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# BHAT, KELKAR & CO.

## Chartered Accountants

405, B-Wing, Navare Plaza, Opp. RTO Ramnagar, Next to Swami Samarth Math, Dombivli (East). 421 201

Office : 8422851173 / 9326207394

D. S. Bhat - 9820423017, dsbhatcan@yahoo.ca, S. D. Kelkar - 9820750677, kelkarca@gmail.com

### INDEPENDENT AUDITOR'S REPORT

To the Members of **Chavare Engineering Private Limited**

**Report on the Standalone Ind AS Financial Statements**

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Chavare Engineering Private Limited ("*the Company*") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information, 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.

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 material



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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed 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 implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS financial statements.

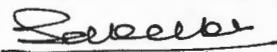
A further description of the auditor's responsibilities for the audit of the standalone Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.



## 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 Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
  - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bhat, Kelkar & co  
Chartered Accountants  
Firm's Registration No. 101285W

  
CA. Sandeep  
Kelkar  
Partner  
Membership  
No.123443

Date: 30/11/2023  
Place: Dombivli  
UDIN: 23123443BGVIBO1251





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**D. S. Bhat - 9820423017, dsbhatcan@yahoo.ca, S. D. Kelkar - 9820750677, kelkarca@gmail.com**

### Annexure A

#### Responsibilities for Audit of Standalone Ind AS Financial Statement

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 standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

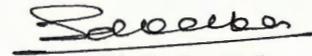
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

*For Bhat, Kelkar & Co*  
*Chartered Accountants*  
Firm's Registration No. 101285W



CA. Sandeep Kelkar  
*Partner*  
Membership No.123443

Date: 30/11/2023  
Place: Dombivli  
UDIN: 23123443BGVIBO1251





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### ANNEXURE B

#### TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure B referred to in the paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of Chavare Engineering Private Limited ('the Company') on the standalone financial statements for the year ended 31 March 2023, we report the following:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.  
The Company has maintained proper records showing full particulars of Intangible assets.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) In respect of Inventory and Working Capital
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. The discrepancies noticed on verification between the physical stock and the book records were not material.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, clause 3(iii) of the Order is not applicable.



- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investments, given any loans, guarantees, or security which attracts compliance of section 185 and section 186 of Companies act. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

vii) In respect of statutory dues:

- a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Service Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which amount relates (FY)	Forum where dispute is pending
GST	-Demand Raised-Appeal	44.98	-	Appellate Authority
				-

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix) In respect of default in repayment of borrowings:

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- 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 does not have any subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.



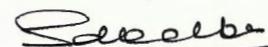
- x) In respect to funds raised and utilisation.
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi) In respect to fraud and whistle-blower complaints.
- Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - According to the information and explanations given to us, no report under subsection (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard.
- xiv) In respect of Internal Audit System
- Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) In respect of Registration under section 45-IA of RBI Act, 1934.
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - According to the information and explanations provided to us during the course of audit, the Company does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii) The Company has not incurred any loss current financial year though there was cash loss for immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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.

In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts and records the Company is not liable to spend amount as specified under section 135 of the Companies Act, 2013 in pursuance of Corporate Social Responsibility policy.

For Bhat, Kelkar & Co.  
Chartered Accountants  
(FRN: 101285W)



Partner: Sandeep Kelkar  
Membership No: 123443

Date: 30/11/2023  
Place: Dombivli  
UDIN: 23123443BGVIBO1251





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## Annexure - C to the Auditors' Report

Annexure C to the Independent Auditor's Report of even date on financial statement of M/s Chavare Engineering Private Limited on the standalone financial statements for the year ended on 31 MARCH, 2023

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

We have audited the internal financial controls over financial reporting of M/S Chavare Engineering Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes a jointly controlled operation.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company



are being made only in accordance with 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 financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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 Bhat, Kelkar & Company  
Chartered Accountants  
(FRN: 101285W)

  
Partner: CA Sandeep Kelkar  
Membership No: 123443

Place: Dombivli  
Date: 30/11/2023  
UDIN: 23123443BGVIBO1251



# **BHAT, KELKAR & CO**

405, NAVARE PLAZA, URSEKAR WADI RD, OPP. NAV DOMBIVLI SOCIETY,

NEXT TO SWAMI SAMARTH TEMPLE, DOMBIVLI EAST, 421201

CONTACT NO. 9820423017/9820750677

Financial Statements of

**Chavare Engineering Private Ltd- Standalone**

**Tax Audit Set**

**FINANCIAL YEAR:-2022-23**

**ASSESSMENT YEAR:-2023-24**

**INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT**

[Where the data of the Return of Income in Form ITR-1(SAHA), ITR-2, ITR-3, ITR-4(SUGAM), ITR-5, ITR-6, ITR-7  
filed and verified]  
(Please see Rule 12 of the Income-tax Rules, 1962)

