | <b>-30.36</b>                       |

## 29 EMPLOYEE BENEFITS EXPENSE

| Particulars              | For the year ended<br>31 March 2023 |
|--------------------------|-------------------------------------|
| Salaries & wages         | 18.59                               |
| Staff welfare expenses   | 0.56                                |
| Gratuity expenses        | 0.55                                |
| Leave Encashment Expense | 0.44                                |
| <b>Total</b>             | <b>20.14</b>                        |





## 30 Finance costs

| Particulars                    | For the year ended<br>31 March 2023 |
|--------------------------------|-------------------------------------|
| Interest expense on Borrowings | 0.99                                |
| Financial Guarantee Liability  | 0.75                                |
| Bank charges                   | -                                   |
| <b>Total</b>                   | <b>1.74</b>                         |

## 31 DEPRECIATION AND AMORTIZATION EXPENSE

| Particulars                                   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Depreciation of property, plant and equipment | 6.73                                |
| <b>Total</b>                                  | <b>6.73</b>                         |

## 32 OTHER EXPENSES

| Particulars                              | For the year ended<br>31 March 2023 |
|--|-------------------------------------|
| Power and fuel                           | 40.64                               |
| Job work and labour charges              | 6.53                                |
| Factory Expense                          | 0.16                                |
| Consumption of stores                    | 0.97                                |
| Travelling and conveyance                | 0.19                                |
| Freight and forwarding charges           | 0.74                                |
| Plant and machinery                      | 1.00                                |
| Building                                 | 0.28                                |
| Others                                   | 0.10                                |
| Rates and taxes                          | 0.11                                |
| Testing charges (Research & Development) | 0.01                                |
| Insurance charges                        | 0.21                                |
| Rent expenses                            | 4.34                                |
| Payment to auditors (Refer Note 32.1)    | 0.13                                |
| Sundry balance's written off             | 0.00                                |
| Security charges                         | 0.55                                |
| Misc. and Admin exp                      | 4.30                                |
| <b>Total</b>                             | <b>60.89</b>                        |

## 32.1 Details of payment to auditors (exclusive of Goods and Service tax and OPE)

| Particulars            | For the year ended<br>31 March 2023 |
|------------------------|-------------------------------------|
| As auditor:            |                                     |
| To statutory auditors: |                                     |
| -For Audit             | 0.13                                |
| <b>Total</b>           | <b>0.13</b>                         |



33 TAX EXPENSE

(a) Income tax expense:

| Particulars   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Current tax   | 0.15                                |
| (Excess) provision for tax relating to prior years                    | 1.78                                |
| Deferred tax  | 0.66                                |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>2.59</b>                         |

(b) Income tax expense charged to Other Comprehensive income (OCI)

| Particulars   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Items that will not be reclassified to profit or loss |                                     |
| Remeasurement of net defined benefit liability        | (0.10)                              |
| Gain/(loss) on FVTOCI equity investments              | -                                   |
| <b>Income tax charged to OCI</b>                      | <b>(0.10)</b>                       |

(c) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is summarized below:

| Particulars  | For the year ended<br>31 March 2023 |
|--|-------------------------------------|
| Profit before tax  | 8.85                                |
| Enacted income tax rate applicable to the Company  | 25.17%                              |
| Current tax expenses/(Credit) on profit/(loss) before tax at the enacted income tax rate | 2.23                                |
| Effect of non deductible expense   | 0.51                                |
| Tax effect due to non taxable income   | (2.58)                              |
| Impact of Ind AS 116   | -                                   |
| Impact of employee benefit   | (0.14)                              |
| Impact of MAT  | 1.33                                |
| Fair valuation of corporate guarantee  | (0.16)                              |
| Provision for credit allowances on trade receivables                                     | -                                   |
| Impact of Leave encashment   | 0.02                                |
| Adjustment of temporary difference   | (0.39)                              |
| Others   | 1.78                                |
| <b>Income tax expense</b>  | <b>2.59</b>                         |

(i) The Company has opted for new tax rate under section 115BAA of Income Tax Act, 1961 from the FY 2021-22. Hence, the effective tax rate for current and deferred tax for current year is 25.168% (22% + surcharge + cess).

(ii) The income tax expense in the restated financial statements is the same as in the previously audited financial statements, and no adjustments were made to this specific expense during the restatement process.

