

APOLLOTECHNO INDUSTRIES PRIVATE LIMITED

CIN: U29100GJ2016PTC091682

STATUTORY AUDIT REPORT CONSOLIDATED FINANCIAL STATEMENTS

2022-2023

REGISTERED OFFICE

**167, APOLLOTECHNO INDUSTRIES PRIVATE LIMITED,
NR. KESHAV FERTILIZER, MANDALI, MEHSANA – 382732.**



AUDITORS

DIPAL R. SHAH & CO. CHARTERED ACCOUNTANTS

**507, MAURYANSH ELANZA,
NEAR PAREKHS HOSPITAL,
SATELLITE, AHMEDABAD – 15,
PAN: AARFD7929C**

Ph : 079-29606425, 40053654

✉ info@drscindia.com  www.drscindia.com

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
APOLLOTECHNO INDUSTRIES PRIVATE LIMITED**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of APOLLOTECHNO INDUSTRIES PRIVATE LIMITED ("The Parent") and its subsidiary ("The parent and its subsidiary together referred to as "the group ") which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income) for the year then ended on 31st March, 2023, the consolidated statement of Cash flows for the year ended on 31st March 2023 and the consolidated statement of changes in equity for the year ended and a notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for the Qualified Opinion' the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the Act and other accounting principles generally accepted in India,

- (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2023.
- (b) In the case of the Consolidated Statement of Profit and Loss (including other comprehensive income) of the Consolidated Profit of the Group for the year ended on that date;
- (c) In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flow of the Group for the year ended on that date.
- (d) In the case of the Consolidated Changes in Equity, of the changes in Equity of the Group for the year ended on that date.



BASIS FOR QUALIFIED OPINION

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated 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 Qualified Opinion on the consolidated financial statements.

We draw attention to the fact that Advance to Supplier of ₹ 8,222 to Millenium Link East for Trade – Saudi Arabia seems to be not recoverable in the absence of third party confirmation. Accordingly, we are unable to comment on the appropriateness of the carrying value and their consequential impact on the financial statements ended March 31 2023.

RESPONSIBILITY OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the IND AS and accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, Which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either



intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

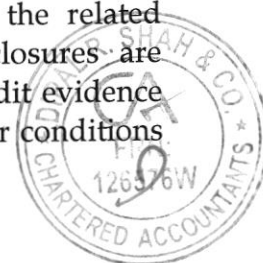
The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITORS' RESPONSIBILITY FOR AUDIT OF FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standard of Auditings will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of Internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

OTHER MATTER

We did the audit the financial statements / financial information of APOLLO TECHNO INDUSTRIES PRIVATE LIMITED and subsidiary, whose financial statements / financial information together reflect total assets of ₹ 6,49,716 /- (in thousands) as at March 31st, 2023 total revenues of ₹ 7,17,255/- (in thousands) and net cash outflows ₹ 22,744/- (in thousands) for the year ended on that date, as considered in consolidated financial statements.

The consolidated financial statements also include the share of Total Comprehensive Loss 104 /- (in thousands) for the year ended 31st March 2023, and Profit on sale of non-current investment of ₹ 4,868 (in thousands) which is not routed through profit and loss and has been added to reserves, considered in the consolidated financial statements in respect of APOLLOTECHNO INDUSTRIES PRIVATE LIMITED and Subsidiary, whose financial statements / financial information have been audited by us.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Companies (Auditor's Report) order, 2020, issued by a Central Government of India in terms of Sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement of matters specified in Paragraph 3 and 4 of the order.



2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated statement of Cash Flows and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with The Companies Accounting Standard Rules, 2021.
- e) On the basis of the written representations received from the directors of the parent as on 31st March, 2023 taken on record by the Board of Directors of parent, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to adequacy of Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, report to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
- g) Parent Company being a private limited company, hence provision of section 197 related to Managerial remuneration is not applicable to the company, hence the same is not commented upon.
- h) With respect to other matters to be included in Auditor's Report in accordance with Rule 11 of Companies (Audit & Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:
 - i. The consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group.
 - ii. The Group did not have any long-term contract including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to Investor Education & Protection Fund by the company.



- iv. a) The respective managements of the company and its group companies has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company or its Group companies to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the company and its group companies has represented that, to the best of its knowledge and belief, no funds have been received by the Company or its group companies from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that have been as considered reasonable and appropriate in the circumstances performed by us on the company and its group companies nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company and its Group companies has not declared or not paid any dividend during the year under review.
- vi. The holding company and the subsidiary company has not used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility as the requirement for the same is effective from 01.04.2023 as per notification no. G.S.R. 206(E) dated March 24, 2021.

For, DIPAL R. SHAH & CO.
Chartered Accountants
FRN : 126576W



N. Sheth

CA Dhruv N. Sheth
Partner

Membership No. : 173704

UDIN: 23173704BGYJGR6697

Date : 07/09/2023
Place : Ahmedabad

ANNEXURE - 1 TO THE AUDITOR'S REPORT

With reference to paragraph 1 under 'Report on other Legal and Regulatory Requirement' section of our report to the members of the company on even date.

As required by paragraph 3 (xxi) of the CARO 2020, we report that the auditors of the companies have given qualification or adverse remarks in their CARO report of standalone financial statements respective companies included in the consolidated financial statements of holding company.