Assessment  
Year  
2023-24

PAN	AAACC7062R		
Name	CHAVARE ENGINEERING PRIVATE LTD		
Address	Plot No. TS-19 , Phase II, Midc, Kalyan , Thane , 19-Maharashtra, 91-INDIA, 421203		
Status	7-Private company	Form Number	ITR-6
Filed u/s	139(1)-On or before due date	e-Filing Acknowledgement Number	491633051311023

Taxable Income and Tax Details			
	Current Year business loss, if any	1	0
	Total Income	2	2,81,30,740
	Book Profit under MAT, where applicable	3	0
	Adjusted Total Income under AMT, where applicable	4	0
	Net tax payable	5	70,79,945
	Interest and Fee Payable	6	3,17,704
	Total tax, interest and Fee payable	7	73,97,649
	Taxes Paid	8	73,98,024
	(+) Tax Payable /(-) Refundable (7-8)	9	(-) 380
Accreted Income and Tax Detail			
	Accreted Income as per section 115TD	10	0
	Additional Tax payable u/s 115TD	11	0
	Interest payable u/s 115TE	12	0
	Additional Tax and interest payable	13	0
	Tax and interest paid	14	0
	(+) Tax Payable /(-) Refundable (13-14)	15	0

This return has been digitally signed by RAJESH RATNAKAR CHAVARE in the capacity of  
Director having PAN AAOPC5662J from IP address 103.6.184.159 on 31-  
Oct-2023 19:23:53 at THANE (Place) DSC SI.No & Issuer 3497175 & 22920176CN=e-Mudhra  
Sub CA for Class 3 Individual 2014,OU=Certifying Authority,O=eMudhra Consumer Services Limited,C=IN

System Generated

Barcode/QR Code



AAACC7062R0649163305131102349062e599fca536f2900fd9ffde47750b905f139

**DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU**

A.Y. 2023-2024

Name : Chavare Engineering Private Ltd

P. Y. : 2022-2023

Address : Plot No. TS-19  
Phase II, Midc  
Kalyan, Thane - 421 203

P.A.N. : AAACC 7062 R

D.O.I. : 21-Jun-1996

Status : Domestic Company

Opted Tax u/s 115BAA

Statement of Income

	Rs.	Rs.	Rs.
<b>■ Profits and gains of Business or Profession</b>			
<u>Business-1</u>			
Net Profit Before Tax as per P & L a/c		2,68,22,723	
Add: Inadmissible expenses & Income not included			
Depreciation debited to P & L a/c	42,51,000		
37 disallowance	6,33,218	48,84,218	
<i>Adjusted Profit of Business-1</i>		3,17,06,941	
Total income of Business and Profession		3,17,06,941	
Less: Depreciation as per IT Act		35,76,197	
<i>Income chargeable under the head "Business and Profession"</i>			2,81,30,744
<b>■ Total Income</b>			
Total income rounded off u/s 288A			2,81,30,740
Tax on total income			61,88,763
Add: Surcharge			6,18,876
Tax with Surcharge			68,07,639
Add: Cess			2,72,306
Tax with surcharge and cess			70,79,945
TDS / TCS		18,80,024	
Advance Tax		24,68,000	
Total prepaid taxes			43,48,024
Balance Tax			27,31,921
Interest u/s 234B		1,63,914	
Interest u/s 234C		1,53,790	3,17,704
Net tax payable			30,49,625
Self-assessment tax paid			30,50,000
<b>■ Refund Due</b>			380



CHAVARE ENGINEERING PRIVATE LIMITED  
Balance Sheet as at March 31, 2023  
CIN : U29100MH1996PTC100426  
(Currency: Indian Rupees in lakhs)

	Notes	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	5	443.53	478.97	439.41
(b) Intangible Assets	6	2.87	4.78	4.97
(c) Financial assets				
(i) Investments	7	9.37	9.51	9.52
(ii) Trade Receivables	8	56.85	107.02	111.42
(iii) Other financial assets	9	296.74	17.99	8.19
(d) Deferred tax assets (Net)	10	30.62	28.37	29.25
(e) Income tax assets (Net)	11	-	-	-
(f) Other non-current assets	12	25.49	24.46	76.26
<b>Total non-current assets</b>		<b>865.47</b>	<b>671.11</b>	<b>679.01</b>
<b>2 Current assets</b>				
(a) Inventories	13	1,758.11	1,335.38	1,052.50
(b) Financial assets				
(i) Trade receivables	14	1,566.36	1,146.79	1,841.14
(ii) Cash and cash equivalents	15	48.06	613.49	28.37
(iii) Other bank balances	16	165.77	69.47	52.38
(iv) Loans	17	9.67	15.31	10.28
(c) Other current assets	18	115.89	98.85	81.91
<b>Total current assets</b>		<b>3,663.87</b>	<b>3,279.28</b>	<b>3,066.57</b>
<b>Total assets</b>		<b>4,529.34</b>	<b>3,950.39</b>	<b>3,745.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	19	400.00	400.00	400.00
(b) Other equity	20	1,419.48	1,227.84	1,156.55
<b>Total equity</b>		<b>1,819.48</b>	<b>1,627.84</b>	<b>1,556.55</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	39.00	65.38	55.47
(b) Provisions	22	27.31	28.18	22.60
<b>Total non-current liabilities</b>		<b>66.31</b>	<b>93.55</b>	<b>78.07</b>
<b>2 Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	23	23.01	626.59	393.32
(ii) Trade payables				
- Total outstanding dues of micro and small enterprises	24	-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	24	2,123.85	1,197.53	1,507.24
(iii) Other financial liabilities	25	91.75	118.37	86.36
(b) Other current liabilities	26	376.07	326.14	162.42
(c) Provisions	27	7.50	6.03	5.00
(d) Current tax liabilities	28	21.38	-45.68	-43.38
<b>Total current liabilities</b>		<b>2,643.55</b>	<b>2,228.99</b>	<b>2,110.97</b>
<b>Total liabilities</b>		<b>2,709.87</b>	<b>2,322.55</b>	<b>2,189.04</b>
<b>Total equity and liabilities</b>		<b>4,529.34</b>	<b>3,950.39</b>	<b>3,745.59</b>

