P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT - 9949

HEAD OFFICE
Suite 102, 'Orchard',
Dr. Pai Marg, Baner,
Pune - 411045.
Tel.: 020 - 27290771 / 1772 / 1773
Email : pgb@pgbhagwatca.com
Web : www.pgbhagwatca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of OPTIQUA PIPES AND ELECTRICALS PRIVATE LIMITED

Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of OPTIQUA PIPES AND ELECTRICALS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2022, and its standalone loss (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the period ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the standalone financial statements and our auditor's report thereon.

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

P G BHAGWAT LLP CHARTERED ACCOUNTANTS PUNE

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance (including other comprehensive income), standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

We also:

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statement in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, and to the best of our information and according to the explanations given to us, the company has not paid/ provided any remuneration to its directors during the year.

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

      (i) The Company does not have any pending litigations as at March 31, 2022 which would impact its financial position.

      (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2022.

      (iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

   (iv) (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the standalone financial

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the standalone Financial Statements, if any, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, 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.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (v)(a) and (v)(b) above contain any material misstatement.

(v) The Company has not declared or paid dividend during the year.

(vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial year commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

Nachiket Deo
Partner
Membership No: 117695

UDIN: 22117695AIDKIA1163
Pune
Date: April 29, 2022

Annexure A to Independent Auditors' Report (CARO)

Referred to in paragraph 1 of our "Report on Other Legal and Regulatory Requirements" on even date

(i)	(a)	(A)	The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
		(B)	The Company is maintaining proper records showing full particulars of intangible assets
	(b)		The Property Plant and Equipment of the Company have been physically verified by the Management at reasonable intervals with regards to the size of the company and nature of its assets discrepancies noticed, if any, have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
	(c)		The Company does not own any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 1 on Property, Plant & Equipment to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
	(d)		The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly provisions of Clause 3(i)(d) of the said Order are not applicable to the Company.
	(e)		According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Therefore reporting under clause 3(i)(e) of the order is not applicable.
(ii)	(a)		The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory as compared to book records and have been appropriately dealt with in the books of accounts.

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

	(b)	According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. In our opinion, these quarterly returns or statements are in agreement with the books of account of the Company.
(iii)	(a)	The company during the year has made investments in its joint venture and has granted unsecured loans, to other parties (Employees). The Company has not stood any guarantee or provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties The aggregate amount of such loans given during the year and balances thereof as at balance sheet date are as under –

Particulars	Loans
Aggregate amount granted/ provided during the year	
- Other than Subsidiaries, Joint Ventures and Associates	3,00,000 /-
Balance outstanding as at balance sheet date in respect of above cases	
- Other than Subsidiaries, Joint Ventures and Associates	2,85,000 /-

	(b)	In terms of the information and explanations given to us and the books of account and records examined by us, investments made, loans provided and the terms and conditions of the in respect of aforesaid investments and loans provided during the year are not prejudicial to the Company's interest.
	(c)	In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
	(d)	In respect of the aforesaid loans and advances in the nature of loans, there is no amount which is overdue for more than ninety days.
	(e)	In respect of the loans and advances in the nature of loans granted which has fallen due during the year, no renewal or extension were granted or no fresh loans granted to settle the overdues of existing loans given to the same parties.

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

	(f)	The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
(iv)		According to the information and explanations given to us, there are no loan, guarantees, securities given by the company under section 185 of the Companies Act, 2013. According to the information and explanations provided to us, provisions of section 186 of the Companies Act, 2013 have been complied with respect to investment.
(v)		In our opinion and according to information and explanation given to us, the Company has not accepted public deposits or amounts which are deemed to be deposits, hence the directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to it. According to information and explanation given to us, no order has been passed against the company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
(vi)		The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.
(vii)	(a)	According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of employees' state insurance, provident fund, though there has been slight delay in few cases and is generally regular in depositing the undisputed statutory dues including, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2022, for a period more than six months from the date they became payable.
	(b)	According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

P G BHAGWAT LLP * PUNE * CHARTERED ACCOUNTANTS

(viii)		In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore reporting under clause 3(viii) of the order is not applicable.
(ix)	(a)	According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.
	(b)	According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
	(c)	In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
	(d)	According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that funds raised on short-term basis have, prima facie, not been used for long-term purposes by the company during the year.
	(e)	According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
	(f)	According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
(x)	(a)	In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.
	(b)	The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

(xi)	(a)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
	(b)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
	(c)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.
(xii)		As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
(xiii)		The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
(xiv)	(a)	In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
	(b)	We have considered the internal audit reports of the company issued till date, for the period under audit.
(xv)		According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
(xvi)	(a)	According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

	(b)	According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore reporting under clause 3(xvi)(b) of the order is not applicable.
	(c)	According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
	(d)	Based on information and explanation given to us and as represented by the management, the Group has One Core Investment Companies (CIC)s as part of the Group which is a subsidiary of Holding Company of the reporting entity.
(xvii)		The Company has incurred cash losses during current financial year to the extent of Rs. 193.59 Lakhs and had incurred cash losses during immediately preceding financial year amounting to Rs. 1.01 Lakhs.
(xviii)		There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
(xix)		According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

(xx)	(a)	There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
	(b)	There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

Nachiket Deo
Partner
Membership No: 117695
UDIN: 22117695AIDKIA1163
Pune
Date: April 29, 2022

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **Optiqua Pipes and Electrical Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('The Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 with reference to standalone 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 internal financial controls with reference to standalone financial statements and their operating

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to standalone Ind AS financial statements.

Meaning of Internal Financial Controls over financial reporting with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial reporting with reference to standalone financial statements

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

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 22117695AIDKIA1163
Pune
Date: April 29, 2022

Optiqua Pipes And Electricals Private Limited
Balance Sheet as at 31 March 2022

Particulars	Note No.	As at 31 March 2022	₹ in Lakhs As at 31 March 2021
ASSETS			
I. Non-current assets		**1,084.23**	**0.05**
(a) Property, plant and equipment	1	305.11	-
(b) Capital work-in-progress	1	-	-
(c) Right-of-use assets	1	106.70	-
(d) Goodwill	2	126.58	-
(e) Other Intangible assets	2	62.55	-
(f) Financial assets			
(i) Investments	3	441.00	-
(ii) Loans	4	3.00	-
(iii) Other financial assets	5	27.89	-
(g) Deferred tax assets (net)	6	11.40	0.05
II.Current assets		**1,099.14**	**8.06**
(a) Inventories	7	528.17	-
(b) Financial assets			
(i) Trade receivables	8	499.73	-
(ii) Cash and cash equivalents	9	1.13	5.00
(iii) Loans	10	3.68	-
(iv) Other financial assets	11	2.79	-
(c) Current tax assets (net)		19.65	-
(d) Other current assets	12	43.99	3.06
Total Assets		**2,183.37**	**8.11**
EQUITY AND LIABILITIES			
Equity		**656.48**	**4.04**
(a) Equity share capital	13	855.00	5.00
(b) Other equity			
Retained earnings	14	(198.52)	(0.96)
Liabilities			
I. Non-current liabilities		**561.13**	**-**
(a) Financial liabilities			
(i) Borrowings	15	466.50	-
(ii) Lease liabilities	32.5.2	79.32	-
(b) Provisions	16	15.31	-
II.Current liabilities		**965.76**	**4.07**
(a) Financial liabilities			
(i) Borrowings	17	554.96	-
(ii) Trade and other payables	18		
a) total outstanding dues of micro enterprises and small enterprises		14.21	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		238.35	4.02
(iii) Lease liabilities	32.5.2	31.98	-
(iv) Other financial liabilities	19	16.23	-
(b) Other current liabilities	20	99.75	0.05
(c) Provisions	21	10.28	-
Total Equity and Liabilities		**2,183.37**	**8.11**
Significant accounting policies	32		

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

As per our attached report of even date

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 14:45:46 +05'30'

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

AKSHAY SAHNI
Director
DIN: 00791744

DEO NACHIKET RATNAKAR

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 14:45:13 +05'30'

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Statement of profit and loss for the year ended 31 March 2022

₹ in Lakhs

Particulars	Note No.	2021-22	From 19 February 2021 to 31 March 2021
Income			
Revenue from operations	22	4,020.03	-
Other income	23	0.93	-
Total Income		**4,020.96**	**-**
Expenses			
Cost of raw materials and components consumed	24	3,302.48	-
Purchase of traded goods	25	399.86	-
Changes in inventories of finished goods, work-in-progress and traded goods	26	(297.19)	-
Employee benefits expense	27	170.53	-
Finance costs	28	74.64	-
Depreciation and amortisation expense	29	80.40	-
Other Expenses	30	536.33	1.01
Total Expenses		**4,267.05**	**1.01**
Profit before exceptional items and tax		**(246.09)**	**(1.01)**
Exceptional Items [Income/(Expense)]		-	-
Profit before tax		**(246.09)**	**(1.01)**
Tax expense		**(61.92)**	**(0.05)**
Current tax	31	-	-
(Excess)/short provision related to earlier years	31	-	-
Deferred tax	31	(61.92)	(0.05)
Profit for the year		**(184.17)**	**(0.96)**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**(0.87)**	**-**
Re-measurement gains / (losses) on defined benefit plans		(1.16)	-
Income tax effect on above	31	0.29	-
Total other comprehensive income for the year, net of tax		**(0.87)**	**-**
Total comprehensive income for the year		**(185.04)**	**(0.96)**
Earnings per equity share [nominal value per share ₹ 10/-			
Basic	32.5.11	(2.19)	(7.90)
Diluted	32.5.11	(2.19)	(7.90)
Significant accounting policies	32		

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

As per our attached report of even date

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 14:51:41 +05'30'

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

AKSHAY SAHNI
Director
DIN: 00791744

DEO NACHIKET RATNAKAR Digitally signed by DEO NACHIKET RATNAKAR Date: 2022.04.29 22:52:41 +05'30'

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 14:52:04 +05'30'

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Statement of changes in equity for the year ended 31 March 2022

A. Equity share capital (Note 13)

Year ended on 31 March 2022

Particulars	As at 1 April 2021	Changes in equity share capital due to prior period errors	Restated Balance As at 1 April 2021	Changes in equity share capital during the period	As at 31 March 2022
ISSUED, SUBSCRIBED AND PAID UP CAPITAL					
Equity Shares of ₹ 10/- each fully paid up					
No of shares	**50,000**	-	**50,000**	85,00,000	**85,50,000**
Amount in ₹ Lakhs	**5.00**	-	**5.00**	850.00	**855.00**

Year ended on 31 March 2021

Particulars	As at 19 February 2021	Changes in equity share capital during the period	As at 31 March 2021
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
Equity Shares of ₹ 10/- each fully paid up			
No of shares	-	50,000	**50,000**
Amount in ₹ Lakhs	-	5.00	**5.00**

B. Other equity (Note 14)

Year ended on 31 March 2022 — **₹ in Lakhs**

Particulars	Reserves and surplus		Total
	Retained earnings	Remeasurement of defined benefit plans	
As at 1 April, 2021	**(0.96)**	**-**	**(0.96)**
Profit for the year	(184.17)	-	(184.17)
Other comprehensive income for the year	-	(0.87)	(0.87)
Total comprehensive income for the year	**(184.17)**	**(0.87)**	**(185.04)**
Expenses Incurred on Issuance of Equity Shares	(12.52)	-	(12.52)
As at 31 March, 2022	**(197.65)**	**(0.87)**	**(198.52)**

Year ended on 31 March 2021 — **₹ in Lakhs**

Particulars	Reserves and surplus		Total
	Retained earnings	Remeasurement of defined benefit plans	
As at 19 February, 2021	**-**	**-**	**-**
Profit for the year	(0.96)	-	(0.96)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**(0.96)**	**-**	**(0.96)**
Expenses Incurred on Issuance of Equity Shares	-	-	-
As at 31 March, 2021	**(0.96)**	**-**	**(0.96)**

Significant accounting policies 32
The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

DEO NACHIKET RATNAKAR

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 14:52:39 +05'30'

AKSHAY SAHNI
Director
DIN: 00791744

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 14:53:02 +05'30'

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Statement of cash flows for the year ended 31 March 2022

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(246.09)	(1.01)
Adjustments to reconcile profit before tax to net cash flows:	154.99	-
Add:		
Depreciation and Amortisation	80.40	-
Finance cost	74.64	-
Less:		
Interest received (Finance income)	(0.05)	-
Operating Profit before working capital changes	(91.10)	(1.01)
Changes in working capital	89.56	1.01
(Increase) / Decrease in Inventories	(313.30)	-
(Increase) / Decrease in Trade Receivable	105.39	-
Increase / (Decrease) in Trade Payables	231.71	4.02
(Increase)/Decrease in Loans	(0.61)	-
(Increase)/Decrease in Other Financial Assets	(20.04)	-
(Increase)/Decrease in Other Non-Financial Assets	(39.64)	(3.06)
Increase/(Decrease) in Other Financial Liabilities	14.09	-
Increase/(Decrease) in Non-Financial Liabilities	99.56	0.05
Increase / (Decrease) in Provisions	12.40	-
Net Cash generated / (used in) from operations	(1.54)	-
Direct taxes paid	(19.65)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	**(21.19)**	**-**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards acquisition of business from Optiflex Industries	(366.56)	-
Payment of initial direct costs for leased assets	(3.06)	-
Investment in joint venture	(441.00)	-
Proceeds from Sale of Property, Plant and Equipment	1.72	
Acquisition of Property, Plant and equipment	(48.82)	-
Interest received (Finance income)	0.05	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**(857.67)**	**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,045.95	-
Repayment of borrowings	(24.49)	-
Repayment of borrowings (Acquired from Optiflex Industries)	(881.41)	-
Proceeds from issue of equity share capital	850.00	5.00
Share issue expenses	(12.52)	-
Repayment of Lease Liability	(37.78)	-
Interest paid (finance cost)	(64.76)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**874.99**	**5.00**
Net increase / (decrease) in cash and cash equivalents	**(3.87)**	**5.00**
Opening Cash and Cash equivalents	**5.00**	**-**
Closing Cash and Cash equivalents (Refer Note 9)	**1.13**	**5.00**
Cash and cash equivalent includes-		
Current accounts and debit balance in cash credit accounts	1.12	5.00
Cash on hand	0.01	-
Total	**1.13**	**5.00**

As per our attached report of even date

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

DEO NACHIKET RATNAKAR

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 14:53:40 +05'30'

AKSHAY SAHNI
Director
DIN: 00791744

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 14:53:23 +05'30'

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 1 : Property, Plant and equipment

₹ in Lakhs

Particulars	Leasehold Improvement	Plant & Equipment	Furniture & Fixture	Office Equipment	Computers	Electrical Installation	Total	Right-of-Use Assets
Gross Block								
As At 16th February 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Deductions / Amortization	-	-	-	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-	-	-	-
Additions	8.97	25.00	2.91	0.43	11.51	-	48.82	142.26
Acquired in business combination (Refer Note 32.5.10)	-	282.40	0.64	0.77	0.79	8.42	293.02	-
Deductions / Amortization	-	-	-	-	2.13	-	2.13	-
As At 31 March 2022	**8.97**	**307.40**	**3.55**	**1.20**	**10.17**	**8.42**	**339.71**	**142.26**
Depreciation								
As At 16th February 2021	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Deductions / Amortization	-	-	-	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-	-	-	-
For the year	0.87	27.11	0.73	0.67	3.15	2.48	35.01	35.56
Additions	-	-	-	-	-	-	-	-
Deductions / Amortization	-	-	-	-	0.41	-	0.41	-
As At 31 March 2022	**0.87**	**27.11**	**0.73**	**0.67**	**2.74**	**2.48**	**34.60**	**35.56**
Net Block								
As At 16th February 2021	-	-	-	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-	-	-	-
As At 31 March 2022	**8.10**	**280.29**	**2.82**	**0.53**	**7.43**	**5.94**	**305.11**	**106.70**

Notes :

1. For Depreciation, amortisation and security refer accounting policy Note 32.4.3
2. Refer Note - 32.4.8 on policies for Right-of-Use Assets

3. The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) whose title deeds are not held in the name of the Company
4. The company does not have any CWIP as at 31 March 2022 (31st March 2021: Nil), hence disclosure of ageing schedule and completion schedule is not applicable.

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 2 : Other Intangible assets

₹ in Lakhs

Particulars	Customer Relationships	Technical Knowhow	Brands	Total	Goodwill acquired under Business Combination
Gross Block					
As At 16th February 2021	-	-	-	-	-
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-
Additions	-	-	-	-	-
Acquired in business combination (Refer Note 32.5.10)	0.56	29.64	42.18	72.38	126.58
Deductions	-	-	-	-	-
As At 31 March 2022	**0.56**	**29.64**	**42.18**	**72.38**	**126.58**
Amortisation					
As At 16th February 2021	-	-	-	-	-
For The Year	-	-	-	-	-
Deductions	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-
For The Year	0.11	5.68	4.04	9.83	-
Deductions	-	-	-	-	-
As At 31 March 2022	**0.11**	**5.68**	**4.04**	**9.83**	-
Net Block					
As At 16th February 2021	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-
As At 31 March 2022	**0.45**	**23.96**	**38.14**	**62.55**	**126.58**

Notes :
1. For Depreciation, amortisation refer accounting policy Note 32.4.4
2. The company does not have any Intangible Assets under development as at 31 March 2022 (31st March 2021: Nil), hence disclosure of ageing schedule and completion schedule is not applicable.