Sr. No.	Name of the company	CIN	Relationship with holding Company	Date of Audit Report	Para no. in the CARO Report
1.	ApolloTechno Industries Private Limited.	U29100GJ2016PTC091682	Holding Company	06/09/2023	(i)(a)(A) (ii)(b)
2.	Apollo Techno Equipments Limited	U29199GJ1991PLC016199	Subsidiary	12/08/2023	(i)(a)

For, DIPAL R. SHAH & CO.
Chartered Accountants
FRN: 126576W



N. Sheth

Date: 07/09/2023
Place: Ahmedabad

CA Dhruv N. Sheth
Partner
Membership No. : 173704
UDIN:23173704BGYJGR6697

ANNEXURE 2:

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF APOLLOTECHNO INDUSTRIES PRIVATE LIMITED

Report on the Internal Financial Controls under clause (1) of Sub Section 3 of Section 143 of the Companies Act, 2013 "the Act")

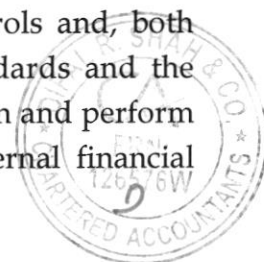
We have audited the Internal Financial controls over financial reporting of **ApolloTechno Industries Private Limited ('The Parent') and its subsidiary** as of 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company and its group companies with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

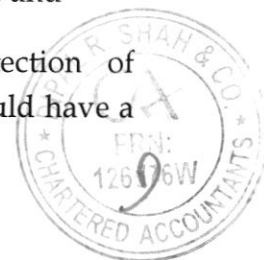


controls over financial reporting with reference to these Financial Statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Control over Financial Reporting

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

Opinion

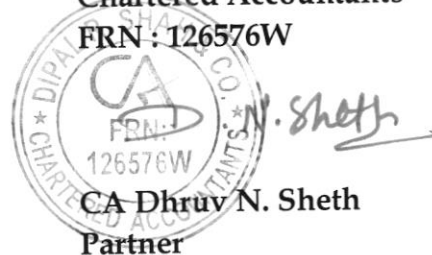
In our opinion, and to the best of our information and according to the explanations given to us, the Company and its group companies have, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date : 07/09/2023
Place : Ahmedabad

For, DIPAL R. SHAH & CO.

Chartered Accountants

FRN : 126576W



CA Dhruv N. Sheth

Partner

Membership No. : 173704

UDIN: 23173704BGYJGR6697

APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET
(All amounts in ₹. Thousands, unless otherwise stated)

PARTICULARS		NOTE NO.	AS AT 31/03/2023	AS AT 31/03/2022
I	ASSETS			
	NON CURRENT ASSETS			
	(a) Property, Plant and Equipment	1	146,335	150,547
	(b) Capital Work-in-Progress		-	-
	(c) Investment property		-	-
	(d) Goodwill		79	79
	(e) Other Intangible Assets	2	812	837
	(f) Intangible Assets Under Development		-	-
	(g) Financial Assets		-	-
	(i) Investments	3	7,842	34,247
	(ii) Trade receivables		-	-
	(iii) Loans		-	-
	(iv) Other financial assets	4	1,453	1,487
	(v) Others		-	-
	(i) Deferred Tax Assets (Net)		-	-
	(j) Other Non-current Assets		-	-
	TOTAL NON CURRENT ASSETS		156,521	187,197
	CURRENT ASSETS			
	(a) Inventories	5	300,803	273,595
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	6	142,876	116,459
	(iii) Cash and Cash Equivalents	7	456	23,265
	(iv) Bank Balances other than (iii) above	8	1,747	1,682
	(v) Loans	9	537	932
	(vi) Others (to be Specified)		-	-
	(e) Current Tax Assets (net)		-	-
	(d) Other Current Assets	10	46,777	45,770
	TOTAL CURRENT ASSETS		493,195	461,703
	TOTAL ASSETS		649,716	648,899



II.	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	11	25,000	25,000
	(b) Other Equity	12	56,645	42,114
	TOTAL EQUITY		81,645	67,114
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	13	326,456	365,440
	(ia) Lease liabilities		-	-
	(ii) Trade payables (A+B)		-	-
	(A) Total outstanding dues of micro enterprises and small enterprises		-	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		-	-
	(iii) Other Financial Liabilities (other than those specified in item(b), to be specified)		-	-
	(b) Provisions	14	810	633
	(c) Deferred tax liabilities (net)	15	9,309	9,963
	(d) Other non current liabilities		-	-
	TOTAL NON CURRENT LIABILITIES		336,575	376,035
II.	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	16	103,358	77,041
	(ia) Lease liabilities		-	-
	(ii) Trade payables (A+B)	17	98,147	92,923
	(A) Total outstanding dues of micro enterprises and small enterprises		11,284	13,305
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		86,864	79,618
	(iii) Other Financial Liabilities (other than those specified in item (C)	18	9,890	20,345
	(b)Provisions	19	7,849	9,415
	(c) Other current liabilities	20	9,228	4,840
	(d) Current Tax Liabilities (Net)	21	3,023	1,187
	TOTAL CURRENT LIABILITIES		231,495	205,750
	TOTAL EQUITY AND LIABILITIES		649,716	648,899

The Notes referred to above form an integral part of the Balance Sheet.
As per our report of even date.

For, Dipal R. Shah & Co.
Chartered Accountants
FRN : 126576W

ApolloTechno Industries Private Limited
For and On behalf of the Board

CA Dhruv N. Sheth
Partner
M. No. : 173704
Place: Ahmedabad
Date : 07/09/2023

Rashmikant Patel
Director
DIN : 00093929
Place: Mehsana
Date:

Parth Patel
Director
DIN : 07131930
Place: Mehsana
Date:

APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS
(All amounts in c Thousands, unless otherwise stated)