(d) Deferred tax balances:

| Particulars   | As at<br>31 March 2023 |
|---|------------------------|
| <b>Deferred tax assets</b>                                |                        |
| Fair valuation of security deposit                        | -                      |
| Provision for credit allowances on trade receivables      | (1.08)                 |
| Lease liabilities   | -                      |
| Corporate Guarantee                                       | -                      |
| Leave Encashment  | (0.14)                 |
| MAT Entitlement   | (0.36)                 |
| Provision for employee benefits                           | (0.47)                 |
|   | <b>(2.05)</b>          |
| <b>Deferred tax liability</b>                             |                        |
| Property, plant and equipment                             | 3.43                   |
| Right-of-use assets                                       | -                      |
| Corporate Guarantee                                       | 0.16                   |
| Fair value gain on Investments in unquoted equity shares. | -                      |
| Provision for employee benefits                           | -                      |
| Leave Encashment  | -                      |
| Security Deposit  | -                      |
|   | <b>3.59</b>            |
| <b>Deferred tax liability [Net]</b>                       | <b>1.53</b>            |

Movement in deferred tax assets and deferred tax liabilities from 01 April 2022 to 31 March 2023:

| Particulars  | As at<br>01 April 2022 | Recognised in<br>profit or loss | Recognised in OCI | As at<br>31 March 2023 |
|--|------------------------|---------------------------------|-------------------|------------------------|
| Property, plant and equipment                        | 3.82                   | (0.39)                          | -                 | 3.43                   |
| Right-of-use assets                                  | -                      | -                               | -                 | -                      |
| Provision for credit allowances on trade receivables | (1.08)                 | -                               | -                 | (1.08)                 |
| Security Deposit                                     | -                      | -                               | -                 | -                      |
| Lease liabilities                                    | -                      | -                               | -                 | -                      |
| Corporate Guarantee                                  | 0.31                   | (0.16)                          | -                 | 0.16                   |
| Leave Encashment                                     | (0.16)                 | 0.02                            | -                 | (0.14)                 |
| Provision for employee benefits                      | (0.44)                 | (0.14)                          | 0.10              | (0.47)                 |
| MAT Entitlement                                      | (1.69)                 | 1.33                            | -                 | (0.36)                 |
| <b>Deferred tax liability [Net]</b>                  | <b>0.77</b>            | <b>0.66</b>                     | <b>0.10</b>       | <b>1.53</b>            |



**ENGINEERED COATED FABRIC PRIVATE LIMITED****Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**

(Amount in INR millions, unless otherwise stated)

**34 EARNINGS/ LOSS PER SHARE**

| Particulars   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Profit attributable to ordinary equity holders  | 6.26                                |
| Weighted average number of equity shares outstanding (Nos.) in lakhs<br>(Face Value per share - Equity shares: INR 10 each) | 0.06                                |
| <b>Basic earnings per share (INR)</b>   | <b>113.67</b>                       |
| Profit attributable to ordinary equity holders  | 6.26                                |
| Weighted average number of equity shares outstanding (Nos.)   | 0.06                                |
| Total of Weighted average number of shares outstanding (Nos.)   | 0.06                                |
| <b>Diluted earnings per share (INR)</b>   | <b>113.67</b>                       |

**35 CONTINGENT LIABILITY**

| Particulars  | As at<br>31 March 2023 |
|--|------------------------|
| Guarantees given by Banks on behalf of the company | 0.80                   |

**36 Capital Commitment**

| Particulars       | As at 31 March 2023<br>Expected cost of capital |
|-------------------|---|
| Plant & Machinery | -   |
| <b>Total</b>      | <b>-</b>  |

**37 EMPLOYEE BENEFITS****(a) Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

| Particulars   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Employers' Contribution to Provident Fund                             | 0.91                                |
| Employers' Contribution to Superannuation Fund and New Pension Scheme | -                                   |
| <b>Total</b>  | <b>0.91</b>                         |

**(b) Compensated absences**

The company has a policy on compensated absences and expected cost of compensated absences (PL) is

**Principal assumptions used for the purpose of leave encashment**

| Particulars            | For the year ended<br>31 March 2023              |
|------------------------|--|
| Mortality              | Indian Assured Lives<br>Mortality (2012-14) Ult. |
| Discount Rate          | 7.18%  |
| Salary increase rate   | 7.00%  |
| Employee turnover rate | 6.00%  |
| Retirement age         | 60 Years   |