Note 3 : Non-current investments

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
At Cost		
Unquoted		
Investment in equity shares of joint venture		
4410000 fully paid up equity shares of ₹ 10 each of ESVA Pumps India Private Limited	441.00	-
Total	**441.00**	**-**

Notes

1. Aggregate amount of unquoted investments as at 31 March 2022 is ₹ 441 Lakhs (31 March 2021 : Nil)
2. The Company has invested ₹ 441 Lakhs in ESVA Pumps India Private Limited, joint venture of the Company on 01 October, 2021.
3. Refer Note - 32.5.14 on Risk Management objectives and policies for Financial Instruments

4. Disclosure pursuant to Ind AS 27 “Separate Financial Statements

Particulars	Method of accounting	Principal place of business	Proportion of ownership interest and voting rights	
			As at 31 March 2022	As at 31 March 2021
ESVA Pumps India Private Limited	Cost	India	49%	-

Note 4 : Loans (non current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees (unsecured, considered good)	3.00	-
Total	**3.00**	**-**

Notes:

1. Loans are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 on Risk Management objectives and policies for Financial Instruments

Note 5 : Other financial assets (non current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits		
Unsecured, considered good	27.89	-
Doubtful	-	-
Less :Loss Allowance for doubtful deposits	-	-
Total	**27.89**	**-**

Notes

1. Other financial assets are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 on Risk Management objectives and policies for Financial Instruments

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 6 : Deferred tax Asset (net)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax Asset	**61.20**	**0.05**
Right of Use Assets and lease liabilities under Ind AS 116	1.16	-
Preliminary Expenses (Sec. 35D of Income Tax Act, 1961)	0.04	0.05
Disallowances u/s 43 B of Income Tax Act	4.45	-
Carried forward tax losses	55.55	
Others	-	-
Less : Deferred Tax Liability	**49.80**	**-**
Property, plant and equipment and Intangible Assets	49.80	-
Others	-	-
Total	**11.40**	**0.05**

1. Reconciliation of deferred tax assets / (liabilities), net ₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance as at 1 April	**0.05**	**-**
Assumed in business combination (Refer Note 32.5.10)	(50.86)	-
Tax income/(expense) during the year recognized in profit or loss	61.92	0.05
Tax income/(expense) during the year recognized in OCI	0.29	-
Closing balance as at 31 March	**11.40**	**0.05**

2. Tax Losses ₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unused tax losses for which no Deferred Tax Assets have been recognized	-	-
Potential Tax benefit	-	-

3. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

4. Deferred tax is measured on temporary differences at the rate of 25.168% (Refer Note 31).

Note 7 : Inventories

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	**70.39**	**-**
Raw materials and components	70.39	-
Raw materials in transit	-	-
Work-in-progress	204.99	-
Finished goods	185.31	-
Traded goods	67.48	-
Total	**528.17**	**-**

Notes:
1. Refer Note 17 for information on inventory hypothecation with bankers for the purpose of Working Capital facilities.

Note 8 : Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total Trade Receivables	**499.73**	**-**
Trade receivables	499.73	-
Break-up for security details:	**499.73**	**-**
Secured considered good	-	-
Unsecured considered good	499.73	-
Doubtful	-	-
Loss Allowance (for expected credit loss under simplified approach)	-	-
Total	**499.73**	**-**

Trade receivable which have significant increase in credit risk: ₹ Nil (31 March 2021 : Nil)
Trade receivable - credit impaired : ₹ Nil (31 March 2021 : Nil)

Notes:

1. Trade receivables are measured at amortized cost.
2. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade and other receivable due from firms and private companies respectively in which any director is a partner, a director or a member as on 31 March 2022 (31 March 2021 : Nil)
3. Refer Note 32.5.8 for terms and conditions related to related party receivables

4. Movement of Loss Allowance (for expected credit loss under simplified approach)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	-	-
Provided during the year	-	-
Written off	-	-
Closing Balance	**-**	**-**

5. Refer Note - 32.5.14 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired

6. Ageing analysis of Trade Receivables

As at 31 March 2022 **₹ in Lakhs**

Particulars	Unbilled dues	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	354.26	145.47	-	-	-	-	499.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**354.26**	**145.47**	**-**	**-**	**-**	**-**	**499.73**

There are no outstanding trade receivables as on 31 March 2021

Note 9 : Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with Bank		
Current accounts and debit balance in cash credit accounts	1.12	5.00
Cash on hand	0.01	-
Total	**1.13**	**5.00**

Notes:

1. Refer Note - 32.5.14 on Risk Management objectives and policies for Financial Instruments

Note 10 : Loans (Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees (unsecured, considered good)	3.68	-
Total	**3.68**	**-**

Notes:

1. Loans are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 on Risk Management objectives and policies for Financial Instruments

Note 11 : Other financial assets (Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Other Receivables	2.79	-
Total	**2.79**	**-**

Notes:

1. Other financial assets are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 on Risk Management objectives and policies for Financial Instruments
3. None of the receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no receivables due from firms and private companies respectively in which any director is a partner, a director or a member as on 31 March 2022 (31 March 2021 : Nil)

Note 12 : Other current assets

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Advance to suppliers	14.46	-
GST receivable	24.42	-
Prepaid expenses	3.73	3.06
Others	1.38	-
Total	**43.99**	**3.06**

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 13 : Share capital

Authorized share capital
Equity shares of ₹ 10 each

Particulars	No. of shares	₹ in Lakhs
At 19 February 2021	-	-
Increase/(decrease) during the year	50,000	5.00
At 31 March 2021	**50,000**	**5.00**
Increase/(decrease) during the year	89,50,000	895.00
At 31 March 2022	**90,00,000**	**900.00**

Issued, Subscribed and fully paid up
Equity shares of ₹ 10 each

Particulars	No. of shares	₹ in Lakhs
As at 19 February 2021	-	-
Changes during the year	50,000	5.00
At 31 March 2021	**50,000**	**5.00**
Changes during the year	85,00,000	850.00
At 31 March 2022	**85,50,000**	**855.00**

Terms/Rights attached to the equity shares

1. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3. Shares held by holding company

Particulars	As at 31 March 2022	As at 31 March 2021
La-Gajjar Machineries Private Limited		
No. of Equity shares of ₹ 10 each	85,49,999	49,999
Face value of Equity share holding (₹ in Lakhs)	855.00	5.00
Equity share holding (%)	100.00%	100.00%

4. No of shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As at 31 March 2022	As at 31 March 2021
La-Gajjar Machineries Private Limited		
No. of Equity shares of ₹ 10 each	85,49,999	49,999
Equity share holding (%)	100.00%	100.00%

5. Disclosure of Shareholding of Promoters

Promoter name	Class of Shares	As at 31 March 2022		As at 31 March 2021		% Change during the year
		No. of Shares	%of total shares	No. of Shares	%of total shares	
La-Gajjar Machineries Private Limited	Equity	85,49,999	100.00%	49,999	100.00%	17000.34%
Total		**85,49,999**	**100.00%**	**49,999**	**100.00%**	**17000.34%**

Promoter name	Class of Shares	As at 31 March 2021		As at 16 February 2021		% Change during the year
		No. of Shares	%of total shares	No. of Shares	%of total shares	
La-Gajjar Machineries Private Limited	Equity	49,999	100.00%	-	0.00%	100.00%
Total		**49,999**	**100.00%**	**-**	**0.00%**	**100.00%**

Note 14 : Other Equity

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
RETAINED EARNINGS	**(198.52)**	**(0.96)**
Opening Balance	(0.96)	-
Add : Profit for the year	(184.17)	(0.96)
Add : Other Comprehensive income / (Loss)	(0.87)	-
	(185.04)	**(0.96)**
Less : Appropriations		
Expenses Incurred on Issuance of Equity Shares	12.52	-
	12.52	**-**
Total	**(198.52)**	**(0.96)**

Note 15 : Borrowings (Non-current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans from bank	**466.50**	**-**
Term loans	466.50	-
Total	**466.50**	**-**

Notes:

1. Borrowings are measured at amortised cost. Refer Note 32.5.13

2. Refer Note - 32.5.14 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes

3. Term Loan from Banks

Working capital term loan of ₹ 550 lakhs and Rupee term loan of ₹ 57 lakhs borrowed from ICICI Bank is secured by :

(i) Exclusive charge by way of hypothecation of entire stocks of raw materials, stocks in process, stores and spares, packing materials, finished goods and book debts and all current assets of the Company.

(ii) Exclusive charge by way of hypothecation of movable fixed assets

Working capital term loan from ICICI Bank is repayable in 6 equal quarterly installments commencing from March 2023. Interest rate is Repo rate plus 5%.

Rupee Term Loan from ICICI Bank is repayable in 6 equal quarterly installments commencing from March 2022. Interest rate is Repo rate plus 5%.

4. Maturity profile of Term Loan from Banks

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Upto Three Months	8.16	-
More than Three Months Up to One Year	116.16	-
More than One Year up to Three Years	466.50	-
More than Three Years Up to Five years	-	-

5. Borrowings from banks have been utilized for the specific purpose for which it were taken.

6. The Company has not been declared as willful defaulter by any bank.

7. For borrowings secured against current assets, periodic returns and statements filed by the Company with the Banks are in agreement with books of accounts.

7. For borrowings secured against current assets, periodic returns and statements filed by the Company with

8. As at the reporting dates, none of the charges or satisfaction of charges are yet to registered with ROC beyond the statutory time limit.

Note 16 : Provisions (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits	**13.81**	**-**
Provision for gratuity	13.81	-
Others	**1.50**	**-**
Provision for warranty	1.50	-
Total	**15.31**	**-**

Notes:
1. Refer Note 21 Provisions (current)

Note 17 : Borrowings

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Secured loans from bank		
Cash credit	230.64	-
Working capital demand loans	200.00	-
Current maturity of long term loans	124.32	-
Total	**554.96**	**-**

Notes:

1. Borrowings are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes
3. The Company has availed cash credit facility of ₹ 800 lakhs from ICICI Bank for meeting working capital requirements. Company has also availed working capital demand loan facility of ₹ 800 lakhs from ICICI Bank as a sub-limit of Cash Credit facility. The facilities are secured by:

(i) Exclusive charge by way of hypothecation of entire stocks of raw materials, stocks in process, stores and spares, packing materials, finished goods and book debts and all current assets of the Company.

(ii) Exclusive charge by way of hypothecation of movable fixed assets

4. Interest rate is as follows:

- Repo rate + 4.75% on Cash credit facility from ICICI
- Repo rate + 4% on Working credit demand loan facility from ICICI

5. Unutilized portion of Company's Cash credit and working capital demand loan facilities is ₹ 369.36 Lakhs (31 March 2021 : Not applicable)
6. Borrowings from banks have been utilized for the specific purpose for which it were taken.
7. The Company has not been declared as willful defaulter by any bank.
8. For borrowings secured against current assets, periodic returns and statements filed by the Company with the Banks are in agreement with books of accounts.
9. As at the reporting dates, none of the charges or satisfaction of charges are yet to registered with ROC beyond the statutory time limit.

Note 18 : Trade and other payables

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Due to micro, small and medium enterprises	14.21	-
Due to other than micro, small and medium enterprises	238.35	4.02
Total	**252.56**	**4.02**

Notes:

1. Trade payables are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes
3. Due to Micro, Small and Medium Enterprises includes provision of interest to MSME of ₹ Nil (31 March 2021 : Nil)
4. Refer Note 32.5.8 for terms and conditions related to related party payables
5. Refer Note - 32.5.6 for disclosures pursuant to The Micro, Small and Medium Enterprises Development Act 2006.

6. Ageing analysis of Trade Payables

As at 31 March 2022

₹ in Lakhs

Particulars	Unbilled dues	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Micro and Small Enterprises ("MSME")	6.39	7.82	-	-	-	-	-	14.21
Others	28.54	204.77	5.04	-	-	-	-	238.35
Disputed dues – Micro and Small Enterprises ("MSME")	-	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-	-
Total	**34.93**	**212.59**	**5.04**	**-**	**-**	**-**	**-**	**252.56**

As at 31 March 2021

₹ in Lakhs

Particulars	Unbilled dues	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Micro and Small Enterprises ("MSME")	-	-	-	-	-	-	-	-
Others	0.45	3.57	-	-	-	-	-	4.02
Disputed dues – Micro and Small Enterprises ("MSME")	-	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-	-
Total	**0.45**	**3.57**	**-**	**-**	**-**	**-**	**-**	**4.02**

Note 19 : Other financial liabilities (Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Employee benefits payable	16.23	-
Total	**16.23**	**-**

Notes:

1. Other financial liabilities are measured at amortised cost. Refer Note 32.5.13
2. Refer Note - 32.5.14 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes

Note 20 : Other Current liabilities (Current)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Advance from customers	90.20	-
Statutory dues including provident fund and tax deducted at source	6.96	0.05
Others	2.59	-
Total	**99.75**	**0.05**

Note 21 : Provisions (Current)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Provision for employee benefits	**3.89**	**-**
Provision for gratuity	0.14	-
Provision for compensated absence	3.75	-
Others	**6.39**	**-**
Provision for warranty	6.39	-
Total	**10.28**	**-**

Note :

1. Employee benefits obligations

a. Gratuity

The Company provides for gratuity to employees as per the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is unfunded plan.

Refer Note - 32.5.5 for further details

b. Compensated absences

The leave obligation cover the Company's liability for earned leaves which is expected to be paid off in next 12 months.

2. Other provisions

a. Warranty

Warranty is provided to customers at the time of sale of pumpsets. Warranty cost includes expenses in connection with repairs, free replacement of parts / engines and after sales services during warranty period.

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of reporting period. It is expected that majority of these costs will be incurred in the next financial year and balance will be incurred in following years. Management estimates the provision based on frequency and average cost of warranty claims and estimates regarding possible future incidences based on actions on product failures.

Particulars	**₹ in Lakhs**
At 1 April 2021	**-**
Arising during the year	9.25
Utilized	1.36
Unused amount reversed	-
At 31 March 2022	**7.89**

b. Breakup of warranty provisions

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Current	6.39	-
Non-current	1.50	-
Total	**7.89**	**-**

Note 22 : Revenue from operations

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Sales and services	**3,896.05**	**-**
Sale of products	3,896.05	-
Other operating income	**123.98**	**-**
Sale of scrap	123.98	-
Total	**4,020.03**	**-**

Notes:

1. Refer Note - 32.4.14 for explanations on the Company's revenue recognition policies

Note 23 : Other income

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Interest income on financial assets measured at amortized cost		
(i) Bank Deposits	0.05	-
Miscellaneous income	0.88	-
Total	**0.93**	**-**

Note 24 : Cost of raw materials and components consumed

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Raw materials and components consumed	3,298.94	-
Freight and other direct expenses	3.54	-
Total	**3,302.48**	**-**

Note 25 : Purchases of Traded goods

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Pumpsets	309.63	-
Others	90.23	
Total	**399.86**	**-**

Note 26 : Changes in inventories of finished goods, work-in-progress and traded goods

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Opening inventory	**-**	**-**
Work-in-process	-	-
Finished goods	-	-
Traded goods	-	-
Acquired in Business Combination	**160.59**	**-**
Work-in-Progress	112.10	-
Finished Goods	47.35	-
Traded Goods	1.14	-
Closing Inventory	**457.78**	**-**
Work-in-process	204.99	-
Finished goods	185.31	-
Traded goods	67.48	-
(Increase)/decrease in inventory	**(297.19)**	**-**
Total	**(297.19)**	**-**

Note 27 : Employee benefits expense

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Salaries, wages, bonus, commission, etc.	154.07	-
Gratuity (Refer Note 32.5.5)	0.76	-
Contribution to provident and other funds	10.24	-
Welfare and training expenses	5.46	-
Total	**170.53**	**-**

Note 28 : Finance costs

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Interest & discounting charges	45.23	-
Interest on Lease Liability	9.88	-
Other Finance cost	19.53	-
Total	**74.64**	**-**

Note 29 : Depreciation and amortization expense

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Depreciation and amortization expense	**80.40**	**-**
Depreciation on Tangible & ROU Asset	70.57	-
Amortization on Intangible assets	9.83	-
Total	**80.40**	**-**

Note 30 : Other expenses

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Manufacturing expenses	**288.92**	**-**
Stores consumed	77.53	-
Power and fuel	55.91	-
Repairs to machinery	20.87	-
Job work charges	25.78	-
Labour charges	104.24	-
Other manufacturing expenses	4.59	-
Selling expenses	**48.75**	**-**
Freight and forwarding	31.92	-
Warranty	9.25	-
Advertisement and publicity	7.13	-
Others selling expenses	0.45	-
Administration expenses	**198.66**	**1.01**
Rates and taxes	0.56	-
Insurance	2.19	-
Other repairs and maintenance	24.06	-
Travelling and conveyance	29.95	-
Communication expenses	2.76	-
Printing and stationery	1.42	-
Legal and Professional charges	121.23	-
Auditor's remuneration (Refer Note 32.5.3)	8.13	0.50
Spend on CSR activities (Refer Note 32.5.4)	-	-
Preliminary expenses	-	0.51
Miscellaneous expenses	8.36	-
Total	**536.33**	**1.01**

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 31 : Income tax

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Current tax	**-**	**-**
Current income tax	-	-
Deferred tax	**(61.92)**	**(0.05)**
Relating to origination and reversal or temporary difference	(61.92)	(0.05)
Income tax expense reported in the statement of profit and loss	**(61.92)**	**(0.05)**

Other Comprehensive Income (OCI) **-** **₹ in Lakhs**

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Deferred tax related to items recognized in OCI during the year		
Net loss/(gain) on actuarial gains and losses	0.29	-
Deferred tax charged to OCI	**0.29**	**-**

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31 March 2022 and 31 March 2021.

Current tax **₹ in Lakhs**

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Accounting profit before income tax expense	(246.09)	(1.01)
Tax @ 25.168%	**(61.94)**	**(0.25)**
Tax effect of adjustments in calculating taxable income:	**0.02**	**0.20**
Disallowance under IT	0.02	
Preliminary Expenses U/s 35D of Income tax Act	-	0.08
Business Loss not allowed for carry forward	-	0.12
At the effective income tax rate of 25.16% (PY : 4.96%)	**(61.92)**	**(0.05)**

NOTE 32: NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate Information

The Company is a Private Limited Company domiciled in India and is incorporated under the provisions of the Companies Act 2013. The registered office of the Company is located at Sr. No. 298/P 375/P-1, Panchratna Ind Estate, Tal. Sanand, Changodar, Ahmedabad – 382 213. The equity shares of the Company are not listed on any stock exchanges in India.

The Company is a subsidiary Company of La-Gajjar Machineries Private Limited.