	Particulars	Note No.	For the year ended on 31/03/2023	For the year ended on 31/03/2022
I	Revenue from Operations	22	717,255	533,124
II	Other Income	23	8,400	7,636
III	TOTAL INCOME (I + II)		725,654	540,760
IV	EXPENSES			
	Cost of Materials Consumed	24	539,607	452,895
	Changes in Inventories	25	50,193	(25,848)
	Employee Benefit Expenses	26	46,688	41,630
	Finance Costs	27	15,488	13,515
	Depreciation and Amortization Expenses	28	9,535	9,725
	Other Expenses	29	52,011	45,692
	TOTAL EXPENSES (IV)		713,523	537,609
V	Profit / (Loss) before Exceptional Items and Tax (III-IV)		12,132	3,151
VI	Exceptional Items - Loss / (Gain)	30	(1,379)	(383)
VII	Profit / (Loss) before Tax (V-VI)		13,511	3,535
VIII	Tax Expense (i+ii)		4,251	2,017
	(i) Current Tax		3,940	2,135
	(ii) Tax Expense of Earlier Years		(22)	-
	(iii) Deferred Tax Expense/ (Income)		333	(119)
IX	Profit/ (Loss) for the period from Continuing Operations(VII - VIII)		9,260	1,518
X	Discontinued Operations			
	Profit/(Loss) from Discontinued Operations		-	-
	Tax Expense of Discontinuing Operations		-	-
XI	Profit/(Loss) from Discontinued Operations (after tax)		-	-
XII	Profit(Loss) for the Period(IX+XI)		9,260	1,518
XIII	Other comprehensive income			
	(A). (i) Items that will not be reclassified to profit or loss		(583)	1,160
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(987)	(413)
	(B). (i) Items that will be reclassified to profit or loss:		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XIV	Total Comprehensive income for the Period (XII + XIII)		9,664	3,091
XVI	Earnings per Equity Share (for continuing operation)			
	Nominal Value Per Share c 10 (Previous Year c 10)			
	Basic		3.87	1.24
	Diluted		3.87	1.24

The Notes referred to above form an integral part of the Statement of Profit and Loss.

As per our report of even date

For, Dipal R. Shah & Co.
Chartered Accountants
FRN : 126576W

D.N. Sheth
CA Dhruv N Sheth
Partner
M. No. : 173704
Place: Ahmedabad
Date : 07/09/2023

ApolloTechno Industries Private Limited
For and On behalf of the Board

Rashmikant Patel
Rashmikant Patel
Director
DIN : 00093929
Place: Mehsana
Date:

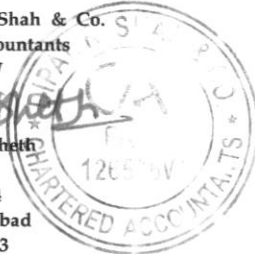
Parth Patel
Parth Patel
Director
DIN : 07131930
Place: Mehsana
Date:

APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	For the year ended on 31/03/2023		For the year ended on 31/03/2022	
	Amount in (₹)	Amount in (₹)	Amount in (₹)	Amount in (₹)
A. Cash flows from operating activities				
Net Profit / (Loss) before tax		13,511		3,535
<u>Adjustments for:</u>				
Depreciation and amortization expense	9,535		9,725	
Finance costs	15,488		13,515	
Dividend Income	(95)		314	
Loss/(Profit) on sale of property, plant and equipment	343		638	
		25,271		24,191
Operating cash flow before changes in working capital		38,782		27,726
<u>Changes in working capital:</u>				
Inventories	(27,208)		(73,734)	
Trade receivables	(26,416)		(9,990)	
Trade payables	5,224		16,039	
Short Term Borrowings	26,317		(16,756)	
Provisions	(1,388)		1210	
Loans and Advances	396		(812)	
Other financial and non-financial Assets	34		136	
Other financial and non-financial Liabilities	(10,454)		4479	
Other Current Assets	(1,007)		(602)	
Other Current Liabilities	4,388	(30,116)	(889)	(80,921)
Net cash generated from operations before tax		8,666		(53,195)
Net income tax (paid) / refunds		(2,082)		(1,295)
Net cash generated from / (used in) operating activities (A)		6,584		(54,490)
B. Cash flows from investing activities				
Purchase of Property, plant and equipment and capital work in progress	(6,364)		(8,069)	
Proceeds from sale of property plant and equipment	858		3100	
Purchase of intangible assets	(135)		(56)	
Proceeds from sale / (purchase) of current investments (net)	0.00		-	
(Purchase) / sale of non-current investments	30,690		-	
Investment in subsidiaries, joint ventures and associates	-		-	
Loan given to subsidiaries	-		-	
Loan repayment by subsidiaries	-		-	
Dividend received	95		(314)	
Interest received	-	25,144	-	(5,339)
Net cash flow from / (used in) investing activities (B)		25,144		(5,339)
C. Cash flows from financing activities				
Proceeds from borrowings	(38,984)		95,594	
Repayment of borrowings	-		-	
Payment of lease liabilities	-		-	
Repayment of short term borrowings (net)	-		-	
Interest and other finance charges paid	(15,488)		(13,515)	
Proceeds from exercise of share options	-		-	
Dividend paid	-		-	
		(54,472)		82,079
Net cash (used in) / generated from financing activities (C)		(54,472)		82,079
Net increase/(decrease) in Cash & cash equivalents during the year (A+B+C)		(22,744)		22,250
Add : Cash and cash equivalents as at the beginning of the year		24,946		2,696
Cash and cash equivalents as at the end of the year		2,203		24,946

For, Dipal R. Shah & Co.
Chartered Accountants
FRN : 126576W

CA Dhruv N Sheth
Partner
M. No. : 173704
Place: Ahmedabad
Date: 07/09/2023



ApolloTechno Industries Private Limited
For and On behalf of the Board

Rashmikant Patel
Director
DIN : 00093929
Place: Mehsana
Date:

Parth Patel
Director
DIN : 07131930
Place: Mehsana
Date:

(Signature of Rashmikant Patel)

(Signature of Parth Patel)

APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)
Statement of Changes in Equity for the period ended on 31st March, 2023.