**(c) Defined benefit plans****Gratuity:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

**i) Amount recognised in balance sheet**

| Particulars   | As at<br>31 March 2023 |
|---|------------------------|
| Present value of obligation as at the end of the year | 1.87                   |
| Fair Value of plan assets at the end of the year      | -                      |





|  |               |
|--|---------------|
| <b>Net asset / (liability) recognized in Balance Sheet</b> | <b>(1.87)</b> |
| Current liability  | 0.48          |
| Non-current liability                                      | 1.40          |
| <b>Total</b>   | <b>1.87</b>   |

ii) **Changes in the present value of benefit obligation**

| <b>Particulars</b>  | <b>As at<br/>31 March 2023</b> |
|---|--------------------------------|
| Present value of obligation at the beginning of the year  | 1.73                           |
| <b>Included in profit or loss</b>                         |                                |
| Interest cost   | 0.12                           |
| Current service cost                                      | 0.42                           |
| Past service cost   | -                              |
|   | <b>0.55</b>                    |
| <b>Included in OCI</b>                                    |                                |
| Actuarial (gain)/ loss - Financial Assumptions            | -                              |
| Actuarial (gain)/ loss - Experience                       | (0.41)                         |
|   | <b>(0.41)</b>                  |
| <b>Other</b>  |                                |
| Benefit Paid  | -                              |
| Benefit paid from plan assets                             | -                              |
| <b>Present value of obligation at the end of the year</b> | <b>1.87</b>                    |

iii) **Changes in the fair value of plan assets**

| <b>Particulars</b>  | <b>As at<br/>31 March 2023</b> |
|---|--------------------------------|
| Fair value of plan assets as at the beginning of the year   | -                              |
| <b>Included in profit or loss</b>                           |                                |
| Interest income on plan assets                              | -                              |
|   | -                              |
| <b>Included in OCI</b>                                      |                                |
| Return on plan assets greater / (lesser) than discount rate | -                              |
|   | -                              |
| <b>Other</b>  |                                |
| Employer contributions                                      | -                              |
| Benefits paid   | -                              |
| <b>fair value of plan assets as at the end of the year</b>  | <b>-</b>                       |

iv) **Reconciliation of balance sheet amount**

| <b>Particulars</b>  | <b>As at<br/>31 March 2023</b> |
|---|--------------------------------|
| Opening net (asset)/liability                             | 1.73                           |
| Expense/(income) recognised in profit and loss            | 0.55                           |
| Expense/(income) recognised in other comprehensive income | (0.41)                         |
| Employers contribution                                    | -                              |
| Benefits paid by the company                              | -                              |
| <b>Balance sheet (Asset)/Liability at the end of year</b> | <b>1.87</b>                    |

v) **Expense recognized in the statement of profit and loss**

| <b>Particulars</b>   | <b>For the year ended<br/>31 March 2023</b> |
|--|---|
| Current service cost   | 0.42  |
| Net Interest cost  | 0.12  |
| Past service cost  | -   |
| - Interest expense on DBO  | -   |
| - Interest (income) on plan assets                                   | -   |
| <b>Total expenses recognized in the statement of profit and loss</b> | <b>0.55</b>                                 |



vi) Expense recognized in other comprehensive income

| Particulars   | For the year ended<br>31 March 2023 |
|---|-------------------------------------|
| Actuarial (gains)/ losses arising from:                 |                                     |
| - Experience  | (0.41)                              |
| "-Financial Assumptions"                                | -                                   |
| Return on plan assets excluding interest income         | -                                   |
| <b>Net actuarial (gains) / losses recognised in OCI</b> | <b>(0.41)</b>                       |

vii) Principal assumptions used for the purpose of the actuarial valuation

| Particulars          | For the year ended<br>31 March 2023            |
|----------------------|--|
| Mortality Rate       | Indian Assured Lives Mortality (2012-14) Table |
| Discount Rate        | 7.18%  |
| Salary increase rate | 6.00%  |
| Withdrawal rate      | 6.00%  |
| Average attained age | 35.26  |
| Retirement age       | 60.00  |