The Company is engaged in the business of manufacturing and sales of Cables, Pipes, Submersible Pumps, Electric Motors, Electrical Panels and spares thereof. On 24th March 2021, the Company had entered into definitive Business Transfer Agreement (BTA) with Optiflex Industries, a partnership firm engaged in manufacturing and sales of Wires, Cables and Pipes. The business transfer was completed on 16th April 2021 on execution of Slump Sale Agreement (SSA).

The Board of Directors of the Company, in its meeting held on 24th March 2021, approved issue of 85,00,000 equity shares of face value of Rs. 10/- each for cash at par, on rights basis to the existing equity shareholders of the Company as on 25th March 2021. Accordingly, offer letters were issued to the existing shareholders of the Company on 25th March 2021. Offer period for subscribing to the equity shares was open from 1st April 2021 to 7th April 2021. La-Gajjar Machineries Private Limited subscribed to the whole issue of 85,00,000 equity shares. Accordingly, La-Gajjar Machineries Private Limited, made payment of subscription money to the Company on 7th April 2021.

The standalone financial statements were approved by the Board of Directors and authorized for issue on 29 April, 2022.

2. Basis of preparation of Financial Statements

The Company's standalone financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with rule 7 of the companies (Accounts) Rules, 2014. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

The standalone financial statements have been prepared on a historical cost basis, except for,

(i) the investments which have been measured at fair value as they are classified as fair value through profit or loss or fair value through other comprehensive income.
(ii) defined benefit plans - plan assets measured at fair value.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

3.1. Judgements

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

Leases

The Company has applied provisions of Ind AS 116 from the date of incorporation. The said standard provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involves significant judgment.

Revenue recognition

The Company generally recognizes revenue when the performance obligation is satisfied at a point in time when the control is transferred i.e. either on shipment or upon delivery.

3.2. Estimates and assumptions

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

Defined benefit plans

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

The most sensitive parameter is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are mainly based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 31.5.5

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Warranty

The Company recognises provision for warranties in respect of the certain products that it sells. The estimates are established using, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures.

Impairment of Goodwill recognized under business combination

The Company estimates whether goodwill accounted under business combination has suffered any impairment on annual basis. For this purpose, the recoverable amount of the CGU was determined based on value in use calculations which require the use of assumptions.

Uncertainty relating to Global health pandemic on COVID-19

The Company's operation has and may continue to be impacted by the outbreak of COVID 19 virus. The effects of COVID-19 virus to the global economy include effect to economic growth, increase in credit risk, and the fluctuation of foreign currency exchange rates and disruption of business operation. The future effects of the outbreak of COVID-19 virus to the Company are unclear at this time. Nevertheless, as at the date of this report, management of the Company is of the opinion that the outbreak of the COVID-19 has no significant impact to the operational activities of the Company.

4. Significant Accounting Policies

4.1. Current Vs Non-Current Classification

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

An asset is current when it is:

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

All other assets are classified as non - current.

A liability is current when it is:

a. Expected to be settled in normal operating cycle
b. Held primarily for the purpose of trading
c. Due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

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

4.2. Fair value measurement

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

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

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

The Company measures the fair value of an asset or a liability assuming that market participants would use it when pricing the asset or liability and that market participants act in their best economic interest.

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

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

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

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

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

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

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

Methods and assumptions used to estimate the fair values are consistently followed.

4.3. Property, Plant and Equipment

a. Property, plant and equipment; and capital work in progress are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Standalone Statement of Profit and Loss as incurred.

b. Capital work-in-progress comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

c. Own manufactured assets are capitalised at cost including an appropriate share of allocable expenses.

Depreciation

Depreciation is charged on the basis of useful life of assets on Straight Line method which are as follows:

Asset Category	Life in Years	Basis for useful life
Leasehold improvements	Lease Period	Amortised over lease period
Plant & Equipment	15	Life as prescribed under Schedule-II of Companies Act, 2013
Computers - End user devices, such as, desktops, laptops, etc.	3	Life as prescribed under Schedule-II of Companies Act, 2013
Electrical Installations	10	Life as prescribed under Schedule-II of Companies Act, 2013
Furniture & Fixture	10	Life as prescribed under Schedule-II of Companies Act, 2013
Office Equipment	5	Life as prescribed under Schedule-II of Companies Act, 2013

- Used assets obtained under Business Combination are measured based on their remaining useful life / as per the valuation report as on the date of acquisition.
- Depreciation on additions is provided from the beginning of the month in which the asset is ready to use.
- Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata basis up to the end of the month prior to the month in which such assets are sold, discarded or demolished.

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

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

Security:
As at 31st March 2022, Properties, Plant & Equipment with a carrying amount of ₹ 280.29 Lakhs are subject to first charge to secure bank loan. Refer note 15 “Borrowings”.

4.4. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are recorded at the consideration paid for its acquisition. In case of internally generated intangible assets, expenditure incurred in development phase, where it is reasonably certain that the outcome of development will be commercially exploited to yield future economic benefits to the Company, is considered as an intangible asset. Such developmental expenditure is capitalized at cost including a share of allocable expenses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised by using Straight Line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset maybe impaired. Amortisation of Intangible assets is included in the depreciation and amortisation in the Standalone Statement of Profit and Loss.

Sr. No.	Asset category	Life in years
1	Customer Relationship	5 years
2	Technical Knowhow	5 years
3	Brands	10 years

The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

4.5. Borrowing cost

Borrowing Costs net of any investment income from temporary investment of related borrowings that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which these are incurred.

4.6. Impairment of Non financial assets

The Company assesses at each balance sheet date whether there is any indication due to internal or external factors that an asset or a group of assets comprising a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the CGU to which the asset belongs is less than the carrying amount of the assets or the CGU as the case may be, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

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. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised or relates to a change in the estimate of the recoverable amount in the previous periods.

4.7. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

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

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- Financial assets at amortised cost :

A financial asset is measured at amortised cost if:

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

After initial measurement, such financial assets are subsequently measured by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset if applicable. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

- Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

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

After initial measurement, such financial assets, until they are derecognised or reclassified, are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the statement of profit and loss.

- Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments issued by joint venture are measured at cost.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

After initial measurement, such financial assets are subsequently measured at fair value with unrealised gains or losses recognised in the statement of profit and loss.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the

Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of Profit and loss.

FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

(v) Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost.
- Financial assets that are debt instruments and are measured as at FVOCI
- Lease receivables under Ind AS 116
- Trade receivables under Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables resulting from transactions within the scope of Ind AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not derecognize impairment allowance from the gross carrying amount.
- Loan commitments: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

(ii) Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, financial liabilities are classified and measured as follows:

- Financial liabilities at fair value through profit or loss

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

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

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

- Loans and Borrowings at amortised Cost

  This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

4.8. Leases

Lease is a contract that provides to the customer (lessee) the right to use an identified asset for a period of time in exchange for consideration.

a. Company as a lessee

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Company considers that lease to be no longer enforceable. Also according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

Right-of-use Asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease Liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Lease Modification

For a lease modification that is not accounted for as a separate lease, the Company accounts for the re-measurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

b. Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of profit and Loss on a straight-line basis over the term of the lease.

4.9. Inventories

a. Raw materials, components, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes all cost of purchase and incidental expenses incurred in bringing the inventories to their present location and condition.

b. Work-in-process including finished components and finished goods are valued at cost or realisable value whichever is lower. Cost includes direct materials, labour costs and a proportion of manufacturing overheads based on the normal operating capacity.

c. Materials-in-transit are valued at actual cost incurred up to the date of balance sheet.

d. Unserviceable, damaged and obsolete inventory is valued at cost or net realisable value whichever is lower.

Cost of Inventory is ascertained using weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.10. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

4.11. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961 The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the statement of Profit and Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax liabilities are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are recognised for all deductible temporary differences including, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Adoption of section 115BAA

During the year 2019-20, new section 115BAA is introduced by the CBDT. As per this section, option is given to all existing companies to either pay Income tax as per the existing rates (i.e. 30% plus applicable surcharge and cess) or as per concessional rate of 22% plus applicable surcharge and cess. This new rate is available only if company forgoes certain exemptions and deductions. Since this new rate is beneficial, company has adopted the new tax rate of 25.168% (i.e. 22% including surcharge and cess) for computing Income tax & deferred tax for year ended 31 March, 2021

Goods and Services Tax (GST)

Expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4.12. Employee benefits

a) Short Term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company makes payment to state government provident fund scheme and employee state insurance scheme which are defined contribution plans. The contribution paid/payable under the schemes is recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

(ii) Defined benefit plan

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

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

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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

(iii) Other than the Defined contribution plan and Defined benefit plan disclosed above, the Company does not offer any other Long term employment benefits or Termination benefits to its employees.

4.13. Provisions and Contingencies

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

However a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.14. Revenue recognition

The Company recognizes revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account our customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

Performance obligations are identified based on individual terms of contract. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates them. Revenue is recognized for each performance obligation either at a point in time or over time.

The incremental cost to obtain a contract are recognised as an asset if the Company expects to recover those cost over the period of contract. Company recognises the incremental costs of obtaining a contract as an expense, when incurred, if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Contract Balances

Trade Receivable

The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised when the Company performs under the contract.

Other Income

Interest Income from a Financial Asset

Interest Income from a Financial Asset is recognized using effective interest rate method.

Others

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

4.15. Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

4.16. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of cash flows exclude items which are not available for general use as at the date of the Balance sheet.

4.17. Segment reporting

a. Identification of Segments

The Company has identified Wires & Cables Business and Pipes Business as its reportable segments.

b. Allocation of common costs

Common allocable costs are allocated reportable segment based on sales of respective business segment to the total sales of the Company.

c. Unallocated items

Corporate assets and liabilities, income and expenses which relate to the Company as a whole and are not allocable to segments, are included under other reconciling items.

4.18. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of,

- the sum of consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any)
- over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

Note 5.1 : Contingent Liabilities

Contingent liabilities not provided for as on 31st March 2022 is Nil (Nil as on 31st March 2021)

Note 5.2 : Commitments

(i) Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances) as on 31st March 2022 is ₹ 0.21 lakhs (Nil as on 31st March 2021)

(ii) Aggregate amount of Bank Guarantees other than the Performance Guarantees outstanding as on 31st March 2022 is Nil (Nil as on 31st March 2021)

(iii) Leases

a. Profit and Loss information

Depreciation charge on right-of-use assets:

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Buildings	35.56	-
Total	**35.56**	**-**

Interest expense on lease liabilities

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Buildings	9.88	-
Total	**9.88**	**-**

Others

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Expense recognized in respect of low value leases	-	-
Expenses recognized in respect of short term leases	-	-
Aggregate undiscounted commitments for short-term leases	-	-

b. Maturity analysis of lease liabilities*

₹ in Lakhs

Particulars	**31 March 2022**	**31 March 2021**
Less than 1 year	31.98	-
Between 1 year to 5 years	79.32	-
More than 5 years	-	-

*Excluding interest to be accrued and paid after reporting date

c. Total cash outflow for leases

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Amortization of the lease liabilities (including advance payments)	37.78	-
Short term leases and low-value asset leases not included in the measurement of the liabilities	-	-
Total	**37.78**	**-**

d. Other information

Nature of leasing activity

The Company has leases for Factory Buildings and underlying land. Lease contracts provide for payments to increase each year at a specified rate. The Company has entered into binding lease agreements coming into effect from 1 April 2021 for land and building for five years which has lock in period up to 31 March 2025.

Extension and termination options

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company’s strategy and the economic benefits of exercising the option exceeds the expected overall cost. Existing lease agreements provides the Company with an option to extend the lease term on mutually agreed terms and conditions.

Note 5.3 : Payment to Auditors (Net of Taxes)

₹ in Lakhs

Sr. No.	Particulars	2021-22	From 19 February 2021 to 31 March 2021
A	Statutory Auditors		
	a. As Auditors		
	Audit & Assurance Fees	7.00	0.50
	Limited Review	0.90	-
	b. Certification fees	0.22	-
	c. Reimbursement of expenses	0.01	-
	Total	**8.13**	**0.50**

Note 5.4 : Expenditure on CSR Activities

As per the relevant provisions of the Companies Act, 2013, the Company is not obliged to spend for the Corporate Social Responsibility related expenses

Note 5.5 : Disclosures pursuant to Employee benefits

A. Defined contribution plans:
Amount of ₹ 10.24 Lakhs (31 March 2021 : Nil) is recognised as expenses and included in Note No. 27 "Employee Benefits Expense"

B. Defined benefit plans:
The Company has following post employment benefits which are in the nature of defined benefit plans:
(a) Gratuity

March 31, 2022 : Changes in defined benefit obligation and plan assets ₹ in Lakhs

			Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2021	**Assumed in business combination**	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 27)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Contributions by employer**	**March 31, 2022**
Gratuity (Unfunded)													
Defined benefit obligation	-	12.03	-	0.76	0.76	-	-	-	1.16		1.16		13.95
Benefit liability	-	12.03	-	0.76	0.76	-	-	-	1.16	-	1.16	-	13.95
Total benefit liability	**-**	**12.03**	**-**	**0.76**	**0.76**	**-**	**-**	**-**	**1.16**	**-**	**1.16**	**-**	**13.95**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**As at 31 March 2022**
Discount rate	7.30%
Future salary increase	8.00%
Mortality	In accordance with the Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	1.00% per anum

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity — ₹ in Lakhs

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) As at 31 March 2022
Discount rate	1% increase	(1.71)
	1% decrease	2.05
Future salary increase	1% increase	1.87
	1% decrease	(1.60)
Withdrawal rate	1% increase	(0.10)
	1% decrease	0.12

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

The followings are the expected future benefit payments for the defined benefit plan : — ₹ in Lakhs

Particulars	As at 31 March 2022
Within the next 12 months (next annual reporting period)	0.14
Between 2 and 5 years	1.13
Beyond 5 years	21.26
Total expected payments	**22.53**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31 March 2022 Years
Gratuity	18.57

C. Risk Exposure

Gratuity is a defined benefit plan and Company is exposed to the following Risks:

Asset liability Mismatch Risk : Risk arises if there is a mismatch in the duration of the assets relative to the liabilities.

Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Discount Rate Risk : A fall in the discount rate will increase the present value of the liability requiring higher provision.

Unfunded Plan Risk : This represents unmanaged risk and a growing liability. There is an inherent risk that Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in Company's financials and also benefit through return on the funds made available for the plan.

Note 5.6 : Disclosures pursuant to The Micro, Small and Medium Enterprises Development Act 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act) as at 31 Mar 2022. The disclosure pursuant to the said Act is as under:

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Total outstanding to MSME suppliers (Excluding Interest & Advance)	14.21	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest due and payable to suppliers under MSMED Act, for the payments already made	-	-
Interest due on principal amount remaining unpaid	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

Note 5.7 : Segment information

Segment information has been provided under the Notes to the Consolidated financial statements of the Company.

Note 5.8 : Related parties

Related parties have been identified as defined under paragraph 9 of Indian Accounting Standard (Ind AS) 24, “Related Party Disclosures”

(A) Description of Related Parties

i) Name of the related party and nature of relationship where control exists:

Sr. No.	Related Party Category	Company
1	Holding Company	La-Gajjar Machineries Pvt. Ltd.
2	Ultimate Holding Company	Kirloskar Oil Engines Ltd.
3	Joint Venture	ESVA Pumps India Private Limited (w.e.f. 04 October 2021)
4	Entity controlled by Key Managerial Personnel of Entity	Snow Leopard Technology Ventures, LLP
		Beluga Whale Capital Management Pte. Ltd.
5	Entity controlled by Close Member of Key Managerial Personnel of Entity	Navsai Investments Private Limited
		Kirloskar Energen Private Limited
		Lakeland Universal Ltd., BVI (upto 20 January 2022)
		Kirloskar Solar Technologies Private Limited
		Gumtree Capital Advisors LLP
		Snow Leopard Global Technology - III - LLP (upto 08 November 2021)
		Snow Leopard Infrastructure-1 LLP
6	Entity controlled by close member of Key Managerial Personnel of Holding Company	Derwent Crystal Private Limited
		La-Gajjar Blowers Private Limited
		Varuna Engineer Private Limited
		Truangle Technologies LLP
		La-Gajjar Pumps Private Limited
		Lakom Electricals Private Limited
		Sheth & Gajjar Realty LLP
		Fantasy Games LLP

ii) Key Management Personnel and their relatives:

Sr. No.	Name	Name of Relatives	Relationship
1	Sanjeev Nimkar (upto 27 January 2022)	Ashwini Nimkar	Wife
		Ishita Nimkar	Daughter
		Sakshi Nimkar	Daughter
2	Pawan Kumar Agarwal	Priti Agarwal	Wife
		Varun Agarwal	Son
		Tarun Agarwal	Son
3	Gauri Kirloskar	Christopher Kolenaty	Husband
		Pia Kolenaty	Daughter
		Maya Kolenaty	Daughter
		Atul C. Kirloskar	Father
		Arti A. Kirloskar	Mother
4	Akshay Sahni (w.e.f. 28 January 2022)	Aditi Kirloskar	Wife
		Arjun Sahni	Son
		Anoushka Sahni	Daughter
5	Udayan Gajjar (Promoter Director : La-Gajjar Machineries Private Limited)	Avaniben Gajjar	Wife
		Varun Gajjar	Son
		Laljibhai Gajjar	Father

(B) Transactions with Related Parties*

₹ in Lakhs

Sr. No.	**Name**	**2021-22**	**From 19 February 2021 to 31 March 2021**
1	**Sale of Goods**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	1,710.05	-
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	94.03	-
	Total	**1,804.08**	**-**
2	**Sales return**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	7.03	-
	Total	**7.03**	**-**
3	**Cash and Turnover Discounts**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	33.53	-
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	1.36	-
	Total	**34.89**	**-**
4	**Sale of fixed assets**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	1.71	-
	Total	**1.71**	**-**
5	**Purchase of traded goods**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	310.90	-
	Total	**310.90**	**-**
6	**Issue of share capital**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	850.00	5.00
	Total	**850.00**	**5.00**
7	**Reimbursement of expense for Deputed employees**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	52.68	-
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	17.94	-
	Total	**70.62**	**-**
8	**Reimbursement of expenses incurred on behalf of Company**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	21.97	3.57
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	3.00	-
	Total	**24.97**	**3.57**
9	**Investment in equity shares**		
	Joint venture		
	ESVA Pumps India Private Limited	441.00	
	Total	**441.00**	**-**

*All amounts above are exlcusive of applicable taxes

Outstanding Balances **₹ in Lakhs**

Sr. No.	Name	As at 31 March 2022	As at 31 March 2021
1	**Accounts receivable**		
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	4.00	
	Total	**4.00**	**-**
2	**Advance from customers**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	87.02	
	Total	**87.02**	**-**
3	**Accounts payable**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	141.50	3.57
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	5.89	-
	Total	**147.39**	**3.57**
4	**Investment in equity shares**		
	Joint venture		
	ESVA Pumps India Private Limited	441.00	-
	Total	**441.00**	**-**

Terms and conditions of transactions with related parties

Transactions entered into with related party are made in ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2021 : Nil). This assessment is undertaken during each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

As on 31 March 2022, the Company does not have any commitments towards its related parties (31 March 2021 : Nil)

Transactions with key management personnel

The Company has not entered into any transactions with its key management personnel

Note 5.9 : Loans or advances to specified persons

The Company has not granted any loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Note 5.10 : Business combinations

On 24th March, 2021, the Company had entered into definitive business transfer Agreement (BTA) with Optiflex Industries, a partnership firm engaged in manufacturing and sales of Wires, Cables and Pipes. The business transfer was completed on 16th April, 2021 on execution of Slump Sale Agreement (SSA). Optiflex was engaged in the business of manufacturing and sale of winding wires, cables and pipes. The acquisition mainly aims to achieve backward integration with the holding company.