A. Equity Shares Capital

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Amount (₹)	Amount (₹)
Balance at the beginning of the reporting Period	25,000	25,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting Period	25,000	25,000

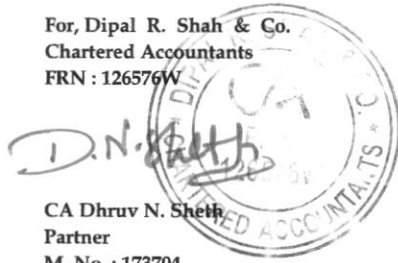
B. Other Equity

Amount in ₹

Particulars	Reserves and Surplus			
	Capital Reserve	General Reserve	Retained Earnings	Total other Equity
Balance as at 1st April, 2021 (A)	-	(230)	39,253	39,023
Additions during the year:				
Profit for the Year	-	-	1,518	1,518
Item of Other Comprehensive Income not routed through Profit & Loss	-	-	-	-
Other Comprehensive Income for the year, net of tax	-	1,573	-	1,573
Total comprehensive income for the year 2021-22 (B)	-	1,573	1,518	3,091
Reductions during the year:				
Dividends	-	-	-	-
Total (C)	-	-	-	-
Balance as at 31st March, 2022 (D) (A+B-C)	-	1,343	40,771	42,114
Additions during the year:				
Profit for the Year	-	-	9,260	9,260
Item of Other Comprehensive Income not routed through Profit & Loss	-	-	4,868	4,868
Other Comprehensive Income for the year, net of tax	-	404	-	404
Total comprehensive income for the year 2022-23 (E)	-	404	14,128	14,532
Reductions during the year:				
Dividends	-	-	-	-
Total (F)	-	-	-	-
Balance as at 31st March, 2023 (D+E-F)	-	1,746	54,899	56,645

As per our report of even date

For, Dipal R. Shah & Co.
Chartered Accountants
FRN : 126576W



CA Dhruv N. Sheth
Partner
M. No. : 173704
Place: Ahmedabad
Date: 07/09/2023

ApolloTechno Industries Private Limited
For and On behalf of the Board

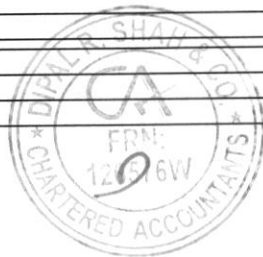
[Signature of Rashmikant Patel] *[Signature of Parth Patel]*

Rashmikant Patel
Director
DIN : 00093929
Place: Mehsana
Date:

Parth Patel
Director
DIN : 07131930
Place: Mehsana
Date:

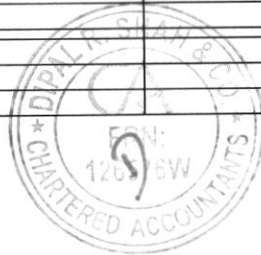
APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	Land	Factory Building and Fences	Computer and Servers	Plant & Machinery / Tools and Jigs	Electric Installation	Furniture & Fixture	Office Equipments	Vehicles	Total
1. Property, Plant and Equipment									
Gross Block									
Balance as at 1st April, 2021	22,977	83,810	1,568	46,771	5,962	4,107	2,080	13,240	180,515
Additions	-	2,202	-	328	20	11	40	5,469	8,069
Disposals	-	-	-	-	-	-	-	5,927	5,927
Balance as at 31st March, 2022	22,977	86,012	1,568	47,099	5,982	4,117	2,120	12,782	182,656
Additions	-	-	289	842	44	277	165	4,748	6,365
Disposals	-	-	-	-	-	-	60	2,119	2,178
Balance as at 31st March, 2023	22,977	86,012	1,857	47,942	6,026	4,394	2,225	15,411	186,843
Accumulated Depreciation									
Balance as at 1st April, 2021	-	7,314	968	8,843	1,570	1,366	1,079	3,599	24,739
Additions	-	2,794	307	3,352	463	475	433	1,738	9,561
Disposals	-	-	-	-	-	-	-	2,190	2,190
Balance as at 31st March, 2022	-	10,107	1,274	12,194	2,033	1,841	1,512	3,148	32,110
Additions	-	2,827	163	3,387	463	475	280	1,779	9,375
Disposals	-	-	-	-	-	-	11	966	977
Balance as at 31st March, 2023	-	12,935	1,438	15,582	2,496	2,316	1,780	3,961	40,508
Net Block									
Balance as at 31st March, 2022	22,977	75,904	294	34,905	3,949	2,276	608	9,634	150,547
Balance as at 31st March, 2023	22,977	73,077	419	32,360	3,530	2,078	444	11,450	146,335



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED

Particulars	SAP License	Software	Trademark	Total
2. Other Intangible Assets				
Gross Block				
Balance as at 1st April, 2021	1,168	77	8	1,253
Additions	-	56	-	56
Disposals	-	-	-	-
Balance as at 31st March, 2022	1,168	133	8	1,309
Additions	135	-	-	135
Disposals	-	-	-	-
Balance as at 31st March, 2023	1,303	133	8	1,444
Accumulated Depreciation				
Balance as at 1st April, 2021	269	37	2	308
Additions	134	29	1	164
Disposals	-	-	-	-
Balance as at 31st March, 2022	403	66	3	472
Additions	134	25	1	161
Disposals	-	-	-	-
Balance as at 31st March, 2023	538	91	4	632
Net Block				
Balance as at 31st March, 2022	765	67	5	837
Balance as at 31st March, 2023	766	42	4	812



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
3. Investments (Non-Current)		
Unquoted		
Investments in Equity Instruments		
Investment in other entities (Quoted)		
40,000 (31st March, 2022 : 164529 Equity Shares of Gujarat Apollo Industries Limited)	7,710	34,115
Investments in other entities - carried at Cost		
4000 Equity Shares of The Mehsana Urban Co-op. Bank Ltd. of ₹ 25/- each Fully Paid Up.	100	100
16 Equity Shares of Apollo Techno International FZCO of AED 100/- each Fully Paid Up.	32	32
Total	7,842	34,247

Investments in Mehsana Urban Co. Op. Bank Limited and Apollo Techno FZCO is carried at cost, as cost is an appropriate estimate of fair value.

Investment Gujarat Apollo Industries Limited is carried at Fair Value.