viii) Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective

| Particulars                              | As at<br>31 March 2023 |
|--|------------------------|
| <b>Change in Discount rate</b>           |                        |
| Delta effect + 1%                        | 1.73                   |
| Delta effect - 1%                        | 2.04                   |
| <b>Change in rate of salary increase</b> |                        |
| Delta effect + 1%                        | 2.03                   |
| Delta effect - 1%                        | 1.74                   |

ix) Maturity profile of benefit payments

| Year             | As at<br>31 March 2023 |
|------------------|------------------------|
| Year 1           | 0.48                   |
| Year 2           | 0.09                   |
| Year 3           | 0.10                   |
| Year 4           | 0.11                   |
| Year 5           | 0.18                   |
| Year 6 and above | 0.61                   |

*The weighted average duration of defined benefit obligation is 9.59 years.*

x) Gratuity is a defined benefit plan and entity is exposed to the following risks:

**Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons :

**Investment / Interest Risk:**

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the

**Longevity Risk:**

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.



**ENGINEERED COATED FABRIC PRIVATE LIMITED**

Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023  
(Amount in INR millions, unless otherwise stated)

**38 RELATED PARTY DISCLOSURES****(a) Names of related parties and description of relationship as identified by the Company:**

| Name of company          | Relationship   |
|--------------------------|--|
| Kusumgar Private Limited | Enterprises over which Key Managerial Personnel have significant influence |
| Pertex Solution LLP      |  |

| Key Managerial Personnel (KMP)/ other | Relationship             |
|---------------------------------------|--------------------------|
| Siddhart Kusumgar (Director)          | Key Managerial Personnel |
| Ankur kothari (Director)              | Key Managerial Personnel |
| Yogesh Kantilal Kusumgar (Director)   | Key Managerial Personnel |
| Kiran Nagindas shah (Director)        | Key Managerial Personnel |

**(c) Transactions with related party during the year are as follows:**

| Sr no | Transactions with related parties  | As at<br>31 March 2023 |
|-------|--|------------------------|
| 1     | Transactions with Enterprises over which Key Managerial Personnel have significant influence |                        |
|       | Sale of services (job work charges)<br>Kusumgar Private Limited                              | 44.45                  |
|       | Purchase of goods (Packing Material & chemical)<br>Kusumgar Private Limited                  | 87.18                  |
|       | Purchase of good (fabric & chemical)<br>Kusumgar Private Limited                             | 784.68                 |
|       | Pertex Solution LLP  | 9.24                   |
|       | Chemical Sale<br>Kusumgar Private Limited  | 0.04                   |
|       | Fabric sale<br>Kusumgar Private Limited  | 174.87                 |
|       | <b>Total</b>   | <b>1,100.46</b>        |

| Sr no | Balances outstanding with related parties | As at<br>31 March 2023 |
|-------|---|------------------------|
| 1     | <i>Deposit given</i>                      |                        |
|       | -   | -                      |
|       | <b>Total</b>                              | <b>-</b>               |
| 2     | <i>Receivable as at balance sheet</i>     |                        |
|       | Kusumgar Private Limited                  | 6.38                   |
|       | <b>Total</b>                              | <b>6.38</b>            |
| 3     | <i>Payable as at balance sheet date</i>   |                        |
|       | Kusumgar Private Limited                  | 214.13                 |
|       | <b>Total</b>                              | <b>214.13</b>          |