The business is acquired for an aggregate consideration of ₹ 366.56 Lakhs after adjusting trade receivables of ₹ 104.05 Lakhs not realised and were subjected to adjustment as per the Slump sale agreement. Assets and liabilities are recorded at their fair value. Difference between purchase consideration and net identifiable assets has been recorded as goodwill. Purchase consideration paid for the acquisition is calculated after considering the net assets and estimates of future economic benefits from the business.

The Company has incurred acquisition related costs of ₹ 2.67 Lakhs on legal fees and due diligence. These costs are included in legal and professional fees under other expenses.

For period ended 31 March 2022, the business acquired from Optiflex contributed revenue of ₹ 3,690.36 Lakhs and loss before tax of ₹ 72.44 Lakhs to the Company's results.

Management estimates that there will be insignificant impact on the revenue as well as profit before tax of the company had the acquisition occurred on 1 April 2021.

The following table summarizes the recognized amounts of assets acquired, liabilities assumed and consequential goodwill as on the date of acquisition:

Particulars	**₹ in Lakhs**
Property, plant and equipment	293.02
Intangible Assets	72.38
Inventories	214.87
Trade receivables	605.12
Other assets	18.27
Borrowings	(881.41)
Deferred tax liabilities (net)	(50.86)
Trade payables	(17.09)
Provisions	(12.03)
Other payables	(2.29)
Total net identifiable assets acquired	**239.98**
Goodwill	**126.58**
Total Purchase consideration	**366.56**

This goodwill is attributed to the expected synergies due to backward integration with the holding company.

Total amount of goodwill that is expected to be deductible for tax purposes is Rs. Nil.

Note 5.11 : Earnings Per Share (Basic and Diluted)

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Profit for the year after tax (₹ in Lakhs)	(184.17)	(0.96)
Total number of equity shares at the end of the year (One Equity share of face value of ₹ 10/- each)	85,50,000	50,000
Weighted average number of equity shares for the purpose of computing Earnings Per Share	84,10,274	12,195
Basic and Diluted Earnings Per Share (in ₹)	(2.19)	(7.90)

Earnings per share are calculated in accordance with Indian Accounting Standard (Ind AS) 33, “Earnings Per Share”.

Note 5.12 : Revenue recognition

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

₹ in Lakhs

Revenue from contracts with customers	2021-22	From 19 February 2021 to 31 March 2021
Wires & Cables Business	2,698.68	-
Pipes Business	991.68	-
Others	329.67	-
Total	**4,020.03**	**-**

(B) The Company did not have any Contract Liabilities at the beginning of current financial year.

(C) The Company generally recognizes revenue when the performance obligation is satisfied at a point in time when the control is transferred i.e. either on shipment or upon delivery. The payment is due from the date of sales and are generally on terms of 0 days to 90 days.

(D) The Company is in the business of manufacturing of Wires, Cables and Pipes, and trading of Electric Pumpsets and Panels and has a single obligation of delivery of goods as per the commercial contract terms with its customers.

(E) The Company provides to its customers warranties in the forms of repairs or replacement under its standard terms for certain categories of products and recognizes a warranty provision as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

(F) As on 31st March, 2022, the Company does not have any unsatisfied performance obligation of (31 March 2021 : Nil).

(G) Reconciliation of the Company's revenue from contract price with revenue recognized in the statement of Profit and Loss is as follows:

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Revenue as per Contract	4,069.88	-
Less : Discounts and Incentives	(37.64)	-
Less : Sales return and rate differences	(12.21)	-
Total	**4,020.03**	**-**

Note 5.13 : Fair value disclosures for financial assets and financial liabilities

The management believes that the fair values of non-current financial assets (e.g., Loans and others), current financial assets (e.g., cash and cash equivalents, trade and other receivables, loans), non-current financial liabilities and current financial liabilities(e.g. Trade payables and other payables and others) approximate their carrying amounts.

Note 5.14 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other financial assets that have been derived directly from its operations. The Company has not entered into any derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors review financial risks and the appropriate risk governance framework for the Company's financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivables and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022. The analysis exclude the impact of movements in market variables on the carrying values of gratuity provisions.

The following assumption has been made in calculating the sensitivity analyses:

• The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022.

(i) Interest rate risk

a. Exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

₹ in Lakhs

Particulars	As at 31 March 2022
Long Term Fixed Interest Loans	-
Short Term Fixed Interest Loans	-
Long Term Floating Interest Loans	590.82
Short Term Floating Interest Loans	430.64

b. Interest Rate Sensitivity

₹ in Lakhs

Financial Year	Change in Interest rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2022	+50 bps	(5.11)	(5.11)
	-50 bps	5.11	5.11

The sensitivity is calculated only in respect of floating interest rate loan. It is calculated by changing the interest rates by 50 bps keeping all other factors constant.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's has not entered into any transaction in foreign currency during the year.

iii) Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations in Copper and PVR Resin prices which are linked to various external factors, which can affect the production cost of the Company and can lead to drop in operating margin. To manage this risk, processes and policies are put in place by senior management. The policies are reviewed regularly and are implemented by the central procurement team. The Company has not hedged its exposure to future commodity purchases.

₹ in Lakhs

Financial Year	Change in commodity price	Effect on profit before tax	Effect on pre-tax equity
Copper	+5%	(107.58)	(107.58)
	-5%	107.58	107.58
PVC Resin	+5%	(44.08)	(44.08)
	-5%	44.08	44.08

The sensitivity is calculated by changing the purchase price of commodities by 5% keeping all other factors constant.

iv) Other price risk

The Company does not hold investments in equity shares (except for investment in jointly controlled entity) or mutual fund as on the date of Balance Sheet and hence it is not exposed to any such risks.

b) Credit risk
Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables
Receivables are reviewed, managed and controlled for each class of customers separately. Credit exposure risk is mainly influenced by class / type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Wherever required, credit risk of receivables is further covered through letter of credit, bank guarantee, business deposits and such other forms of credit assurance schemes.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are spread over vast spectrum.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made as per the approved investment policy. Investment limits are set to minimize the concentration of risks and therefore mitigate financial loss if any.

c) Liquidity risk
The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.
In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

(i) The table below summarizes the maturity profile of the Company's financial liabilities (Excluding interest to be accrued and paid after reporting dates) :

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Year ended 31 March, 2022						
Interest bearing borrowings	430.64	8.16	116.16	466.50	-	**1,021.46**
Lease Liability	-	9.92	22.06	79.32	-	**111.30**
Other financial liabilities	-	16.23	-	-	-	**16.23**
Trade payables	-	252.56	-	-	-	**252.56**
Total	**430.64**	**286.87**	**138.22**	**545.82**	**-**	**1,401.55**
Year ended 31 March, 2021						
Interest bearing borrowings	-	-	-	-	-	**-**
Lease Liability	-	-	-	-	-	**-**
Other financial liabilities	-	-	-	-	-	**-**
Trade payables	-	4.02	-	-	-	**4.02**
Total	**-**	**4.02**	**-**	**-**	**-**	**4.02**

(ii) Net debt reconciliation
This section sets out an analysis of net debt and the movements in net debt for the year ended 31 March 2022

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	1.13	5.00
Current borrowings	(554.96)	-
Non-current borrowings	(466.50)	-
Net debt	**(1,020.33)**	**5.00**

₹ in Lakhs

Particulars	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
Net debt as on 1 April 2021	**5.00**	**-**	**-**	**5.00**
Cash flows	(3.87)	(554.96)	(466.50)	(1,025.33)
Net debt as on 31 March 2022	**1.13**	**(554.96)**	**(466.50)**	**(1,020.33)**

Note 5.15 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the current year ended 31 March 2022 in comparison to the previous year ended 31 March 2021.

Note 5.16 : Utilisation of Borrowed funds and share premium :

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, 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.

Note 5.17 : Details of Benami Properties :

The Company does not hold any Benami properties. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

Note 5.18 : Details of struck off companies :

Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

Note 5.19 : Compliance with number of layers of Companies :

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

Note 5.20 : Compliance with approved scheme of Arrangements :

The Company does not have any Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

Note 5.21 : Undisclosed income :

There are no transactions that has been not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

Note 5.22 : Details of Crypto Currency or Virtual currency :

There are no transactions that has been not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 5.23 : Disclosure of Ratios :

Ratios	Numerator	Denominator	Description	As at 31 March 2022	As at 31 March 2021	% of variance
Current Ratio	Current Assets	Current Liability	The current ratio indicates Company's overall liquidity position	1.14	1.98	-43%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	Debt-to-equity ratio compares Company's total debt to shareholders equity	1.56	-	100%
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	Debt Service coverage ratio is used to analyse the Company's ability to payoff current interest and instalments	(0.23)	-	100%
Return on Equity Ratio	Net profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	It measures the profitability of equity funds invested in the Company	-56%	-48%	17%
Inventory turnover ratio	Cost of Goods sold	Average Inventory	This ratio measures the efficiency with which a Company utilizes or manages its inventory	13.99	-	100%
Trade Receivables turnover ratio	Net Credit Sales	Average Trade Receivables	This ratio measures the efficiency at which the Company is managing the receivables	13.81	-	100%
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	This ratio indicates the number of times sundry creditors have been paid during a period	12.82	-	100%
Net capital turnover ratio	Net Sales	Working Capital	This ratio indicates a company's effectiveness in using its working capital	30.14	-	100%
Net Profit Ratio	Net Profit	Total Sales	This ratio measures the relationship between net profit and sales of the business	-5%	0%	100%
Return on Capital employed	Earning before Interest & Tax (PBIT)	Capital Employed	Return on capital employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders	-10%	-25%	-59%
Return on Investment	Share of Profit in Joint Venture	Value of Investments in Joint Venture	Return on investment (ROI) is a financial ratio used to calculate the benefit an investor will receive in relation to their investment cost	16%	0%	100%

The Company was incorporated on 19 February 2021 and commenced its operations in current year. Accordingly, ratios of current period are not comparable with the previous period.

Note 33 : Standards issued but not yet effective :

Amendment to Indian Accounting Standard Rules, 2015

The Ministry of Corporate Affairs (MCA) on 5 April 2022, vide Notification dated 23 March 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2022 and would thus be applicable for the financial year ending 31 March 2023.

The amendments to Ind As are intended to keep the Ind AS aligned with the amendments made in IFRS.

Particulars	Explanation
Amendments to Ind AS 16, "Property, Plant and Equipment"	The amendments to Ind AS 16 issued by the Ministry of Corporate Affairs amends provisions regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.
Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets"	The amendments to Ind AS 37 issued by the Ministry of Corporate Affairs amends provisions regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.
Amendments to 41, "Agriculture"	The amendments to Ind AS 41 issued by the Ministry of Corporate Affairs amends provisions to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.
Amendments to 101, "First-time Adoption of Indian Accounting Standards"	The amendments to Ind AS 101 issued by the Ministry of Corporate Affairs amends provisions to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 103, "Business Combination"	The amendments to Ind AS 103 issued by the Ministry of Corporate Affairs amends provisions to: - substitute the word 'Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)' with the words 'Conceptual Framework of Financial Reporting in Ind AS'. - add to Ind AS 103 a requirement that, for transactions and other events within the scope of Ind AS 37 , an acquirer applies Ind AS 37 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination - add to Ind AS 103 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
Ind AS 109, "Financial Instruments"	The amendments to Ind AS 109 issued by the Ministry of Corporate Affairs amends provisions to prescribe the treatment of fees involved during exchange between an existing borrower and lender of debt instruments with substantially different terms. The amendment clarifies that if an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability

Exposure Drafts

Particulars	Explanation
Amendments to Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates	The exposure draft on amendments to Ind AS 8 issued by the Institute of Chartered Accountants of India proposes amendments to introduces a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.
Amendments to Ind AS 12, "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The exposure draft on amendments to Ind AS 12 issued by the Institute of Chartered Accountants of India proposes amendments to introduce an exception to the initial recognition exemption in Ind AS 12 whereby an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments would apply to transactions that occur on or after the beginning of the earliest comparative period presented.
Amendments to: Ind AS 1, "Presentation of Financial Statements", Ind AS 34, "Interim Financial Reporting" and Ind AS 107, "Financial Instruments: Disclosures" - Disclosures of Accounting Policies	The exposure draft on amendments to Ind AS 1 issued by the Institute of Chartered Accountants of India proposes amendments whereby an entity will be required to disclose only its material accounting policy information instead of its significant accounting policies. The amendment explain how an entity can identify material accounting policy information. Consequential amendments are proposed for Ind AS 107, Financial Instruments: Disclosures, and Ind AS 34, Interim Financial Reporting.
New Indian Accounting Standard (Ind AS) 117, Insurance Contracts	The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts. Further, amendments have also been proposed to the exposure draft to add a transition option relating to comparative information about financial assets presented on initial application of Ind AS 117

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2022 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone financial statements.

Optiqua Pipes And Electricals Private Limited
Notes to the Financial Statements

Note 34 : Previous year's figures have been re-grouoed wherever considered necessary to make them comparable with those of current year :

All Amounts disclosed in financial statements and notes are presented in "Indian Rupees", which is also the Company's functional currency. All amounts have been rounded off to nearest lakhs (two decimal places), as per the requirements of Division II of Schedule III to the Act, unless otherwise stated

---

Signatures to Note 1 to 34, forming part of the financial statements

As per our attached report of even date

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

DEO NACHIKET RATNAKAR
Digitally signed by DEO NACHIKET RATNAKAR
DN: c=IN, o=Personal,
pseudonym=f37b5fdf286574d8fffc6dccff0942229914ba3562d17582e0c587fe08ef338f,
postalCode=411044, st=MAHARASHTRA,
serialNumber=4f4c821ecc6ceb98fe162678ef173882f62de8ec2b5c649d7537f4f92ee927b4,
cn=DEO NACHIKET RATNAKAR
Date: 2022.04.29 22:57:39 +05'30'

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

For and on behalf of the board of directors

Akshay Sahni
Digitally signed by Akshay Sahni
Date: 2022.04.29 14:54:06 +05'30'

AKSHAY SAHNI
Director
DIN: 00791744

Pawan Kumar Agarwal
Digitally signed by Pawan Kumar Agarwal
Date: 2022.04.29 14:54:21 +05'30'

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT - 9949

HEAD OFFICE
Suite 102, 'Orchard',
Dr. Pai Marg, Baner,
Pune - 411045.
Tel.: 020 - 27290771 / 1772 / 1773
Email : pgb@pgbhagwatca.com
Web : www.pgbhagwatca.com

INDEPENDENT AUDITOR'S REPORT

To The Members of OPTIQUA PIPES AND ELECTRICALS PRIVATE LIMITED

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS Financial Statements of OPTIQUA PIPES AND ELECTRICALS PRIVATE LIMITED (hereinafter referred to as the "Holding Company") and ESVA Pumps India Private Limited ("the Joint venture") (Holding Company and its Joint Venture together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of Changes in Equity and the consolidated statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated loss (including other comprehensive Income), consolidated changes in equity and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of consolidated Financial Statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Financial Statement.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors Report, but does not include the consolidated Financial Statements and our auditor's report thereon.

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive Income), the consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Financial Statements by the Directors of the Holding Company, 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

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

- Identify and assess the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 auditor's 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 auditor's 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statement of such entity included in the consolidated Financial Statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

P G BHAGWAT LLP * PUNE * CHARTERED ACCOUNTANTS *

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Cash Flow Statement 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors of the Holding and Joint Venture Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Holding Company and its Joint Venture company incorporated in India and the operating effectiveness of such controls, wherever applicable refer to our separate Report in "Annexure A".

   g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/ provided for by the Group to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.

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

      (i) The Company does not have any pending litigations as at March 31, 2022 which would impact its financial position.

      (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Joint Venture company.

(iv) (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or its Joint Venture or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding Company or its Joint Venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the Financial Statements, if any, no funds have been received by the holding Company or its Joint Venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company or its Joint Venture 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.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (v)(a) and (v)(b) above contain any material misstatement.

(v) The Board of Directors of the Joint Venture have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting of the Joint Venture. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) The requirement to the use of accounting software for maintaining books of account of the group, which has a feature of recording audit trail (edit log) facility is deferred to financial year commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its Joint Venture included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/ W100682

P G BHAGWAT LLP
PUNE
CHARTERED ACCOUNTANTS

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 22117695AIDINY3866
Pune
April 29, 2022

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to Consolidated Financial Statements of **Optiqua Pipes and Electrical Private Limited** ("the Holding Company") and its Joint venture incorporated in India as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company and its Joint venture incorporated in India and 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 Joint venture incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('The Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its Joint venture incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

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

We believe that the audit evidence we have obtained in respect of Holding company and its Joint venture incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

Opinion

In our opinion, the Holding company and its Joint venture incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to the Consolidated Financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, insofar as it relates to its Joint venture, is based on the confirmation from management of Joint venture.