Particulars	As at 31st March, 2023	As at 31st March, 2022
4. Other Financial Assets		
Security Deposits		
Security Deposits	1,453	1,487
Total	1,453	1,487

Particulars	As at 31st March, 2023	As at 31st March, 2022
5. Inventories		
(Valued at the lower of cost or net realisable value)		
a) Raw Materials	269,352	191,951
b) Stock In Process	15,511	66,762
c) Scrap	111	4,136
d) Finished Goods	15,829	10,746
Total	300,803	273,595

Details of Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials		
Drill Rod	34,299	29,005
Hydraulic Items	59,230	48,406
Machining	51,997	28,506
Engine and Engine Parts	13,658	7,552
Stores and Tools	8,056	4,814
Bearing and Pedestal	7,313	5,003
MS Pipe and MS Material	14,929	10,995
Others	79,869	57,669
Finished Goods		
HDD and Piling Rig Machines	15,829	10,746



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
6. Trade Receivables (Current)		
Trade receivables		
Unsecured & Considered Good	142,876	116,459
Unsecured & Considered Doubtful	-	-
Less : Allowance for bad and doubtful debts	-	-
Total	142,876	116,459

Particulars	As at 31st March, 2023	As at 31st March, 2022
7. Cash and Cash Equivalents		
Cash and Bank Balances		
Cash on hand	313	875
Balance with Banks in current accounts	143	22,390
Total	456	23,265

Particulars	As at 31st March, 2023	As at 31st March, 2022
8. Other Bank Balances		
Margin Money Deposits with bank	1,539	1,486
Fixed Deposit with Mehsana urban Co-Op Bank	208	195
Total	1,747	1,682

Particulars	As at 31st March, 2023	As at 31st March, 2022
9. Loans (Current)		
Advance to employees	537	932
Total	537	932

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loan receivable considered good - secured	-	-
Loan receivable considered good - unsecured	537	932
Loan receivable -significant increase in credit risk	-	-
Loan receivable - credit impaired	-	-

Particulars	As at 31st March, 2023	As at 31st March, 2022
10. Other Current Assets		
Export Incentives Receivables	256	476
Advance to Suppliers of Goods	11,509	10,238
Advance to Suppliers of Expenses	12,321	13,850
Balance with Statutory Authorities	20,391	19,417
Pre-paid Expenses	1,206	740
Other Receivable		
Axis Bank Proc. Fee Recievable	1,049	1,049
Interest Receivable	45	-
Total	46,777	45,770

Balance with statutory authorities includes balances with GST and Income Tax Department.



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Ageing of Trade Receivables

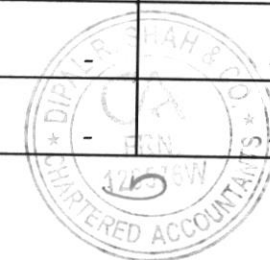
Outstanding for following Periods from due date of Payment as at 31/03/2023

Particulars	Less than 6 Months	6 Months - 1 years	1-2 Years	2-3 Years	More Than 3 Years	Total
I. Undisputed Trade receivables - Consider Good	56,298	2,825	80,109	818	2,825	142,876
II. Undisputed Trade receivables - Consider Doubtful	-	-	-	-	-	-
III. Disputed Trade receivables - Consider Good	-	-	-	-	-	-
IV. Disputed Trade receivables - Consider Doubtful	-	-	-	-	-	-

Outstanding for following Periods from due date of Payment as at 31/03/2022

Particulars	Less than 6 Months	6 Months-1 years	1-2 Years	2-3 Years	More Than 3 Years	Total
I. Undisputed Trade receivables - Consider Good	69,515	28,812	18,132	-	-	116,459
II. Undisputed Trade receivables - Consider Doubtful	-	-	-	-	-	-
III. Disputed Trade receivables - Consider Good	-	-	-	-	-	-
IV. Disputed Trade receivables - Consider Doubtful	-	-	-	-	-	-

For Ageing purpose Posting date is taken as due date of payment.



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
11.1 Equity Share Capital		
Authorised Share Capital 25,00,000 (31st March, 2022 : 25,00,000) Equity Shares of ₹ 10/- Each.	25,00,000	25,00,000
Issued, Subscribed & Paid up Share Capital 25,00,000 (31st March, 2022 : 25,00,000) Equity Shares of ₹ 10/- Each.	25,00,000	25,00,000
Total	25,00,000	25,00,000

Note : Number of Shares and Share capital has not been denominated into thousands and the same is shown in actual figures.

Particulars	As at 31st March, 2023	As at 31st March, 2022
11.2 Reconciliation of the number of Shares	No. of Shares	No. of Shares
Opening balance	2,500,000	2,500,000
Issue of Shares during the year	-	-
Buy Back of Shares	-	-
Closing balance	2,500,000	2,500,000

Particulars	As at 31st March, 2023	As at 31st March, 2022
11.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	No. of Shares & % Held	No. of Shares & % Held
Equity Shares with Voting rights :		
Manjulaben Rashmikanant Patel	1,000,000 40%	1,000,000 40%
Parth Rashmikanant Patel	1,000,000 40%	1,000,000 40%
Rashmikanant Hirabhai Patel	500,000 20%	500,000 20%

11.4 Rights, preferences and restrictions attached to shares

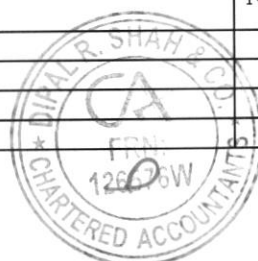
Equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

11.5 Details of Shares Held by Promoters at the year end

2022 - 23			
Equity Shares with Voting Rights			
Name of Promoter	No. of Shares	% Of Holding	% Change During the
Manjulaben Rashmikanant Patel	1,000,000	40%	-
Parth Rashmikanant Patel	1,000,000	40%	-
Rashmikanant Hirabhai Patel	500,000	20%	-
Total	2,500,000	100%	-

2021 - 22			
Equity Shares with Voting Rights			
Name of Promoter	No. of Shares	% Of Holding	% Change During the
Manjulaben Rashmikanant Patel	1,000,000	40%	-
Parth Rashmikanant Patel	1,000,000	40%	-
Rashmikanant Hirabhai Patel	500,000	20%	-
Total	2,500,000	100%	-