39 REVENUE AS PER IND AS 115

(a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars   | For the year ended 31 March 2023 |                      |                       |                       |                                 |                                  | Total  |
|---|----------------------------------|----------------------|-----------------------|-----------------------|---------------------------------|----------------------------------|--------|
|   | Revenue from Processed fabric    | Revenue From Coating | Revenue From Job Work | Revenue From Printing | Revenue from Dyes and Chemicals | Revenue from other misc products |        |
| Revenue from operation                              |                                  |                      |                       |                       |                                 |                                  |        |
| Sale of service                                     |                                  |                      | 44.71                 |                       |                                 |                                  | 44.71  |
| Sale of goods                                       | 890.72                           | 39.29                |                       |                       | 0.04                            |                                  | 930.05 |
| Gross revenue from contracts with customers         | 890.72                           | 39.29                | 44.71                 | -                     | 0.04                            | -                                | 974.77 |
| Less: Consideration payable to customers            | -                                | -                    | -                     | -                     | -                               | -                                | -      |
| Net revenue from contracts with customers           | 890.72                           | 39.29                | 44.71                 | -                     | 0.04                            | -                                | 974.76 |
| Geographical markets                                |                                  |                      |                       |                       |                                 |                                  |        |
| India   | 890.72                           | 39.28                | 44.71                 |                       | 0.04                            |                                  | 974.75 |
| Outside India                                       | -                                | 0.01                 | -                     | -                     | -                               | -                                | 0.01   |
| Net revenue from contracts with customers           | 890.72                           | 39.29                | 44.71                 | -                     | 0.04                            | -                                | 974.76 |
| Timing of revenue recognition                       |                                  |                      |                       |                       |                                 |                                  |        |
| Goods or services transferred at a point in time    | 890.72                           | 39.29                | 44.71                 | -                     | 0.04                            | -                                | 974.76 |
| Goods or Services transferred over a period of time | -                                | -                    | -                     | -                     | -                               | -                                | -      |
| Net revenue from contracts with customers           | 890.72                           | 39.29                | 44.71                 | -                     | 0.04                            | -                                | 974.76 |

(b) Contract Balances

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue (Contract Asset), and deferred revenue(Contract liability) in Company's Balance Sheet.

The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

| Particulars                         | As at<br>31 March 2023 |
|-------------------------------------|------------------------|
| Trade receivables                   | 184.22                 |
| Unbilled revenue-Contract assets    | -                      |
| Deferred revenue-Contract liability | -                      |

40 SEGMENT REPORTING

The Company is engaged in manufacturing of technical textiles fabrics. The Chief operating decision maker (CODM -which is board of director) identified entire business as a single reportable segment, hence segment reporting is not applicable.



**ENGINEERED COATED FABRIC PRIVATE LIMITED****Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**

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**41 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders 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 including interest accrued, and by reducing cash and cash equivalents, bank balances other than cash and cash equivalents.

| Particulars  | As at<br>31 March 2023 |
|--|------------------------|
| Net Debt   | 7.78                   |
| Less: Cash and cash equivalents                          | (1.37)                 |
| Less: Bank balances other than cash and cash equivalents | (0.80)                 |
| <b>Net adjusted debt (A)</b>                             | <b>5.61</b>            |
| <b>Equity</b>  | <b>45.61</b>           |
| <b>Total equity (B)</b>                                  | <b>45.61</b>           |
| <b>Total debt and equity (C) = (A)+(B)</b>               | <b>51.22</b>           |
| <b>Gearing ratio (A) / (C)</b>                           | <b>0.11</b>            |

**42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. These risks are categorised into market risk, credit risk and liquidity risk.

**(a) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Company exposed to below two market risks-

**(i) Interest rate risk**

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

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on variable borrowings, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars                            | Effect on profit       |
|--|------------------------|
|  | 1% increase/ 1%        |
|  | As at<br>31 March 2023 |
| Borrowings (Impact on profit and loss) | 0.08                   |

**(b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, loans, security



deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**The gross carrying amounts of following financial assets represent the maximum credit risk exposure:**

| Particulars               | For the year ended<br>31 March 2023 |
|---------------------------|-------------------------------------|
| Trade receivables         | 184.22                              |
| Cash and cash equivalents | 1.37                                |
| Other bank balances       | 0.80                                |
| Investments               | 0.00                                |
| Other financial assets    | 3.82                                |
| <b>Total</b>              | <b>190.21</b>                       |

Balances with banks and fixed deposits are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the Company's historical observed default rates. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies, hence no adjustment for forward looking factors is carried.

Reconciliation of loss allowance for trade receivables

| Particulars              | For the year ended<br>31 March 2023 |
|--------------------------|-------------------------------------|
| Opening provision        | 4.27                                |
| Addition                 | -                                   |
| Reversal                 | -                                   |
| Amounts written off      | -                                   |
| <b>Closing provision</b> | <b>4.27</b>                         |

**Other financial assets: (except fixed deposit with bank)**

Based on assessment carried out by the Company,

Reconciliation of loss allowance for security deposits

| Particulars              | For the year ended<br>31 March 2023 |
|--------------------------|-------------------------------------|
| Opening provision        | -                                   |
| Addition                 | -                                   |
| Reversal                 | -                                   |
| Amounts written off      | -                                   |
| <b>Closing provision</b> | <b>-</b>                            |