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

Nachiket Deo
Partner
Membership Number: 117695
UDIN: 22117695AIDINY3866

Pune
Date: April 29, 2022

Optiqua Pipes And Electricals Private Limited
Consolidated Balance Sheet as at 31 March 2022

₹ in Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
I. Non-current assets		**1,146.28**	**0.05**
(a) Property, plant and equipment	1	305.11	-
(b) Capital work-in-progress	1	-	-
(c) Right-of-use assets	1	106.70	-
(d) Goodwill	2	126.58	-
(e) Other Intangible assets	2	62.55	-
(f) Financial assets			
(i) Investments	3	518.41	-
(ii) Loans	4	3.00	-
(iii) Other financial assets	5	27.89	-
(g) Deferred tax assets (net)	6	(3.96)	0.05
II.Current assets		**1,099.14**	**8.06**
(a) Inventories	7	528.17	-
(b) Financial assets			
(i) Trade receivables	8	499.73	-
(ii) Cash and cash equivalents	9	1.13	5.00
(iii) Loans	10	3.68	-
(iv) Other financial assets	11	2.79	-
(c) Current tax assets (net)		19.65	-
(d) Other current assets	12	43.99	3.06
Total Assets		**2,245.42**	**8.11**
EQUITY AND LIABILITIES			
Equity		**718.53**	**4.04**
(a) Equity share capital	13	855.00	5.00
(b) Other equity			
Retained earnings	14	(136.47)	(0.96)
Liabilities			
I. Non-current liabilities		**561.13**	**-**
(a) Financial liabilities			
(i) Borrowings	15	466.50	-
(ii) Lease liabilities	32.5.2	79.32	-
(b) Provisions	16	15.31	-
II.Current liabilities		**965.76**	**4.07**
(a) Financial liabilities			
(i) Borrowings	17	554.96	-
(ii) Trade and other payables	18		
a) total outstanding dues of micro enterprises and small enterprises		14.21	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		238.35	4.02
(iii) Lease liabilities	32.5.2	31.98	-
(iv) Other financial liabilities	19	16.23	-
(b) Other current liabilities	20	99.75	0.05
(c) Provisions	21	10.28	-
Total Equity and Liabilities		**2,245.42**	**8.11**
Significant accounting policies	32		

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

As per our attached report of even date

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 14:58:12 +05'30'

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

DEO NACHIKET RATNAKAR

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

AKSHAY SAHNI
Director
DIN: 00791744

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 14:58:41 +05'30'

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Consolidated Statement of profit and loss for the year ended 31 March 2022

₹ in Lakhs

Particulars	Note No.	2021-22	From 19 February 2021 to 31 March 2021
Income			
Revenue from operations	22	4,020.03	-
Other income	23	0.93	-
Total Income		**4,020.96**	**-**
Expenses			
Cost of raw materials and components consumed	24	3,302.48	-
Purchase of traded goods	25	399.86	-
Changes in inventories of finished goods, work-in-progress and traded goods	26	(297.19)	-
Employee benefits expense	27	170.53	-
Finance costs	28	74.64	-
Depreciation and amortisation expense	29	80.40	-
Other Expenses	30	536.33	1.01
Total Expenses		**4,267.05**	**1.01**
Profit before exceptional items and tax		**(246.09)**	**(1.01)**
Exceptional Items [Income/(Expense)]		-	-
Profit before share of profit from joint ventures and tax		**(246.09)**	**(1.01)**
Share of profit from joint ventures (net of tax)		78.02	-
Profit before tax		**(168.07)**	**(1.01)**
Tax expense		**(46.56)**	**(0.05)**
Current tax	31	-	-
(Excess)/short provision related to earlier years	31	-	-
Deferred tax	31	(46.56)	(0.05)
Profit for the year		**(121.51)**	**(0.96)**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**(1.48)**	**-**
Re-measurement gains / (losses) on defined benefit plans		(1.16)	-
Income tax effect on above	31	0.29	-
Share of Re-measurement gains / (losses) on defined benefit plans from joint ventures (net of tax)		(0.61)	
Total other comprehensive income for the year, net of tax		**(1.48)**	**-**
Total comprehensive income for the year		**(122.99)**	**(0.96)**
Earnings per equity share [nominal value per share ₹ 10/-			
Basic	32.5.10	(1.44)	(7.90)
Diluted	32.5.10	(1.44)	(7.90)
Significant accounting policies	32		

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

As per our attached report of even date

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 14:59:05 +05'30'

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

DEO NACHIKET RATNAKAR

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

AKSHAY SAHNI
Director
DIN: 00791744

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 14:59:35 +05'30'

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Consolidated Statement of changes in equity for the year ended 31 March 2022

A. Equity share capital (Note 13)

Year ended on 31 March 2022

Particulars	As at 1 April 2021	Changes in equity share capital due to prior period errors	Restated Balance As at 1 April 2021	Changes in equity share capital during the period	As at 31 March 2022
ISSUED, SUBSCRIBED AND PAID UP CAPITAL					
Equity Shares of ₹ 10/- each fully paid up					
No of shares	**50,000**	-	**50,000**	85,00,000	**85,50,000**
Amount in ₹ Lakhs	**5.00**	-	**5.00**	850.00	**855.00**

Year ended on 31 March 2021

Particulars	As at 19 February 2021	Changes in equity share capital during the period	As at 31 March 2021
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
Equity Shares of ₹ 10/- each fully paid up			
No of shares	-	50,000	**50,000**
Amount in ₹ Lakhs	-	5.00	**5.00**

B. Other equity (Note 14)

Year ended on 31 March 2022 **₹ in Lakhs**

Particulars	Reserves and surplus		Total
	Retained earnings	Remeasurement of defined benefit plans	
As at 1 April, 2021	**(0.96)**	**-**	**(0.96)**
Profit for the year	(121.51)	-	(121.51)
Other comprehensive income for the year	-	(1.48)	(1.48)
Total comprehensive income for the year	**(121.51)**	**(1.48)**	**(122.99)**
Expenses Incurred on Issuance of Equity Shares	(12.52)	-	(12.52)
As at 31 March, 2022	**(134.99)**	**(1.48)**	**(136.47)**

Year ended on 31 March 2021 **₹ in Lakhs**

Particulars	Reserves and surplus		Total
	Retained earnings	Remeasurement of defined benefit plans	
As at 19 February, 2021	**-**	**-**	**-**
Profit for the year	(0.96)	-	(0.96)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**(0.96)**	**-**	**(0.96)**
Expenses Incurred on Issuance of Equity Shares	-	-	-
As at 31 March, 2021	**(0.96)**	**-**	**(0.96)**

Significant accounting policies 32
The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 15:00:04 +05'30'

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

AKSHAY SAHNI
Director
DIN: 00791744

DEO NACHIKET RATNAKAR

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 15:00:19 +05'30'

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Consolidated Statement of cash flows for the year ended 31 March 2022

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(168.07)	(1.01)
Adjustments to reconcile profit before tax to net cash flows:	76.97	-
Add:		
Depreciation and Amortisation	80.40	-
Finance cost	74.64	-
Less:		
Interest received (Finance income)	(0.05)	-
Share of profit from joint ventures	(78.02)	-
Operating Profit before working capital changes	(91.10)	(1.01)
Changes in working capital	89.56	1.01
(Increase) / Decrease in Inventories	(313.30)	-
(Increase) / Decrease in Trade Receivable	105.39	-
Increase / (Decrease) in Trade Payables	231.71	4.02
(Increase)/Decrease in Loans	(0.61)	-
(Increase)/Decrease in Other Financial Assets	(20.04)	-
(Increase)/Decrease in Other Non-Financial Assets	(39.64)	(3.06)
Increase/(Decrease) in Other Financial Liabilities	14.09	-
Increase/(Decrease) in Non-Financial Liabilities	99.56	0.05
Increase / (Decrease) in Provisions	12.40	-
Net Cash generated / (used in) from operations	(1.54)	-
Direct taxes paid	(19.65)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	**(21.19)**	**-**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards acquisition of business from Optiflex Industries	(366.56)	-
Payment of initial direct costs for leased assets	(3.06)	-
Investment in joint venture	(441.00)	-
Proceeds from Sale of Property, Plant and Equipment	1.72	
Acquisition of Property, Plant and equipment	(48.82)	-
Interest received (Finance income)	0.05	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**(857.67)**	**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,045.95	-
Repayment of borrowings	(24.49)	-
Repayment of borrowings (Acquired from Optiflex Industries)	(881.41)	-
Proceeds from issue of equity share capital	850.00	5.00
Share issue expenses	(12.52)	-
Repayment of Lease Liability	(37.78)	-
Interest paid (finance cost)	(64.76)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**874.99**	**5.00**
Net increase / (decrease) in cash and cash equivalents	**(3.87)**	**5.00**
Opening Cash and Cash equivalents	**5.00**	**-**
Closing Cash and Cash equivalents (Refer Note 9)	**1.13**	**5.00**
Cash and cash equivalent includes-		
Current accounts and debit balance in cash credit accounts	1.12	5.00
Cash on hand	0.01	-
Total	**1.13**	**5.00**

As per our attached report of even date

For and on behalf of the board of directors

Akshay Sahni Digitally signed by Akshay Sahni Date: 2022.04.29 15:01:14 +05'30'

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

AKSHAY SAHNI
Director
DIN: 00791744

DEO NACHIKET RATNAKAR

Pawan Kumar Agarwal Digitally signed by Pawan Kumar Agarwal Date: 2022.04.29 15:02:00 +05'30'

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022

Optiqua Pipes And Electricals Private Limited
Notes to the Consolidated Financial Statements

Note 1 : Property, Plant and equipment

₹ in Lakhs

Particulars	Leasehold Improvement	Plant & Equipment	Furniture & Fixture	Office Equipment	Computers	Electrical Installation	Total	Right-of-Use Assets
Gross Block								
As At 16th February 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Deductions / Amortization	-	-	-	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-	-	-	-
Additions	8.97	25.00	2.91	0.43	11.51	-	48.82	142.26
Acquired in business combination (Refer Note 32.5.9)	-	282.40	0.64	0.77	0.79	8.42	293.02	-
Deductions / Amortization	-	-	-	-	2.13	-	2.13	-
As At 31 March 2022	**8.97**	**307.40**	**3.55**	**1.20**	**10.17**	**8.42**	**339.71**	**142.26**
Depreciation								
As At 16th February 2021	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Deductions / Amortization	-	-	-	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-	-	-	-
For the year	0.87	27.11	0.73	0.67	3.15	2.48	35.01	35.56
Additions	-	-	-	-	-	-	-	-
Deductions / Amortization	-	-	-	-	0.41	-	0.41	-
As At 31 March 2022	**0.87**	**27.11**	**0.73**	**0.67**	**2.74**	**2.48**	**34.60**	**35.56**
Net Block								
As At 16th February 2021	-	-	-	-	-	-	-	-
As At 31 Mar 2021	-	-	-	-	-	-	-	-
As At 31 March 2022	**8.10**	**280.29**	**2.82**	**0.53**	**7.43**	**5.94**	**305.11**	**106.70**

Notes :

1. For Depreciation, amortisation and security refer accounting policy Note 32.4.3
2. Refer Note - 32.4.8 on policies for Right-of-Use Assets
3. The Company does not have any CWIP as at 31 March 2022 (31st March 2021: Nil), hence disclosure of ageing schedule and completion schedule is not applicable.

Note 2 : Other Intangible assets

₹ in Lakhs

Particulars	Customer Relationships	Technical Knowhow	Brands	Total	Goodwill acquired under Business Combination
Gross Block					
As At 16th February 2021	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As At 31 Mar 2021	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-
Acquired in business combination (Refer Note 32.5.9)	0.56	29.64	42.18	72.38	126.58
Deductions	-	-	-	-	-
As At 31 March 2022	**0.56**	**29.64**	**42.18**	**72.38**	**126.58**
Amortisation					
As At 16th February 2021	**-**	**-**	**-**	**-**	**-**
For The Year	-	-	-	-	-
Deductions	-	-	-	-	-
As At 31 Mar 2021	**-**	**-**	**-**	**-**	**-**
For The Year	0.11	5.68	4.04	9.83	-
Deductions	-	-	-	-	-
As At 31 March 2022	**0.11**	**5.68**	**4.04**	**9.83**	**-**
Net Block					
As At 16th February 2021	**-**	**-**	**-**	**-**	**-**
As At 31 Mar 2021	**-**	**-**	**-**	**-**	**-**
As At 31 March 2022	**0.45**	**23.96**	**38.14**	**62.55**	**126.58**

Notes :

1. For Depreciation, amortisation refer accounting policy Note 32.4.4
2. The Company does not have any Intangible Assets under development as at 31 March 2022 (31st March 2021: Nil), hence disclosure of ageing schedule and completion schedule is not applicable.

Note 3 : Non-current investments

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted		
Investment in equity shares of joint venture		
4410000 fully paid up equity shares of ₹ 10 each of ESVA Pumps India Private Limited	518.41	-
Total	**518.41**	**-**
Aggregate value of unquoted investments	**518.41**	**-**

Notes:

1. Set out below is the joint venture of the Company as at 31st March 2022, which is material to the Company. The country of incorporation or registration is also the principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Particulars	Method of accounting	Principal place of business	Proportion of ownership interest	
			As at 31 March 2022	As at 31 March 2021
ESVA Pumps India Private Limited	Equity Method	India	49%	-

2. ESVA Pumps India Private Limited ("ESVA") is a private Company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. ESVA is engaged in the business of manufacturing and sales of electric Pumpsets and spares thereof. It is a joint-venture between Optiqua Pipes and Electricals Private Limited, Mr. V Bharanitharan (holds shares in individual capacity as well as a Partner - M/s Vahinie Engineering) and Mrs. C Shanthi (holds shares in individual capacity as well as a Partner - M/s Vahinie Engineering) w.e.f. 4th October 2021

3. Summarised financial information

The tables below provide summarised financial information of ESVA. The information disclosed reflects the amounts presented in the financial statements of ESVA and not Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies, if any.

(A) Summarised Balance Sheet as at 31st March 2022

Particulars	₹ in Lakhs
Current Assets	
Cash and cash equivalents	275.45
Other assets	1,299.54
Total current assets	**1,574.99**
Total non-current assets	**1,187.84**
Current liabilities	
Financial liabilities (excluding trade payables)	56.38
Other liabilities	1,505.13
Total current liabilities	**1,561.51**
Non-current liabilities	
Financial liabilities (excluding trade payables)	139.45
Other liabilities	37.34
Total non-current liabilities	**176.79**
Net Assets	**1,024.53**

(B) Reconciliation to carrying amounts

Particulars	₹ in Lakhs
Net assets as on 31st March 2022	1,024.53
Company's Share in %	49%
Company's Share in ₹	502.02
Goodwill	16.39
Carrying amount as on 31st March 2022	**518.41**

(C) Summarised statement of profit and loss for the period 04th October 2021 to 31st March 2022

Particulars	₹ in Lakhs
Revenue	5,262.65
Interest income	0.01
Depreciation and amortisation expenses	39.09
Interest expenses	10.79
Income tax (expenses) / Credit	29.55
Profit / (Loss) for the year	**159.20**
Other comprehensive income / (loss)	(1.26)
Total comprehensive income / (loss)	**157.94**

4. In the year ended 31st March 2022, the Company did not receive any dividend from ESVA.
5. ESVA does not have any contingent liabilities or any commitment to be executed on capital account not provided for as on 31st March 2022.

Note 4 : Loans (non current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees (unsecured, considered good)	3.00	-
Total	**3.00**	**-**

Notes:

1. Loans are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 on Risk Management objectives and policies for Financial Instruments

Note 5 : Other financial assets (non current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits		
Unsecured, considered good	27.89	-
Doubtful	-	-
Less :Loss Allowance for doubtful deposits	-	-
Total	**27.89**	**-**

Notes

1. Other financial assets are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 on Risk Management objectives and policies for Financial Instruments

Note 6 : Deferred tax Asset (net)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Deferred Tax Asset	**61.20**	**0.05**
Right of Use Assets and lease liabilities under Ind AS 116	1.16	-
Preliminary Expenses (Sec. 35D of Income Tax Act, 1961)	0.04	0.05
Disallowances u/s 43 B of Income Tax Act	4.45	-
Carried forward tax losses	55.55	
Others	-	-
Less : Deferred Tax Liability	**65.16**	**-**
Property, plant and equipment and Intangible Assets	49.80	-
Undistributed reserves of equity accounted investees	15.36	-
Others	-	-
Total	**(3.96)**	**0.05**

1. Reconciliation of deferred tax assets / (liabilities), net **₹ in Lakhs**

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance as at 1 April	**0.05**	**-**
Assumed in business combination (Refer Note 32.5.9)	(50.86)	-
Tax income/(expense) during the year recognized in profit or loss	46.56	0.05
Tax income/(expense) during the year recognized in OCI	0.29	-
Closing balance as at 31 March	**(3.96)**	**0.05**

2. Tax Losses **₹ in Lakhs**

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Unused tax losses for which no Deferred Tax Assets have been recognized	-	-
Potential Tax benefit	-	-

3. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
4. Deferred tax is measured on temporary differences at the rate of 25.168% (Refer Note 31).

Note 7 : Inventories

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	**70.39**	**-**
Raw materials and components	70.39	-
Raw materials in transit	-	-
Work-in-progress	204.99	-
Finished goods	185.31	-
Traded goods	67.48	-
Total	**528.17**	**-**

Notes:
1. Refer Note 17 for information on inventory hypothecation with bankers for the purpose of Working Capital facilities.