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
12. Other Equity		
Surplus in the Statement of Profit and Loss - Retained Earnings		
At the commencement of the year	40,771	39,253
Add : Surplus during the year	9,260	1,518
	4,868	-
Add : Other Comprehensive Income not routed through Profit and Loss		
Closing Balance as at 31st March, 2023	54,899	40,771
General Reserve		
At the commencement of the year	1,343	(230)
Add: Adjustments Towards FMV of Investments	404	1,573
Closing Balance as at 31st March, 2023	1,747	1,343
Total	56,645	42,114

12.1 Nature and purpose of Reserves

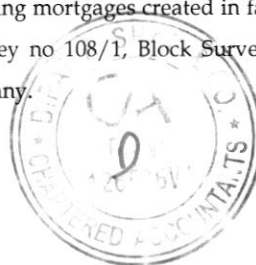
Retained Earnings

Retained earnings represents the amount of profits of the Company earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

Particulars	As at 31st March, 2023	As at 31st March, 2022
13. Borrowings (Non Current)		
Unsecured		
From Related Parties	231,009	214,100
From Corporates	78,267	103,997
Secured		
From Banks:		
HDFC Term Loan	-	21,748
HDFC Term Loan (GECL)	17,181	25,595
Total	326,456	365,440

*Loan accounts with HDFC Bank Limited is secured by primary security of Stock, Plant and machineries. Collateral charge on Land Situated at Survey no 108/1, Block Survey no 166/167.Village Mandali, District- Mahesana, Gujarat along with Factory Building of the company. Also secured by general form of guarantee by the Director Mr. Parth Rashmikan Patel, Mr. Rashmikan Haribhai Patel, Mrs. Manjulaben Rashmikan Patel & Comer Equipment Private Limited.

* HDFC Bank (GECL Loan) - Guaranteed Emergency Credit Line (GECL) is sanctioned in terms of Government of India, by way of Working Capital Term Loan. The facility is covered by 100% Guarantee from NCGTC (National Credit Guarantee Trustee Company Limited (Ministry of Finance, Government of India) and is Guaranteed by Director Mr. Parth Rashmikan Patel, Mr. Rashmikan Haribhai Patel, Mrs. Manjulaben Rashmikan Patel & Comer Equipment Private Limited. The total tenor of loan is 60 Months with 24 months of moratorium period. Furthermore, the loan is secured by way of extension of second ranking charge over existing primary and collateral, securities including mortgages created in favor of the Bank namely, Stock, Plant and machineries. Collateral charge on Land Situated at Survey no 108/1, Block Survey no 166/167.Village Mandali, District- Mahesana, Gujarat along with Factory Building of the company.



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
14. Provisions (Non-Current)		
Provision for Leave Encashment	810	633
Total	810	633

Particulars	As at 31st March, 2023	As at 31st March, 2022
15. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Property, Plant and Equipment	9,817	9,444
Expense claimed for tax purpose on payment basis	-	-
Deferred Tax Liabilities on Investments	240	1226.76
Deferred Tax Assets		
Unabsorbed Depreciation & c/f loss	-	-
Expense claimed for tax purpose on payment basis	748	707.545
Total	9,309	9,963

Particulars	As at 31st March, 2023	As at 31st March, 2022
16. Borrowings (Current)		
Loan Repayable on demand		
From banks		
HDFC Bank CC A/c	103,358	77,041
Total	103,358	77,041

*Cash Credit Account with HDFC Bank Limited is secured by primary security of Stock, Plant and machineries. Collateral charge on Land Situated at Survey no 108/1, Block Survey no 166/167.Village Mandali, District- Mahesana, Gujarat along with Factory Building of the company. Also secured by general form of guarantee by the Director Mr. Parth Rashmikan Patel, Mr. Rashmikan Haribhai Patel, Mrs. Manjulaben Rashmikan Patel & Comer Equipment Private Limited.

Particulars	As at 31st March, 2023	As at 31st March, 2022
17. Trade Payables (Current)		
Trade Payables For Goods	85,176	83,805
Trade Payables For Expenses	12,971	9,119
Total	98,147	92,923

Particulars	As at 31st March, 2023	As at 31st March, 2022
18. Other Financial Liabilities (Current)		
Current Maturities of Long Term Debt		
HDFC Term Loan	-	9,773
HDFC Term Loan (GECL)	9,725	10,120
Accrued Interest Payable On Loans	166	452
Total	9,890	20,345

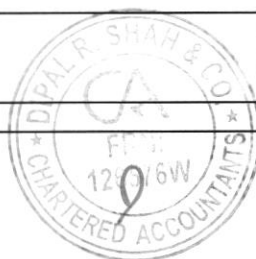


APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
19. Provisions (Current)		
Provision for employees benefits		
Provision for Employee Payable	4,860	5,626
Others		
Provision For Expenses	2,988	3,789
Total	7,849	9,415

Particulars	As at 31st March, 2023	As at 31st March, 2022
20. Other Current Liabilities		
TDS payable	670	370
Advance Received from Customers	6,928	4,435
RCM GST Payable	24	35
GST Payable	1,606	-
Total	9,228	4,840

Particulars	As at 31st March, 2023	As at 31st March, 2022
21. Current Tax Liabilities		
Provision for Income Tax	3,023	1,187
Total	3,023	1,187



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Ageing and Bifurcation of Trade Payables
Outstanding for following Periods from due date of Payments
as at 31/03/2023

Particulars	Less than 1 Years	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME - Undisputed Dues	11,284	-	-	-	11,284
MSME - Disputed Dues	-	-	-	-	-
Others - Undisputed Dues	83,325	506	2,875	158	86,864
Others - Disputed Dues	-	-	-	-	-

Outstanding for following Periods from due date of Payments
as at 31/03/2022

Particulars	Less than 1 Years	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME - Undisputed Dues	13,305	-	-	-	13,305
MSME - Disputed Dues	-	-	-	-	-
Others - Undisputed Dues	76,716	2,839	-	64	79,618
Others - Disputed Dues	-	-	-	-	-

For Ageing purpose Posting date is taken as due date of payment.