**Note-**Credit risk for security deposit other than above is not increased significantly.

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

The table below summarizes the undiscounted maturity profile of the Company's financial liabilities on an undiscounted basis:

|                             |               |
|-----------------------------|---------------|
| <b>As at 31 March 2023</b>  |               |
| Borrowings                  | 7.78          |
| Trade payables              | 236.29        |
| Other financial liabilities | 12.22         |
| <b>Total</b>                | <b>256.29</b> |

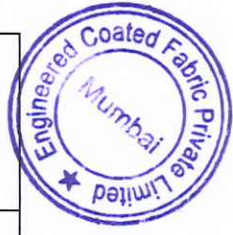




**ENGINEERED COATED FABRIC PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR millions, unless otherwise stated)

**43 RATIOS**

| S No. | Ratio                            | Formula   | Particulars  |  | As at 31 March 2023 |             | Ratio as on 31 March 2023 |
|-------|----------------------------------|---|--|--|---------------------|-------------|---------------------------|
|       |                                  |   | Numerator  | Denominator  | Numerator           | Denominator |                           |
| (a)   | Current Ratio                    | Current Assets / Current Liabilities                              | Current Assets   | Current Liabilities  | 255.55              | 258.13      | 0.99                      |
| (b)   | Debt-Equity Ratio                | Debt / Equity   | Debt= long term borrowing + Short-term borrowings                                | Equity= Share capital + Reserve and Surplus                              | 7.78                | 45.61       | 0.17                      |
| (c)   | Debt Service Coverage Ratio      | Net Operating Income / Debt Service                               | Net Operating Income= Net profit after taxes + operating expenses + finance cost | Debt Service = Interest & Lease Payments + Principal Repayments          | 14.74               | 1.74        | 8.45                      |
| (d)   | Return on Equity Ratio           | Profit after tax less pref. Dividend x 100 / Shareholder's Equity | Net Income= Net Profits after taxes  | Average shareholder's equity   | 6.26                | 42.32       | 0.15                      |
| (e)   | Inventory Turnover Ratio         | Sales / Average Inventory   | Sales  | (Opening Inventory + Closing Inventory) / 2                              | 974.76              | 33.70       | 28.93                     |
| (f)   | Trade Receivables Turnover Ratio | Net Credit Sales / Average Trade Receivables                      | Net credit sales   | (Opening trade receivables + Closing trade receivable) / 2               | 974.76              | 125.56      | 7.76                      |
| (g)   | Trade Payables Turnover Ratio    | Net Credit Purchases / Average Trade Payables                     | Net Credit Purchase  | (Opening Trade Payables + Closing Trade Payables) / 2                    | 946.32              | 118.14      | 8.01                      |
| (h)   | Net Capital Turnover Ratio       | Revenue / Average Working Capital                                 | Revenue from operations  | Average working capital= Average of current assets - current liabilities | 974.76              | -6.60       | -147.69                   |
| (i)   | Net Profit Ratio                 | Net Profit / Net Sales  | Net profit after tax   | Net sales  | 6.26                | 977.74      | 0.01                      |
| (j)   | Return on Capital Employed       | EBIT / Capital Employed   | EBIT= Earnings before interest and taxes   | Capital Employed= Total Asset-Current Liability                          | 9.84                | 48.85       | 0.20                      |
| (k)   | Return on Investment             | Net Profit / Net Investment                                       | Net Profit   | Net Investment= Net Equity   | 6.26                | 45.61       | 0.14                      |



**ENGINEERED COATED FABRIC PRIVATE LIMITED**

**Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023**

(Amount in INR millions, unless otherwise stated)