Note 8 : Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total Trade Receivables	**499.73**	**-**
Trade receivables	499.73	-
Break-up for security details:	**499.73**	**-**
Secured considered good	-	-
Unsecured considered good	499.73	-
Doubtful	-	-
Loss Allowance (for expected credit loss under simplified approach)	-	-
Total	**499.73**	**-**

Trade receivable which have significant increase in credit risk: ₹ Nil (31 March 2021 : Nil)
Trade receivable - credit impaired : ₹ Nil (31 March 2021 : Nil)

Notes:
1. Trade receivables are measured at amortized cost.
2. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade and other receivable due from firms and private companies respectively in which any director is a partner, a director or a member as on 31 March 2022 (31 March 2021 : Nil)
3. Refer Note 32.5.7 for terms and conditions related to related party receivables

4. Movement of Loss Allowance (for expected credit loss under simplified approach)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	-	-
Provided during the year	-	-
Written off	-	-
Closing Balance	**-**	**-**

5. Refer Note - 32.5.13 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired

6. Ageing analysis of Trade Receivables

As at 31 March 2022 **₹ in Lakhs**

Particulars	Unbilled dues	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	354.26	145.47	-	-	-	-	499.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**354.26**	**145.47**	**-**	**-**	**-**	**-**	**499.73**

There are no outstanding trade receivables as on 31 March 2021

Note 9 : Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with Bank		
Current accounts and debit balance in cash credit accounts	1.12	5.00
Cash on hand	0.01	-
Total	**1.13**	**5.00**

Notes:

1. Refer Note - 32.5.13 on Risk Management objectives and policies for Financial Instruments

Note 10 : Loans (Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans to employees (unsecured, considered good)	3.68	-
Total	**3.68**	**-**

Notes:

1. Loans are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 on Risk Management objectives and policies for Financial Instruments

Note 11 : Other financial assets (Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Other Receivables	2.79	-
Total	**2.79**	**-**

Notes:

1. Other financial assets are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 on Risk Management objectives and policies for Financial Instruments
3. None of the receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no receivables due from firms and private companies respectively in which any director is a partner, a director or a member as on 31 March 2022 (31 March 2021 : Nil)

Note 12 : Other current assets

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to suppliers	14.46	-
GST receivable	24.42	-
Prepaid expenses	3.73	3.06
Others	1.38	-
Total	**43.99**	**3.06**

Note 13 : Share capital

Authorized share capital
Equity shares of ₹ 10 each

Particulars	No. of shares	₹ in Lakhs
At 19 February 2021	-	-
Increase/(decrease) during the year	50,000	5.00
At 31 March 2021	**50,000**	**5.00**
Increase/(decrease) during the year	89,50,000	895.00
At 31 March 2022	**90,00,000**	**900.00**

Issued, Subscribed and fully paid up
Equity shares of ₹ 10 each

Particulars	No. of shares	₹ in Lakhs
As at 19 February 2021	-	-
Changes during the year	50,000	5.00
At 31 March 2021	**50,000**	**5.00**
Changes during the year	85,00,000	850.00
At 31 March 2022	**85,50,000**	**855.00**

Terms/Rights attached to the equity shares

1. The Company has only one class of equity shares having a par value of ₹ 10/- each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3. Shares held by holding company

Particulars	As at 31 March 2022	As at 31 March 2021
La-Gajjar Machineries Private Limited		
No. of Equity shares of ₹ 10 each	85,49,999	49,999
Face value of Equity share holding (₹ in Lakhs)	855.00	5.00
Equity share holding (%)	100.00%	100.00%

4. No of shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As at 31 March 2022	As at 31 March 2021
La-Gajjar Machineries Private Limited		
No. of Equity shares of ₹ 10 each	85,49,999	49,999
Equity share holding (%)	100.00%	100.00%

5. Disclosure of Shareholding of Promoters

Promoter name	Class of Shares	As at 31 March 2022		As at 31 March 2021		% Change during the year
		No. of Shares	%of total shares	No. of Shares	%of total shares	
La-Gajjar Machineries Private Limited	Equity	85,49,999	100.00%	49,999	100.00%	17000.34%
Total		**85,49,999**	**100.00%**	**49,999**	**100.00%**	**17000.34%**

Promoter name	Class of Shares	As at 31 March 2021		As at 16 February 2021		% Change during the year
		No. of Shares	%of total shares	No. of Shares	%of total shares	
La-Gajjar Machineries Private Limited	Equity	49,999	100.00%	-	0.00%	100.00%
Total		**49,999**	**100.00%**	**-**	**0.00%**	**100.00%**

Note 14 : Other Equity

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
RETAINED EARNINGS	**(136.47)**	**(0.96)**
Opening Balance	(0.96)	-
Add : Profit for the year	(121.51)	(0.96)
Add : Other Comprehensive income / (Loss)	(1.48)	-
	(122.99)	**(0.96)**
Less : Appropriations		
Expenses Incurred on Issuance of Equity Shares	12.52	-
	12.52	**-**
Total	**(136.47)**	**(0.96)**

Note 15 : Borrowings (Non-current)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Secured loans from bank	**466.50**	**-**
Term loans	466.50	-
Total	**466.50**	**-**

Notes:

1. Borrowings are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 for explanations on the Group's interest risk, Foreign currency risk and liquidity risk management processes

3. Term Loan from Banks

Working capital term loan of ₹ 550 lakhs and Rupee term loan of ₹ 57 lakhs borrowed from ICICI Bank is secured by :

(i) Exclusive charge by way of hypothecation of entire stocks of raw materials, stocks in process, stores and spares, packing materials, finished goods and book debts and all current assets of the Company.

(ii) Exclusive charge by way of hypothecation of movable fixed assets

Working capital term loan from ICICI Bank is repayable in 6 equal quarterly installments commencing from March 2023. Interest rate is Repo rate plus 5%.

Rupee Term Loan from ICICI Bank is repayable in 6 equal quarterly installments commencing from March 2022. Interest rate is Repo rate plus 5%.

4. Maturity profile of Term Loan from Banks

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Upto Three Months	8.16	-
More than Three Months Up to One Year	116.16	-
More than One Year up to Three Years	466.50	-
More than Three Years Up to Five years	-	-

5. Borrowings from banks have been utilized for the specific purpose for which it were taken.
6. The Company has not been declared as willful defaulter by any bank.
7. For borrowings secured against current assets, periodic returns and statements filed by the Company with the Banks are in agreement with books of accounts.
8. For borrowings secured against current assets, periodic returns and statements filed by the Company with the Banks are in agreement with books of accounts.

Note 16 : Provisions (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits	**13.81**	**-**
Provision for gratuity	13.81	-
Others	**1.50**	**-**
Provision for warranty	1.50	-
Total	**15.31**	**-**

Notes:
1. Refer Note 21 Provisions (current)

Note 17 : Borrowings

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Secured loans from bank		
Cash credit	230.64	-
Working capital demand loans	200.00	-
Current maturity of long term loans	124.32	-
Total	**554.96**	**-**

Notes:

1. Borrowings are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes
3. The Company has availed cash credit facility of ₹ 800 lakhs from ICICI Bank for meeting working capital requirements. Company has also availed working capital demand loan facility of ₹ 800 lakhs from ICICI Bank as a sub-limit of Cash Credit facility. The facilities are secured by:

(i) Exclusive charge by way of hypothecation of entire stocks of raw materials, stocks in process, stores and spares, packing materials, finished goods and book debts and all current assets of the Company.

(ii) Exclusive charge by way of hypothecation of movable fixed assets

4. Interest rate is as follows:

- Repo rate + 4.75% on Cash credit facility from ICICI
- Repo rate + 4% on Working credit demand loan facility from ICICI

5. Unutilized portion of Company's Cash credit and working capital demand loan facilities is ₹ 369.36 Lakhs (31 March 2021 : Not applicable)
6. Borrowings from banks have been utilized for the specific purpose for which it were taken.
7. The Company has not been declared as willful defaulter by any bank.
8. For borrowings secured against current assets, periodic returns and statements filed by the Company with the Banks are in agreement with books of accounts.

Note 18 : Trade and other payables

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Due to micro, small and medium enterprises	14.21	-
Due to other than micro, small and medium enterprises	238.35	4.02
Total	**252.56**	**4.02**

Notes:

1. Trade payables are measured at amortised cost. Refer Note 32.5.12
2. Refer Note - 32.5.13 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes
3. Due to Micro, Small and Medium Enterprises includes provision of interest to MSME of ₹ Nil (31 March 2021 : Nil)
4. Refer Note 32.5.7 for terms and conditions related to related party payables
5. Refer Note - 32.5.5 for disclosures pursuant to The Micro, Small and Medium Enterprises Development Act 2006.

6. Ageing analysis of Trade Payables

As at 31 March 2022

₹ in Lakhs

Particulars	Unbilled dues	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Micro and Small Enterprises ("MSME")	6.39	7.82	-	-	-	-	-	14.21
Others	28.54	204.77	5.04	-	-	-	-	238.35
Disputed dues – Micro and Small Enterprises ("MSME")	-	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-	-
Total	**34.93**	**212.59**	**5.04**	**-**	**-**	**-**	**-**	**252.56**

As at 31 March 2021

₹ in Lakhs

Particulars	Unbilled dues	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Micro and Small Enterprises ("MSME")	-	-	-	-	-	-	-	-
Others	0.45	3.57	-	-	-	-	-	4.02
Disputed dues – Micro and Small Enterprises ("MSME")	-	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-	-
Total	**0.45**	**3.57**	**-**	**-**	**-**	**-**	**-**	**4.02**

Note 19 : Other financial liabilities (Current)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Employee benefits payable	16.23	-
Total	**16.23**	**-**

Notes:

1. Other financial liabilities are measured at amortised cost. Refer Note 32.5.12

2. Refer Note - 32.5.13 for explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes

Note 20 : Other Current liabilities (Current)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Advance from customers	90.20	-
Statutory dues including provident fund and tax deducted at source	6.96	0.05
Others	2.59	-
Total	**99.75**	**0.05**

Note 21 : Provisions (Current)

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Provision for employee benefits	**3.89**	**-**
Provision for gratuity	0.14	-
Provision for compensated absence	3.75	-
Others	**6.39**	**-**
Provision for warranty	6.39	-
Total	**10.28**	**-**

Note :

1. Employee benefits obligations

a. Gratuity

The Company provides for gratuity to employees as per the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is unfunded plan.

Refer Note - 32.5.4 for further details

b. Compensated absences

The leave obligation cover the Company's liability for earned leaves which is expected to be paid off in next 12 months.

2. Other provisions

a. Warranty

Warranty is provided to customers at the time of sale of pumpsets. Warranty cost includes expenses in connection with repairs, free replacement of parts / engines and after sales services during warranty period.

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of reporting period. It is expected that majority of these costs will be incurred in the next financial year and balance will be incurred in following years. Management estimates the provision based on frequency and average cost of warranty claims and estimates regarding possible future incidences based on actions on product failures.

Particulars	**₹ in Lakhs**
At 1 April 2021	**-**
Arising during the year	9.25
Utilized	1.36
Unused amount reversed	-
At 31 March 2022	**7.89**

b. Breakup of warranty provisions

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Current	6.39	-
Non-current	1.50	-
Total	**7.89**	**-**

Note 22 : Revenue from operations

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Sales and services	**3,896.05**	**-**
Sale of products	3,896.05	-
Other operating income	**123.98**	**-**
Sale of scrap	123.98	-
Total	**4,020.03**	**-**

Notes:

1. Refer Note - 32.4.14 for explanations on the revenue recognition policies

Note 23 : Other income

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Interest income on financial assets measured at amortized cost		
(i) Bank Deposits	0.05	-
Miscellaneous income	0.88	-
Total	**0.93**	**-**

Note 24 : Cost of raw materials and components consumed

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Raw materials and components consumed	3,298.94	-
Freight and other direct expenses	3.54	-
Total	**3,302.48**	**-**

Note 25 : Purchases of Traded goods

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Pumpsets	309.63	-
Others	90.23	
Total	**399.86**	**-**

Note 26 : Changes in inventories of finished goods, work-in-progress and traded goods

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Opening inventory	**-**	**-**
Work-in-process	-	-
Finished goods	-	-
Traded goods	-	-
Acquired in Business Combination	**160.59**	**-**
Work-in-Progress	112.10	-
Finished Goods	47.35	-
Traded Goods	1.14	-
Closing Inventory	**457.78**	**-**
Work-in-process	204.99	-
Finished goods	185.31	-
Traded goods	67.48	-
(Increase)/decrease in inventory	**(297.19)**	**-**
Total	**(297.19)**	**-**

Note 27 : Employee benefits expense

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Salaries, wages, bonus, commission, etc.	154.07	-
Gratuity (Refer Note 32.5.4)	0.76	-
Contribution to provident and other funds	10.24	-
Welfare and training expenses	5.46	-
Total	**170.53**	**-**

Note 28 : Finance costs

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Interest & discounting charges	45.23	-
Interest on Lease Liability	9.88	-
Other Finance cost	19.53	-
Total	**74.64**	**-**

Note 29 : Depreciation and amortization expense

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Depreciation and amortization expense	**80.40**	**-**
Depreciation on Tangible & ROU Asset	70.57	-
Amortization on Intangible assets	9.83	-
Total	**80.40**	**-**

Note 30 : Other expenses

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Manufacturing expenses	**288.92**	**-**
Stores consumed	77.53	-
Power and fuel	55.91	-
Repairs to machinery	20.87	-
Job work charges	25.78	-
Labour charges	104.24	-
Other manufacturing expenses	4.59	-
Selling expenses	**48.75**	**-**
Freight and forwarding	31.92	-
Warranty	9.25	-
Advertisement and publicity	7.13	-
Others selling expenses	0.45	-
Administration expenses	**198.66**	**1.01**
Rates and taxes	0.56	-
Insurance	2.19	-
Other repairs and maintenance	24.06	-
Travelling and conveyance	29.95	-
Communication expenses	2.76	-
Printing and stationery	1.42	-
Legal and Professional charges	121.23	-
Auditor's remuneration (Refer Note 32.5.3)	8.13	0.50
Preliminary expenses	-	0.51
Miscellaneous expenses	8.36	-
Total	**536.33**	**1.01**

Note 31 : Income tax

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Current tax	**-**	**-**
Current income tax	-	-
Deferred tax	**(46.56)**	**(0.05)**
Relating to origination and reversal or temporary difference	(46.56)	(0.05)
Income tax expense reported in the statement of profit and loss	**(46.56)**	**(0.05)**

Other Comprehensive Income (OCI) -

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Deferred tax related to items recognized in OCI during the year		
Net loss/(gain) on actuarial gains and losses	0.29	-
Deferred tax charged to OCI	**0.29**	**-**

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31 March 2022 and 31 March 2021.

Current tax

₹ in Lakhs

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Accounting profit before income tax expense	(168.07)	(1.01)
Tax @ 25.168%	**(42.30)**	**(0.25)**
Tax effect of adjustments in calculating taxable income:	**(4.26)**	**0.20**
Disallowance under IT	0.02	
Preliminary Expenses U/s 35D of Income tax Act	-	0.08
Undistributed reserves of equity accounted entities	(4.28)	
Business Loss not allowed for carry forward	-	0.12
At the effective income tax rate of 27.70% (PY : 4.96%)	**(46.56)**	**(0.05)**

NOTE 32: NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate Information

The consolidated financial statements comprise of the financial statements of Optiqua Pipes and Electricals Private Limited ('The Company') and its joint venture ESVA Pumps India Private Limited (the Company and its Joint Venture together referred to as "the Group"). The Company is a Private Limited Company domiciled in India and is incorporated under the provisions of the Companies Act 2013. The registered office of the Company is located at Sr. No. 298/P 375/P-1, Panchratna Ind Estate, Tal. Sanand, Changodar, Ahmedabad – 382 213. The equity shares of the Company are not listed on any stock exchanges in India.

The Company is a subsidiary Company of La-Gajjar Machineries Private Limited.

The Group is engaged in the business of manufacturing and sales of Cables, Pipes, Submersible Pumps, Electric Motors, Electrical Panels and spares thereof. On 24th March 2021, the Company had entered into definitive Business Transfer Agreement (BTA) with Optiflex Industries, a partnership firm engaged in manufacturing and sales of Wires, Cables and Pipes. The business transfer was completed on 16th April 2021 on execution of Slump Sale Agreement (SSA).

The Board of Directors of the Company, in its meeting held on 24th March 2021, approved issue of 85,00,000 equity shares of face value of Rs. 10/- each for cash at par, on rights basis to the existing equity shareholders of the Company as on 25th March 2021. Accordingly, offer letters were issued to the existing shareholders of the Company on 25th March 2021. Offer period for subscribing to the equity shares was open from 1st April 2021 to 7th April 2021. La-Gajjar Machineries Private Limited subscribed to the whole issue of 85,00,000 equity shares. Accordingly, La-Gajjar Machineries Private Limited, made payment of subscription money to the Company on 7th April 2021.

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 29 April, 2022.

2. Basis of preparation of Financial Statements

The Group's consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with rule 7 of the companies (Accounts) Rules, 2014. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

List of investee Company considered in preparation of consolidated financial statements have been summarized below:

Name of investee companies	Relation with the Company	Proportion of effective ownership interest as at 31 March 2022	Proportion of effective ownership interest as at 31 March 2021
ESVA Pumps India Private Limited (ESVA)	Joint venture	49%	0%

The consolidated financial statements have been prepared on a historical cost basis, except for,

(i) the investments which have been measured at fair value as they are classified as fair value through profit or loss or fair value through other comprehensive income.

(ii) defined benefit plans - plan assets measured at fair value.

Basis of consolidation

When the Parent has with other entities, joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities (i.e. activities that significantly affects the investee's returns) require unanimous consent of the parties sharing the control.

The results, assets and liabilities of joint ventures are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever required.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Parent's share of profit or loss and other comprehensive income of the joint venture. Gain or loss in respect of changes in Other Equity of joint ventures resulting in divestment or dilution of stake in the joint ventures is recognised in the Statement of Profit and Loss.

On acquisition of investment in a joint venture, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve.