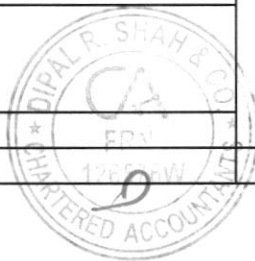
APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
22. Revenue from Operations		
Sale of Spare Parts	225,568	75,021
Sale of Finished Goods	489,687	456,105
Sale of Scrap	200	-
Erection & Commission Income	1,655	1,704
Other Operating Revenues	144	294
Total	717,255	533,124

Particulars	As at 31st March, 2023	As at 31st March, 2022
23. Other Income		
Export Incentive	1,161	1,663
Msme Interest Subvention	-	71
Dividend -Mehsana Urban Co-Operative Bank Ltd	15	15
Dividend - GAIL SHARES	80	329
Discount Income	0	140
Foreign Exchange (Loss)/Gain	5,837	4,108
UGVCL Interest	45	45
Interest on FD	76	63
Interest on IT Refund	-	1
Interest Subsidy	1,033	1,201
Total	8,400	7,636

Particulars	As at 31st March, 2023	As at 31st March, 2022
24. Cost of Materials Consumed		
Purchase of Raw Materials and Purchase Expenses	617,009	500,781
Opening Balance of Raw Materials	191,951	144,065
Less : Closing Balance of Raw Materials	(269,352)	(191,951)
Total	539,607	452,895

Particulars	As at 31st March, 2023	As at 31st March, 2022
25. Changes in Inventories		
Scrap		
Opening Balance	4,136	5,435
Less : Closing Balance	(111)	(4,136)
Work In Progress		
Opening Balance	66,762	37,786
Less : Closing Balance	(15,511)	(66,762)
Finished Goods		
Opening Balance	10,746	12,575
Less : Closing Balance	(15,829)	(10,746)
Total	50,193	(25,848)



APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
26. Employee Benefit Expenses		
Salaries and Wages	39,567	34,362
Contribution to Provident Fund and Other Funds	2,268	1,946
Bonus Exps	1,713	1,429
Gratuity Exps	261	895
Leave Encashment Exps	178	260
Staff Welfare Expenses	2,701	2,737
Total	46,688	41,630

Particulars	As at 31st March, 2023	As at 31st March, 2022
27. Finance Costs		
Bank Charges	479	457
Interest Expense on Bank Loans	11,191	9,624
Interest Expense on Other Loans	3,067	2,520
Interest Expense on Income Tax	306	
Other Interest Exps.	95	664
Loan Processing & Renewal Charges	350	250
Total	15,488	13,515

Particulars	As at 31st March, 2023	As at 31st March, 2022
28. Depreciation and Amortisation Expense		
Depreciation on Property, Plant and Equipments	9,375	9,561
Ammortization on Intangible Assets	161	164
Total	9,535	9,725

Particulars	As at 31st March, 2023	As at 31st March, 2022
29. Other Expenses		
Administrative Expenses	3,129	1,990
Advertisement Expenses	90	-
Bad Debts Written Off	-	3,479
Discount Expenses	10	-
Payment to Auditors		
-As Auditor	650	700
Export Clearing Charges	655	3,851
Freight Forwarding & Transportation	1,384	2,330
Insurance	934	1,160
Legal & Professional Expenses	968	735
Manufacturing Expenses	11,443	8,188
MEIS Expense	-	159
Miscellaneous Expenses	200	34

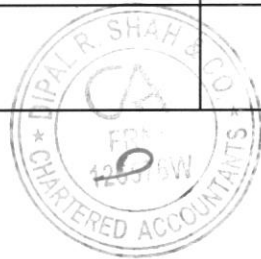


APOLLOTECHNO INDUSTRIES PRIVATE LIMITED
(All amounts in ₹. Thousands, unless otherwise stated)

Penalty	-	136
Power & Fuel	3,502	2,670
Prior Period Expenses	448	75
Rates and taxes (excluding taxes on income)	60	67
Rent	1,156	1,294
Repairs to Others	577	400
Repairs to Building	150	59
Repairs to Plant & Machinery	1,052	324
Selling and Distribution Expenses	19,595	11,956
Travelling & Conveyance Expenses	4,607	4,666
Warranty Exps	1,400	1,419
Total	52,011	45,692

Particulars	As at 31st March, 2023	As at 31st March, 2022
30. Exceptional Items - Loss / (Gain)		
Excess Provision written off	(527)	(34)
Insurance Claim	-	(292)
Loss on Sales of Fixed Assets	343	638
Sundry Balances Written Off	(1,195)	(695)
Total	(1,379)	(383)

Particulars	As at 31st March, 2023	As at 31st March, 2022
31. Contingent Liability		
Gujarat Value Added Tax Act and Sales Tax Act	1,409	2,285
GST Act	2,707	-



NOTE NO. 32: SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Apollotechno Industries Private Limited ('the Parent') and its subsidiary (collectively, "the Group") for the year ended 31st March, 2023.

Apollotechno Industries Private Limited ("the company") is a Company created by Mr. Parth Rashmikant Patel & Mrs. Manjulaben Rashmikant Patel, Incorporated in India on April 26, 2016 under the provisions of the companies Act, 2013. The Company is a manufacturer of horizontal directional drilling machines.

2. BASIS OF PREPARATION

2.1 Statement of compliance:

The Consolidated financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31, 2023, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2021 ('Previous GAAP'). The company has acquired the subsidiary in the financials year 2020 - 21

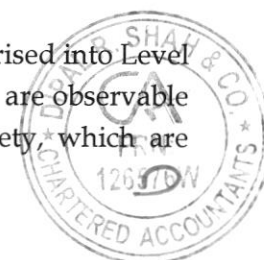
2.2 Basis of Preparation of Financial Statements:

The Consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

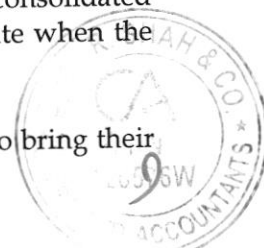
The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.