**44 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

**(a) Classification of financial assets and financial liabilities**

The following table shows the carrying amounts of financial Assets and financial Liabilities which are classified as below -

| Particulars                  | Amortised Cost | FVTOCI   | FVTPL    | Total         |
|------------------------------|----------------|----------|----------|---------------|
| <b>As at 31 March 2023</b>   |                |          |          |               |
| <b>Financial Assets</b>      |                |          |          |               |
| <b>Current</b>               |                |          |          |               |
| Trade receivables            | 184.22         | -        | -        | 184.22        |
| Cash and cash equivalents    | 1.37           | -        | -        | 1.37          |
| Other bank balances          | 0.80           | -        | -        | 0.80          |
| Other financial assets       | 0.68           | -        | -        | 0.68          |
|                              | <b>187.07</b>  | <b>-</b> | <b>-</b> | <b>187.07</b> |
| <b>Non-current</b>           |                |          |          |               |
| Investment                   | 0.00           | -        | -        | 0.00          |
| Other financial assets       | 3.14           | -        | -        | 3.14          |
|                              | <b>3.14</b>    | <b>-</b> | <b>-</b> | <b>3.14</b>   |
| <b>Financial Liabilities</b> |                |          |          |               |
| <b>Current</b>               |                |          |          |               |
| Borrowings                   | 7.78           | -        | -        | 7.78          |
| Lease liability              | -              | -        | -        | -             |
| Trade payables               | 236.29         | -        | -        | 236.29        |
| Other financial liabilities  | 12.22          | -        | -        | 12.22         |
|                              | <b>256.29</b>  | <b>-</b> | <b>-</b> | <b>256.29</b> |
| <b>Non-current</b>           |                |          |          |               |
| Borrowings                   | -              | -        | -        | -             |
| Lease liability              | -              | -        | -        | -             |
|                              | <b>-</b>       | <b>-</b> | <b>-</b> | <b>-</b>      |

**(b) Fair value hierarchy**

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company has classified its financial instruments into the three levels prescribed under the Ind AS as below-

| Particulars   | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| <b>As at 31 March 2023</b>  |         |         |         |       |
| FVTOCI-Investments in unquoted equity instruments   | -       | -       | -       | -     |
| Derivative financial instruments - loss on outstanding foreign exchange forward contracts | -       | -       | -       | -     |



**ENGINEERED COATED FABRIC PRIVATE LIMITED**

Notes Forming Part Of The Special Purpose Financial Statements For The Year Ended 31 March, 2023  
(Amount in INR Millions, unless otherwise stated)

**45 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENSES:**

As per the applicability criteria of Section 135 of the Companies Act, 2013, Company is not covered under provisions of Corporate social responsibility expenses.

**46 ADDITIONAL REGULATORY INFORMATION:**

- (i) **Title deeds of Immovable Properties not held in name of the Company**  
The Company does not own any immovable property.

- (ii) **Fair valuation of investment property**  
The Company does not have any investment property.

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

- (iv) **Details of benami property held**  
The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.

- (v) **Willful Defaulter**  
The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (vi) **Relationship with struck off companies**  
The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

- (vii) **Registration of charges or satisfaction with Registrar of Companies (ROC)**  
There are no charges or satisfaction there which are yet to be registered with the Registrar of Companies beyond the statutory period.

- (viii) **Compliance with number of layers of companies**  
The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

- (ix) **Compliance with approved Scheme(s) of Arrangements**  
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

- (x) **Utilisation of Borrowed funds and share premium:**  
The Company has 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 persons 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.

The Company has 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 Company shall:  
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or  
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- (xi) **Undisclosed income**

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

- (xii) **Utilisation of Borrowings availed from banks and financial institutions**

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

- (xiii) **Details of Crypto Currency or Virtual Currency**

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

- 47 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. Certain sections of the code came into effect on May 03, 2023. However, the final rules/interpretation have not yet been issued. The Company will complete their evaluation once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective.

- 48 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Laws (amendment) Ordinance, 2019. Accordingly, the Company has recognised the tax provision and measured the deferred tax assets / liabilities at the basic tax rate of 22% plus applicable surcharge and cess.

- 49 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by schedule III of the Act.

- 50 These financial statements have been approved for issue by the Board of Directors.

As per our report of even date  
For **Chaturvedi Sohan & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 118424W

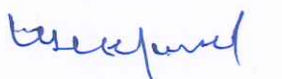


**Sohan Chaturvedi**  
Partner  
Membership No: 030760

Place: Mumbai  
Date: 07/06/2025



For and on behalf of the Board of Directors  
**Engineered Coated Fabric Private Limited**



**Yogesh Kusumgar**  
Director  
DIN: 01080769

Place: Mumbai  
Date: 07/06/2025



**Siddharth Kusumgar**  
Director  
DIN: 01676799

Place: Mumbai  
Date: 07/06/2025