The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Parent's share of losses of a joint venture exceeds the Parent's interest in that joint venture, the Parent discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Parent has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

3.1. Judgements

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

Leases

The Group has applied provisions of Ind AS 116 from the date of incorporation. The said standard provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involves significant judgment.

Revenue recognition

The Group generally recognizes revenue when the performance obligation is satisfied at a point in time when the control is transferred i.e. either on shipment or upon delivery.

3.2. Estimates and assumptions

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

Defined benefit plans

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

The most sensitive parameter is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are mainly based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 31.5.5

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Warranty

The Group recognises provision for warranties in respect of the certain products that it sells. The estimates are established using, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures.

Impairment of Goodwill recognized under business combination

The Group estimates whether goodwill accounted under business combination has suffered any impairment on annual basis. For this purpose, the recoverable amount of the CGU was determined based on value in use calculations which require the use of assumptions.

Uncertainty relating to Global health pandemic on COVID-19

The Group's operation has and may continue to be impacted by the outbreak of COVID 19 virus. The effects of COVID-19 virus to the global economy include effect to economic growth, increase in credit risk, and the fluctuation of foreign currency exchange rates and disruption of business operation. The future effects of the outbreak of COVID-19 virus to the Group are unclear at this time. Nevertheless, as at the date of this report, management of the Group is of the opinion that the outbreak of the COVID-19 has no significant impact to the operational activities of the Group.

4. Significant Accounting Policies

4.1. Current Vs Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is current when it is:

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

All other assets are classified as non - current.

A liability is current when it is:

a. Expected to be settled in normal operating cycle
b. Held primarily for the purpose of trading
c. Due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

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

4.2. Fair value measurement

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

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

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

The Group measures the fair value of an asset or a liability assuming that market participants would use it when pricing the asset or liability and that market participants act in their best economic interest.

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

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

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

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

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

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

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

Methods and assumptions used to estimate the fair values are consistently followed.

4.3. Property, Plant and Equipment

a. Property, plant and equipment; and capital work in progress are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

b. Capital work-in-progress comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

c. Own manufactured assets are capitalised at cost including an appropriate share of allocable expenses.

Depreciation

Depreciation is charged on the basis of useful life of assets on Straight Line method which are as follows:

Asset Category	Life in Years	Basis for useful life
Leasehold improvements	Lease Period	Amortised over lease period
Plant & Equipment	15	Life as prescribed under Schedule-II of Companies Act, 2013
Computers - End user devices, such as, desktops, laptops, etc.	3	Life as prescribed under Schedule-II of Companies Act, 2013
Electrical Installations	10	Life as prescribed under Schedule-II of Companies Act, 2013
Furniture & Fixture	10	Life as prescribed under Schedule-II of Companies Act, 2013
Office Equipment	5	Life as prescribed under Schedule-II of Companies Act, 2013

- Used assets obtained under Business Combination are measured based on their remaining useful life / as per the valuation report as on the date of acquisition.
- Depreciation on additions is provided from the beginning of the month in which the asset is ready to use.

- Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata basis up to the end of the month prior to the month in which such assets are sold, discarded or demolished.

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

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

Security:
As at 31st March 2022, Properties, Plant & Equipment with a carrying amount of ₹ 280.29 Lakhs are subject to first charge to secure bank loan. Refer note 15 “Borrowings”.

4.4. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets are recorded at the consideration paid for its acquisition. In case of internally generated intangible assets, expenditure incurred in development phase, where it is reasonably certain that the outcome of development will be commercially exploited to yield future economic benefits to the Group, is considered as an intangible asset. Such developmental expenditure is capitalized at cost including a share of allocable expenses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised by using Straight Line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset maybe impaired. Amortisation of Intangible assets is included in the depreciation and amortisation in the Consolidated Statement of Profit and Loss.

Sr. No.	Asset category	Life in years
1	Customer Relationship	5 years
2	Technical Knowhow	5 years
3	Brands	10 years

The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

4.5. Borrowing cost

Borrowing Costs net of any investment income from temporary investment of related borrowings that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which these are incurred.

4.6. Impairment of Non financial assets

The Group assesses at each balance sheet date whether there is any indication due to internal or external factors that an asset or a group of assets comprising a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the CGU to which the asset belongs is less than the carrying amount of the assets or the CGU as the case may be, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

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. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised or relates to a change in the estimate of the recoverable amount in the previous periods.

4.7. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

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

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- Financial assets at amortised cost :

A financial asset is measured at amortised cost if:

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

After initial measurement, such financial assets are subsequently measured by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset if applicable. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

- Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets, until they are derecognised or reclassified, are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the statement of profit and loss.

- Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Equity instruments
The Group may elect to classify a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

After initial measurement, such financial assets are subsequently measured at fair value with unrealised gains or losses recognised in the statement of profit and loss.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of Profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the

		asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

(v) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost.
- Financial assets that are debt instruments and are measured as at FVOCI
- Lease receivables under Ind AS 116
- Trade receivables under Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables resulting from transactions within the scope of Ind AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 115 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

ECL 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 EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not derecognize impairment allowance from the gross carrying amount.
- Loan commitments: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

(ii) Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, financial liabilities are classified and measured as follows:

- Financial liabilities at fair value through profit or loss

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

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

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

- Loans and Borrowings at amortised Cost

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

4.8. Leases

Lease is a contract that provides to the customer (lessee) the right to use an identified asset for a period of time in exchange for consideration.

a. Group as a lessee

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Group uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Group considers that lease to be no longer enforceable. Also according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Group applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

Right-of-use Asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Group also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease Liability
Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Lease Modification
For a lease modification that is not accounted for as a separate lease, the Group accounts for the re-measurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

b. Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of profit and Loss on a straight-line basis over the term of the lease.

4.9. Inventories

a. Raw materials, components, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes all cost of purchase and incidental expenses incurred in bringing the inventories to their present location and condition.

b. Work-in-process including finished components and finished goods are valued at cost or realisable value whichever is lower. Cost includes direct materials, labour costs and a proportion of manufacturing overheads based on the normal operating capacity.

c. Materials-in-transit are valued at actual cost incurred up to the date of balance sheet.

d. Unserviceable, damaged and obsolete inventory is valued at cost or net realisable value whichever is lower.

Cost of Inventory is ascertained using weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.10. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

4.11. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961 The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the statement of Profit and Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax liabilities are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are recognised for all deductible temporary differences including, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Adoption of section 115BAA

During the year 2019-20, new section 115BAA is introduced by the CBDT. As per this section, option is given to all existing companies to either pay Income tax as per the existing rates (i.e. 30% plus applicable surcharge and cess) or as per concessional rate of 22% plus applicable surcharge and cess. This new rate is available only if Company forgoes certain exemptions and deductions. Since this new rate is beneficial, Company has adopted the new tax rate of 25.168% (i.e. 22% including surcharge and cess) for computing Income tax & deferred tax for year ended 31 March, 2021.

Adoption of section 115BAB by ESVA

During financial year 2020-21, new section 115BAB was introduced by the CBDT. As per this section, option is given to companies to either pay Income tax as per existing rates (i.e. 25% plus applicable surcharge and cess) or as per concessional rate of 15% plus applicable surcharge and cess. This new rate is available only if company forgoes certain exemptions and deductions. Since this new rate is beneficial to ESVA, ESVA has adopted the new tax rate of 17.16% (i.e. 15% plus surcharge and cess). ESVA has observed the compliance of the Section 115BAB.

Goods and Services Tax (GST)

Expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4.12. Employee benefits

a) Short Term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Group makes payment to state government provident fund scheme and employee state insurance scheme which are defined contribution plans. The contribution paid/payable under the schemes is recognised in the statement of profit and loss during the period in which the employee renders the related service. The Group has no further obligations under these schemes beyond its periodic contributions.

(ii) Defined benefit plan

The employee's gratuity fund scheme is Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

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

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

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

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

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

(iii) Other than the Defined contribution plan and Defined benefit plan disclosed above, the Group does not offer any other Long term employment benefits or Termination benefits to its employees.

4.13. Provisions and Contingencies

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

However a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.14. Revenue recognition

The Group recognizes revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account our customer’s creditworthiness.

Revenue is the transaction price the Group expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Group reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

Performance obligations are identified based on individual terms of contract. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Group reasonably estimates them. Revenue is recognized for each performance obligation either at a point in time or over time.

The incremental cost to obtain a contract are recognised as an asset if the Group expects to recover those cost over the period of contract. Group recognises the incremental costs of obtaining a contract as an expense, when incurred, if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Contract Balances

Trade Receivable

The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised when the Group performs under the contract.

Other Income

Interest Income from a Financial Asset

Interest Income from a Financial Asset is recognized using effective interest rate method.

Others
Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

4.15. Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

4.16. Cash Flow Statement
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of cash flows exclude items which are not available for general use as at the date of the Balance sheet.

4.17. Segment reporting

a. Identification of Segments

   The Group has identified Wires & Cables Business, Pipes Business and Pumpset Business as its reportable segments.

b. Allocation of common costs

   Common allocable costs are allocated reportable segment based on sales of respective business segment to the total sales of the Group.

c. Unallocated items

   Corporate assets and liabilities, income and expenses which relate to the Group as a whole and are not allocable to segments, are included under other reconciling items.

4.18. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of,

- the sum of consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any)
- over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

Note 5.1 : Contingent Liabilities

Contingent liabilities not provided for as on 31st March 2022 is Nil (Nil as on 31st March 2021)

Note 5.2 : Commitments

(i) Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances) as on 31st March 2022 is ₹ 0.21 lakhs (Nil as on 31st March 2021)

(ii) Aggregate amount of Bank Guarantees other than the Performance Guarantees outstanding as on 31st March 2022 is Nil (Nil as on 31st March 2021)

(iii) Leases

a. Profit and Loss information

Depreciation charge on right-of-use assets:

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Buildings	35.56	-
Total	**35.56**	**-**

Interest expense on lease liabilities

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Buildings	9.88	-
Total	**9.88**	**-**

Others

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Expense recognized in respect of low value leases	-	-
Expenses recognized in respect of short term leases	-	-
Aggregate undiscounted commitments for short-term leases	-	-

b. Maturity analysis of lease liabilities*

₹ in Lakhs

Particulars	**31 March 2022**	**31 March 2021**
Less than 1 year	31.98	-
Between 1 year to 5 years	79.32	-
More than 5 years	-	-

*Excluding interest to be accrued and paid after reporting date

c. Total cash outflow for leases

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Amortization of the lease liabilities (including advance payments)	37.78	-
Short term leases and low-value asset leases not included in the measurement of the liabilities	-	-
Total	**37.78**	**-**

d. Other information

Nature of leasing activity

The Company has leases for Factory Buildings and underlying land. Lease contracts provide for payments to increase each year at a specified rate. The Company has entered into binding lease agreements coming into effect from 1 April 2021 for land and building for five years which has lock in period up to 31 March 2025.

Extension and termination options

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company's strategy and the economic benefits of exercising the option exceeds the expected overall cost. Existing lease agreements provides the Company with an option to extend the lease term on mutually agreed terms and conditions.

Note 5.3 : Payment to Auditors (Net of Taxes)

₹ in Lakhs

Sr. No.	Particulars	2021-22	From 19 February 2021 to 31 March 2021
A	Statutory Auditors		
	a. As Auditors		
	Audit & Assurance Fees	7.00	0.50
	Limited Review	0.90	-
	b. Certification fees	0.22	-
	c. Reimbursement of expenses	0.01	-
	Total	**8.13**	**0.50**

Note 5.4 : Disclosures pursuant to Employee benefits

A. Defined contribution plans:
Amount of ₹ 10.24 Lakhs (31 March 2021 : Nil) is recognised as expenses and included in Note No. 27 "Employee Benefits Expense"

B. Defined benefit plans:
The Company has following post employment benefits which are in the nature of defined benefit plans:
(a) Gratuity

March 31, 2022 : Changes in defined benefit obligation and plan assets — **₹ in Lakhs**

			Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2021	**Assumed in business combination**	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 27)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Contributions by employer**	**March 31, 2022**
Gratuity (Unfunded)													
Defined benefit obligation	-	12.03	-	0.76	0.76	-	-	-	1.16		1.16		13.95
Benefit liability	-	12.03	-	0.76	0.76	-	-	-	1.16	-	1.16	-	13.95
Total benefit liability	**-**	**12.03**	**-**	**0.76**	**0.76**	**-**	**-**	**-**	**1.16**	**-**	**1.16**	**-**	**13.95**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**As at 31 March 2022**
Discount rate	7.30%
Future salary increase	8.00%
Mortality	In accordance with the Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	1.00% per anum

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity — ₹ in Lakhs

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) As at 31 March 2022
Discount rate	1% increase	(1.71)
	1% decrease	2.05
Future salary increase	1% increase	1.87
	1% decrease	(1.60)
Withdrawal rate	1% increase	(0.10)
	1% decrease	0.12

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

The followings are the expected future benefit payments for the defined benefit plan : — ₹ in Lakhs

Particulars	As at 31 March 2022
Within the next 12 months (next annual reporting period)	0.14
Between 2 and 5 years	1.13
Beyond 5 years	21.26
Total expected payments	**22.53**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31 March 2022 Years
Gratuity	18.57

C. Risk Exposure
Gratuity is a defined benefit plan and Company is exposed to the following Risks:

Asset liability Mismatch Risk : Risk arises if there is a mismatch in the duration of the assets relative to the liabilities.

Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Discount Rate Risk : A fall in the discount rate will increase the present value of the liability requiring higher provision.

Unfunded Plan Risk : This represents unmanaged risk and a growing liability. There is an inherent risk that Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in Company's financials and also benefit through return on the funds made available for the plan.

Note 5.5 : Disclosures pursuant to The Micro, Small and Medium Enterprises Development Act 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act) as at 31 Mar 2022. The disclosure pursuant to the said Act is as under:

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Total outstanding to MSME suppliers (Excluding Interest & Advance)	14.21	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest due and payable to suppliers under MSMED Act, for the payments already made	-	-
Interest due on principal amount remaining unpaid	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

Note 5.6 : Segment information

The business activities of the Group from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment.

(a) Profit (before exceptional items and tax) of reportable segment

₹ in Lakhs

Particulars	**2021-22**				
	Wires & Cables Business Segment	**Pipes Business Segment**	**Pumpsets Business Segment**	**Other Reconciling Items**	**Consolidated Total**
Segment revenue	2,698.68	991.68	329.67	-	4,020.03
Total revenue	**2,698.68**	**991.68**	**329.67**	**-**	**4,020.03**
Profit Before exceptional items and tax (excluding share of profit from Joing Venture)	**142.52**	**(6.45)**	**(92.57)**	**(289.59)**	**(246.09)**
Depreciation and Amortisation	30.57	33.06	-	16.77	80.40
Finance Cost	-	-	-	74.64	74.64
Share of profit from joint ventures (net of tax)	-	-	78.02	-	78.02

₹ in Lakhs

Particulars	**From 19 February 2021 to 31 March 2021**				
	Wires & Cables Business Segment	**Pipes Business Segment**	**Pumpsets Business Segment**	**Other Reconciling Items**	**Consolidated Total**
Segment revenue	-	-	-	-	-
Total revenue	**-**	**-**	**-**	**-**	**-**
Profit Before exceptional items and tax (excluding share of profit from Joing Venture)	**-**	**-**	**-**	**(1.01)**	**(1.01)**
Depreciation and Amortisation	-	-	-	-	-
Finance Cost	-	-	-	-	-
Share of profit from joint ventures (net of tax)	-	-	-	-	-

(b) Capital employed of reportable segment

₹ in Lakhs

Particulars	**2021-22**				
	Wires & Cables Business Segment	**Pipes Business Segment**	**Pumpsets Business Segment**	**Other Reconciling Items**	**Consolidated Total**
Assets	802.83	572.19	583.81	286.59	**2,245.42**
Liabilities	205.00	82.29	174.56	1,065.04	**1,526.89**
Capital employed	597.83	489.90	409.25	(778.45)	**718.53**

₹ in Lakhs

Particulars	**From 19 February 2021 to 31 March 2021**				
	Wires & Cables Business Segment	**Pipes Business Segment**	**Pumpsets Business Segment**	**Other Reconciling Items**	**Consolidated Total**
Assets	-	-	-	8.11	**8.11**
Liabilities	-	-	-	4.07	**4.07**
Capital employed	-	-	-	4.04	**4.04**

(c) The Company operates within a single geographical segment 'India'.