All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis.

Following subsidiary company is considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2023
1	Apollo Techno Equipments Limited	India	100 %

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition:

a) Revenue from Contracts with Customer

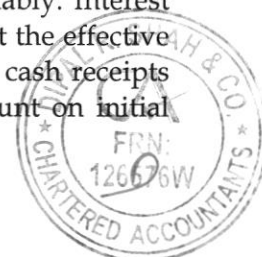
Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Other Income:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



3.2 Lease:

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

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

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 amortized using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortized over the useful life of the underlying asset. 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 to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortized cost using the effective interest method.

3.3 Foreign Currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.



3.4 Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is as below:

The entity pays gratuity to the employees who have completed five years of service with the entity at the time of resignation. The gratuity is paid @15 days of last drawn salary for every completed year of service as per the Payment of Gratuity Act, 1972. The entity has taken Group Gratuity Scheme from Life Insurance Corporation of India and contributes under defined benefit gratuity plan for its employees every year.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Group has a policy to accumulate the leave balance for employees and encashment for such leaves is paid at the time of full and final settlement of employee. Group reinstates the provision of leave balance on yearly basis based on the total accumulated leaves available with employees as on balance sheet date.

3.5 Taxation

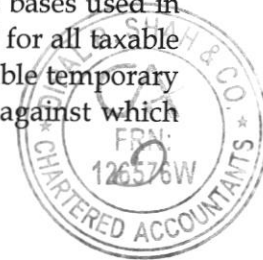
Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which



those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.6 Property, plant and equipment:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Consolidated Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

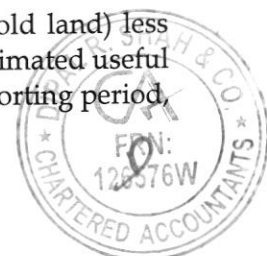
Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.7 Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

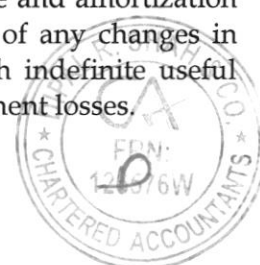
Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Types of Asset	Useful life (Years)
Computers	3
Office Equipments	5
Electric Installations	15
Factory Building and Fence	30
Furniture and Fixtures	10
Plant and Machinery	15
Servers	5
Utensils	5
Vehicle	8
Weighing Machine	20

3.8 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a Straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.



De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognized.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Types of Asset	Useful life (Years)
SAP Software License	10
Trade mark	10
Software	5

Deemed cost on transition to Ind AS

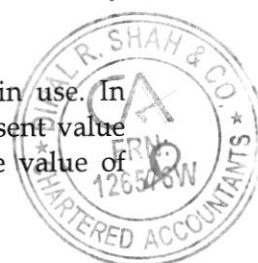
For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of



money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

3.10 Inventories

Inventories are valued as follows:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value after providing for obsolescence, if any. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

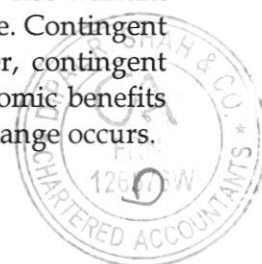
Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of Production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

3.11 Provisions, Contingent Liabilities and Contingent Assets:

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

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

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

3.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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



At each reporting date, the Management of the Holding Company and the Subsidiary Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.

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

3.13 Financial Instruments

Financial assets and financial liabilities are recognised when a Group Entity becomes a party to the contractual provisions of the instruments.

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

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

3.13.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost, refer paragraph of Impairment of financial assets.



A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

Effective interest method

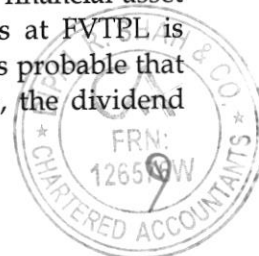
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts. (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. interest income is recognised in profit or loss and is included in the "Other income" line item.

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

A financial asset that does not meet the amortised cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend



does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

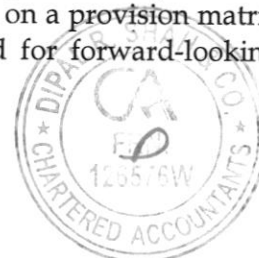
The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.



Derecognition of financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.13.2 Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Groups obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with



substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Costs' line item.

3.14 Cash Flow Statement:

Consolidated Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Groups are segregated based on the available information.

3.15 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.16 Cash and Cash Equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

3.17 Borrowing Cost

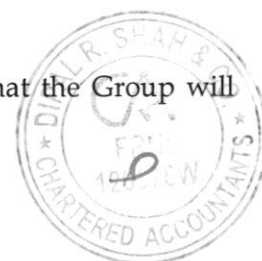
Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.18 Government Grants and Subsidies

Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to them and grants will be received.



Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire noncurrent assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Statement Profit and Loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a governments grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.19 Offsetting of Financial Instruments:

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

3.20 Earnings per Share:

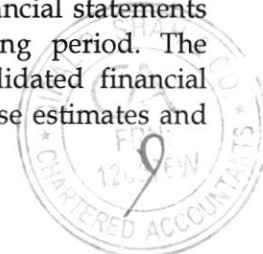
Basic earnings per equity share is computed by dividing the net profit / (loss) attributable to the equity holders of the Holding Company by the weighted average number of equity shares outstanding during the period.

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

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.21 Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and



the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

3.22 Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation, Leave encashment and Bonus
- Estimation of Useful life of Property, plant and equipment and intangibles
- Estimation of taxes
- Estimation of impairment

3.23 Segment Reporting

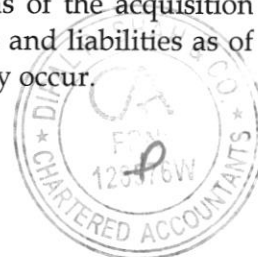
The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

3.24 Business Combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting.

Acquisition related costs are recognised in Statement of Profit and Loss as incurred. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.



Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