(d) The Company has made net sales exceeding 10 percent of its total revenue to a single customer of ₹ 1669.50 Lakhs (From 19 February 2021 to 31 March 2021 : Nil)

Note 5.7 : Related parties

Related parties have been identified as defined under paragraph 9 of Indian Accounting Standard (Ind AS) 24, “Related Party Disclosures”

(A) Description of Related Parties

i) Name of the related party and nature of relationship where control exists:

Sr. No.	Related Party Category	Company
1	Holding Company	La-Gajjar Machineries Pvt. Ltd.
2	Ultimate Holding Company	Kirloskar Oil Engines Ltd.
3	Joint Venture	ESVA Pumps India Private Limited (w.e.f. 04 October 2021)
4	Entity controlled by Key Managerial Personnel of Entity	Snow Leopard Technology Ventures, LLP
		Beluga Whale Capital Management Pte. Ltd.
5	Entity controlled by Close Member of Key Managerial Personnel of Entity	Navsai Investments Private Limited
		Kirloskar Energen Private Limited
		Lakeland Universal Ltd., BVI (upto 20 January 2022)
		Kirloskar Solar Technologies Private Limited
		Gumtree Capital Advisors LLP
		Snow Leopard Global Technology - III - LLP (upto 08 November 2021)
		Snow Leopard Infrastructure-1 LLP
6	Entity controlled by close member of Key Managerial Personnel of Holding Company	Derwent Crystal Private Limited
		La-Gajjar Blowers Private Limited
		Varuna Engineer Private Limited
		Truangle Technologies LLP
		La-Gajjar Pumps Private Limited
		Lakom Electricals Private Limited
		Sheth & Gajjar Realty LLP
		Fantasy Games LLP

ii) Key Management Personnel and their relatives:

Sr. No.	Name	Name of Relatives	Relationship
1	Sanjeev Nimkar (upto 27 January 2022)	Ashwini Nimkar	Wife
		Ishita Nimkar	Daughter
		Sakshi Nimkar	Daughter
2	Pawan Kumar Agarwal	Priti Agarwal	Wife
		Varun Agarwal	Son
		Tarun Agarwal	Son
3	Gauri Kirloskar	Christopher Kolenaty	Husband
		Pia Kolenaty	Daughter
		Maya Kolenaty	Daughter
		Atul C. Kirloskar	Father
		Arti A. Kirloskar	Mother
4	Akshay Sahni (w.e.f. 28 January 2022)	Aditi Kirloskar	Wife
		Arjun Sahni	Son
		Anoushka Sahni	Daughter
5	Udayan Gajjar (Promoter Director : La-Gajjar Machineries Private Limited)	Avaniben Gajjar	Wife
		Varun Gajjar	Son
		Laljibhai Gajjar	Father

(B) Transactions with Related Parties*

₹ in Lakhs

Sr. No.	Name	2021-22	From 19 February 2021 to 31 March 2021
1	**Sale of Goods**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	1,710.05	-
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	94.03	-
	Total	**1,804.08**	**-**
2	**Sales return**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	7.03	-
	Total	**7.03**	**-**
3	**Cash and Turnover Discounts**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	33.53	-
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	1.36	-
	Total	**34.89**	**-**
4	**Sale of fixed assets**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	1.71	-
	Total	**1.71**	**-**
5	**Purchase of traded goods**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	310.90	-
	Total	**310.90**	**-**
6	**Issue of share capital**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	850.00	5.00
	Total	**850.00**	**5.00**
7	**Reimbursement of expense for Deputed employees**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	52.68	-
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	17.94	-
	Total	**70.62**	**-**
8	**Reimbursement of expenses incurred on behalf of Company**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	21.97	3.57
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	3.00	-
	Total	**24.97**	**3.57**
9	**Investment in equity shares**		
	Joint venture		
	ESVA Pumps India Private Limited	441.00	
	Total	**441.00**	**-**

*All amounts above are exlcusive of applicable taxes

Outstanding Balances **₹ in Lakhs**

Sr. No.	Name	As at 31 March 2022	As at 31 March 2021
1	**Accounts receivable**		
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	4.00	
	Total	**4.00**	**-**
2	**Advance from customers**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	87.02	
	Total	**87.02**	**-**
3	**Accounts payable**		
	Holding Company		
	La-Gajjar Machineries Pvt. Ltd.	141.50	3.57
	Ultimate Holding Company		
	Kirloksar Oil Engines Limited	5.89	-
	Total	**147.39**	**3.57**
4	**Carrying value of Investment in equity shares**		
	Joint venture		
	ESVA Pumps India Private Limited	518.41	-
	Total	**518.41**	**-**

Terms and conditions of transactions with related parties

Transactions entered into with related party are made in ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2021 : Nil). This assessment is undertaken during each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

As on 31 March 2022, the Company does not have any commitments towards its related parties (31 March 2021 : Nil)

Transactions with key management personnel

The Company has not entered into any transactions with its key management personnel

Note 5.8 : Loans or advances to specified persons

The Company has not granted any loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Note 5.9 : Business combinations

On 24th March, 2021, the Company had entered into definitive business transfer Agreement (BTA) with Optiflex Industries, a partnership firm engaged in manufacturing and sales of Wires, Cables and Pipes. The business transfer was completed on 16th April, 2021 on execution of Slump Sale Agreement (SSA). Optiflex was engaged in the business of manufacturing and sale of winding wires, cables and pipes. The acquisition mainly aims to achieve backward integration with the holding company.

The business is acquired for an aggregate consideration of ₹ 366.56 Lakhs after adjusting trade receivables of ₹ 104.05 Lakhs not realised and were subjected to adjustment as per the Slump sale agreement. Assets and liabilities are recorded at their fair value. Difference between purchase consideration and net identifiable assets has been recorded as goodwill. Purchase consideration paid for the acquisition is calculated after considering the net assets and estimates of future economic benefits from the business.

The Company has incurred acquisition related costs of ₹ 2.67 Lakhs on legal fees and due diligence. These costs are included in legal and professional fees under other expenses.

For period ended 31 March 2022, the business acquired from Optiflex contributed revenue of ₹ 3,690.36 Lakhs and loss before tax of ₹ 72.44 Lakhs to the Company's results.

Management estimates that there will be insignificant impact on the revenue as well as profit before tax of the company had the acquisition occurred on 1 April 2021.

The following table summarizes the recognized amounts of assets acquired, liabilities assumed and consequential goodwill as on the date of acquisition:

Particulars	**₹ in Lakhs**
Property, plant and equipment	293.02
Intangible Assets	72.38
Inventories	214.87
Trade receivables	605.12
Other assets	18.27
Borrowings	(881.41)
Deferred tax liabilities (net)	(50.86)
Trade payables	(17.09)
Provisions	(12.03)
Other payables	(2.29)
Total net identifiable assets acquired	**239.98**
Goodwill	**126.58**
Total Purchase consideration	**366.56**

This goodwill is attributed to the expected synergies due to backward integration with the holding company.

Total amount of goodwill that is expected to be deductible for tax purposes is Rs. Nil.

Note 5.10 : Earnings Per Share (Basic and Diluted)

Particulars	2021-22	From 19 February 2021 to 31 March 2021
Profit for the year after tax (₹ in Lakhs)	(121.51)	(0.96)
Total number of equity shares at the end of the year (One Equity share of face value of ₹ 10/- each)	85,50,000	50,000
Weighted average number of equity shares for the purpose of computing Earnings Per Share	84,10,274	12,195
Basic and Diluted Earnings Per Share (in ₹)	(1.44)	(7.90)

Earnings per share are calculated in accordance with Indian Accounting Standard (Ind AS) 33, “Earnings Per Share”.

Note 5.11 : Revenue recognition

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

₹ in Lakhs

Revenue from contracts with customers	**2021-22**	**From 19 February 2021 to 31 March 2021**
Wires & Cables Business	2,698.68	-
Pipes Business	991.68	-
Pumpsets	329.67	-
Total	**4,020.03**	**-**

(B) The Company did not have any Contract Liabilities at the beginning of current financial year.

(C) The Company generally recognizes revenue when the performance obligation is satisfied at a point in time when the control is transferred i.e. either on shipment or upon delivery. The payment is due from the date of sales and are generally on terms of 0 days to 90 days.

(D) The Company is in the business of manufacturing of Wires, Cables and Pipes, and trading of Electric Pumpsets and Panels and has a single obligation of delivery of goods as per the commercial contract terms with its customers.

(E) The Company provides to its customers warranties in the forms of repairs or replacement under its standard terms for certain categories of products and recognizes a warranty provision as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

(F) As on 31st March, 2022, the Company does not have any unsatisfied performance obligation of (31 March 2021 : Nil).

(G) Reconciliation of the Company's revenue from contract price with revenue recognized in the statement of Profit and Loss is as follows:

₹ in Lakhs

Particulars	**2021-22**	**From 19 February 2021 to 31 March 2021**
Revenue as per Contract	4,069.88	-
Less : Discounts and Incentives	(37.64)	-
Less : Sales return and rate differences	(12.21)	-
Total	**4,020.03**	**-**

Note 5.12 : Fair value disclosures for financial assets and financial liabilities

The management believes that the fair values of non-current financial assets (e.g., Loans and others), current financial assets (e.g., cash and cash equivalents, trade and other receivables, loans), non-current financial liabilities and current financial liabilities(e.g. Trade payables and other payables and others) approximate their carrying amounts.

Note 5.13 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other financial assets that have been derived directly from its operations. The Company has not entered into any derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors review financial risks and the appropriate risk governance framework for the Company's financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivables and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022. The analysis exclude the impact of movements in market variables on the carrying values of gratuity provisions.

The following assumption has been made in calculating the sensitivity analyses:

• The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022.

(i) Interest rate risk

a. Exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

₹ in Lakhs

Particulars	**As at 31 March 2022**
Long Term Fixed Interest Loans	-
Short Term Fixed Interest Loans	-
Long Term Floating Interest Loans	590.82
Short Term Floating Interest Loans	430.64

b. Interest Rate Sensitivity

₹ in Lakhs

Financial Year	**Change in Interest rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
March 31, 2022	+50 bps	(5.11)	(5.11)
	-50 bps	5.11	5.11

The sensitivity is calculated only in respect of floating interest rate loan. It is calculated by changing the interest rates by 50 bps keeping all other factors constant.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's has not entered into any transaction in foreign currency during the year.

iii) Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations in Copper and PVR Resin prices which are linked to various external factors, which can affect the production cost of the Company and can lead to drop in operating margin. To manage this risk, processes and policies are put in place by senior management. The policies are reviewed regularly and are implemented by the central procurement team. The Company has not hedged its exposure to future commodity purchases.

₹ in Lakhs

Financial Year	**Change in commodity price**	**Effect on profit before tax**	**Effect on pre-tax equity**
Copper	+5%	(107.58)	(107.58)
	-5%	107.58	107.58
PVC Resin	+5%	(44.08)	(44.08)
	-5%	44.08	44.08

The sensitivity is calculated by changing the purchase price of commodities by 5% keeping all other factors constant.

iv) Other price risk

The Company does not hold investments in equity shares (except for investment in jointly controlled entity) or mutual fund as on the date of Balance Sheet and hence it is not exposed to any such risks.

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables

Receivables are reviewed, managed and controlled for each class of customers separately. Credit exposure risk is mainly influenced by class / type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Wherever required, credit risk of receivables is further covered through letter of credit, bank guarantee, business deposits and such other forms of credit assurance schemes.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are spread over vast spectrum.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made as per the approved investment policy. Investment limits are set to minimize the concentration of risks and therefore mitigate financial loss if any.

c) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

(i) The table below summarizes the maturity profile of the Company's financial liabilities (Excluding interest to be accrued and paid after reporting dates) :

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Year ended 31 March, 2022						
Interest bearing borrowings	430.64	8.16	116.16	466.50	-	**1,021.46**
Lease Liability	-	9.92	22.06	79.32	-	**111.30**
Other financial liabilities	-	16.23	-	-	-	**16.23**
Trade payables	-	252.56	-	-	-	**252.56**
Total	**430.64**	**286.87**	**138.22**	**545.82**	**-**	**1,401.55**
Year ended 31 March, 2021						
Interest bearing borrowings	-	-	-	-	-	**-**
Lease Liability	-	-	-	-	-	**-**
Other financial liabilities	-	-	-	-	-	**-**
Trade payables	-	4.02	-	-	-	**4.02**
Total	**-**	**4.02**	**-**	**-**	**-**	**4.02**

(ii) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 March 2022

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	1.13	5.00
Current borrowings	(554.96)	-
Non-current borrowings	(466.50)	-
Net debt	**(1,020.33)**	**5.00**

₹ in Lakhs

Particulars	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
Net debt as on 1 April 2021	**5.00**	**-**	**-**	**5.00**
Cash flows	(3.87)	(554.96)	(466.50)	(1,025.33)
Net debt as on 31 March 2022	**1.13**	**(554.96)**	**(466.50)**	**(1,020.33)**

Note 5.14 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the current year ended 31 March 2022 in comparison to the previous year ended 31 March 2021.

Note 5.15 : Utilisation of Borrowed funds and share premium :

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, 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.

Note 5.16 : Details of Benami Properties :

The Company does not hold any Benami properties. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

Note 5.17 : Details of struck off companies :

Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

Note 5.18 : Compliance with number of layers of Companies :

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

Note 5.19 : Compliance with approved scheme of Arrangements :

The Company does not have any Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

Note 5.20 : Undisclosed income :

There are no transactions that has been not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

Note 5.21 : Details of Crypto Currency or Virtual currency :

There are no transactions that has been not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

Note 5.22 : Additional information as required by Schedule III :

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions to preparation of Consolidated financial statements'

As at 31st March 2022	**Net assets i.e. total assets minus total liabilities**		**Share of profit or loss**		**Share of other comprehensive income**		**Share of total comprehensive income**	
	As % of consolidated net assets	**Amount**	**As a % of consolidated profit or loss**	**Amount**	**As a % of consolidated other comprehensive income**	**Amount**	**As a % of consolidated total comprehensive income**	**Amount**
Parent								
Optiqua Pipes And Electricals Private Limited	27.85%	200.12	164.21%	(199.53)	58.78%	(0.87)	162.94%	(200.40)
Joint Ventures (Investments as per the equity method) - Indian								
ESVA Pumps India Private Limited	72.15%	518.41	-64.21%	78.02	41.22%	(0.61)	-62.94%	77.41
Total	**100.00%**	**718.53**	**100.00%**	**(121.51)**	**100.00%**	**(1.48)**	**100.00%**	**(122.99)**

As at 31st March 2021	**Net assets i.e. total assets minus total liabilities**		**Share of profit or loss**		**Share of other comprehensive income**		**Share of total comprehensive income**	
	As % of consolidated net assets	**Amount**	**As a % of consolidated profit or loss**	**Amount**	**As a % of consolidated other comprehensive income**	**Amount**	**As a % of consolidated total comprehensive income**	**Amount**
Parent								
Optiqua Pipes And Electricals Private Limited	100.00%	4.04	100.00%	(0.96)	0.00%	-	100.00%	(0.96)
Total	**100.00%**	**4.04**	**100.00%**	**(0.96)**	**0.00%**	**-**	**100.00%**	**(0.96)**

Note 33 : Standards issued but not yet effective :

Amendment to Indian Accounting Standard Rules, 2015

The Ministry of Corporate Affairs (MCA) on 5 April 2022, vide Notification dated 23 March 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2022 and would thus be applicable for the financial year ending 31 March 2023.

The amendments to Ind As are intended to keep the Ind AS aligned with the amendments made in IFRS.

Particulars	**Explanation**
Amendments to Ind AS 16, “Property, Plant and Equipment”	The amendments to Ind AS 16 issued by the Ministry of Corporate Affairs amends provisions regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.
Amendments to Ind AS 37, “Provisions, Contingent Liabilities and Contingent Assets”	The amendments to Ind AS 37 issued by the Ministry of Corporate Affairs amends provisions regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.
Amendments to 41, “Agriculture”	The amendments to Ind AS 41 issued by the Ministry of Corporate Affairs amends provisions to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS’s.
Amendments to 101, “First-time Adoption of Indian Accounting Standards”	The amendments to Ind AS 101 issued by the Ministry of Corporate Affairs amends provisions to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 103, "Business Combination"	The amendments to Ind AS 103 issued by the Ministry of Corporate Affairs amends provisions to: - substitute the word ‘Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)’ with the words ‘Conceptual Framework of Financial Reporting in Ind AS’. - add to Ind AS 103 a requirement that, for transactions and other events within the scope of Ind AS 37 , an acquirer applies Ind AS 37 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination - add to Ind AS 103 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
Ind AS 109, "Financial Instruments"	The amendments to Ind AS 109 issued by the Ministry of Corporate Affairs amends provisions to prescribe the treatment of fees involved during exchange between an existing borrower and lender of debt instruments with substantially different terms. The amendment clarifies that if an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability

Exposure Drafts

Particulars	**Explanation**
Amendments to Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates	The exposure draft on amendments to Ind AS 8 issued by the Institute of Chartered Accountants of India proposes amendments to introduces a new definition of ‘accounting estimates’. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.
Amendments to Ind AS 12, "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The exposure draft on amendments to Ind AS 12 issued by the Institute of Chartered Accountants of India proposes amendments to introduce an exception to the initial recognition exemption in Ind AS 12 whereby an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments would apply to transactions that occur on or after the beginning of the earliest comparative period presented.
Amendments to: Ind AS 1, "Presentation of Financial Statements", Ind AS 34, "Interim Financial Reporting" and Ind AS 107, "Financial Instruments: Disclosures" - Disclosures of Accounting Policies	The exposure draft on amendments to Ind AS 1 issued by the Institute of Chartered Accountants of India proposes amendments whereby an entity will be required to disclose only its material accounting policy information instead of its significant accounting policies. The amendment explain how an entity can identify material accounting policy information. Consequential amendments are proposed for Ind AS 107, Financial Instruments: Disclosures, and Ind AS 34, Interim Financial Reporting.
New Indian Accounting Standard (Ind AS) 117, Insurance Contracts	The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts. Further, amendments have also been proposed to the exposure draft to add a transition option relating to comparative information about financial assets presented on initial application of Ind AS 117

The above exposure drafts have not been notified by the Ministry of Corporate Affairs (‘MCA’) to be applicable from 1 April, 2022 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Group would evaluate the impact of the change in the consolidated financial statements.

Note 34 : Previous year's figures have been re-grouoed wherever considered necessary to make them comparable with those of current year :

All Amounts disclosed in financial statements and notes are presented in "Indian Rupees", which is also the Groups's functional currency. All amounts have been rounded off to nearest lakhs (two decimal places), as per the requirements of Division II of Schedule III to the Act, unless otherwise stated

---

Signatures to Note 1 to 34, forming part of the financial statements

As per our attached report of even date

FOR P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number : 101118W/ W100682

DEO NACHIKET RATNAKAR
Digitally signed by DEO NACHIKET RATNAKAR
DN: c=IN, o=Personal, pseudonym=f37b5fdf286574d8fffc6dccff0942229914ba3562d17582e0c587fe08ef338f, postalCode=411044, st=MAHARASHTRA, serialNumber=4f4c821ecc6ceb98fe162678ef173882f62de8ec2b5c649d7537f4f92ee927b4, cn=DEO NACHIKET RATNAKAR
Date: 2022.04.29 23:02:41 +05'30'

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 29 April 2022

For and on behalf of the board of directors

Akshay Sahni
Digitally signed by Akshay Sahni
Date: 2022.04.29 15:03:22 +05'30'

AKSHAY SAHNI
Director
DIN: 00791744

Pawan Kumar Agarwal
Digitally signed by Pawan Kumar Agarwal
Date: 2022.04.29 15:03:55 +05'30'

PAWAN KUMAR AGARWAL
Director
DIN: 02723352
Pune : 29 April 2022