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

As per our report of even date attached  
For Bhat, Kelkar & Co.  
Chartered Accountants  
Firm's Registration No: 101285W

For and on behalf of Board of Directors  
CHAVARE ENGINEERING PRIVATE LIMITED

  
CA. SANDEEP D KELKAR  
Partner  
Membership No: 123443

Place: Dombivli  
Date: 30/09/2023  
UDIN: 23123443BGVIBO1251



  
Rajesh Chavare  
Director  
DIN: 01278267

Place: Dombivli  
Date: 30/09/2023

  
Sanjay Chavare  
Director  
DIN: 01278218

Place: Dombivli  
Date: 30/09/2023

CHAVARE ENGINEERING PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
I Revenue from operations	29	7,376.11	6,074.92
II Other income	30	30.58	17.85
III Impairment gains on financial assets	31	-	15.72
IV Total income (I+II+III)		7,406.69	6,108.49
<b>Expenses</b>			
V Expenses			
Cost of material consumed	32	6,265.10	5,543.72
Changes in inventories of Work in Progress	33	(215.26)	(470.02)
Employee benefits expense	34	581.54	544.74
Finance costs	35	56.22	48.04
Depreciation and amortization expense	36	42.51	38.09
Impairment losses on financial assets	37	4.99	-
Other expenses	38	403.35	304.42
V Total expenses		7,138.46	6,008.99
VI Profit before tax (IV-V)		268.23	99.50
<b>Tax expense</b>			
VII Tax expense			
Current tax	39	79.82	24.11
Deferred tax	39	(2.25)	0.89
Total tax expense		77.57	24.99
VIII Profit for the year (VI-VII)		190.66	74.51
<b>Other comprehensive income (OCI)</b>			
IX Other comprehensive income (OCI)			
a) Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit liabilities		1.30	(4.31)
Income tax relating to items that will not be reclassified to profit or loss		(0.33)	1.10
		0.97	(3.21)
Other comprehensive losses for the year, net of tax		0.97	(3.21)
X Total comprehensive income for the year (VIII+IX)		191.63	71.30
<b>Earnings per share face value of ₹100 each fully paid up</b>			
Basic earnings per share (₹)	40	47.67	18.63
Diluted earnings per share (₹)	40	47.67	18.63

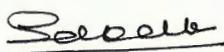
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Bhat, Kelkar & Co.

Chartered Accountants

Firm's Registration No: 101285W



CA. SANDEEP D KELKAR

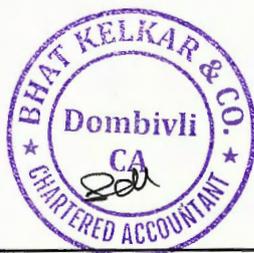
Partner

Membership No: 123443

Place: Dombivli

Date: 30/09/2023

UDIN: 23123443BGVIBO1251



For and on behalf of the Board of Directors of  
CHAVARE ENGINEERING PRIVATE LIMITED



Rajesh Chavare

Director

DIN: 01278267

Place: Dombivli

Date: 30/09/2023



Sanjay Chavare

Director

DIN: 01278218

Place: Dombivli

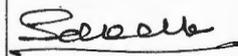
Date: 30/09/2023

**CHAVARE ENGINEERING PRIVATE LIMITED**  
**Statement of Cash Flows for the year ended March 31, 2023**  
(Currency: Indian Rupees in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
<b>Cash flows from operating activities</b>		
Profit for the year before tax	268.23	99.50
Adjustments for :		
Depreciation and amortization expenses	42.51	38.09
Interest on bank overdraft	9.05	22.08
Interest on loan from related party	4.49	5.90
Interest on car loan	0.20	1.19
Interest income	(6.64)	(3.67)
Bad Debts	31.56	-
Impairment gain/(loss) on financial assets	4.99	(15.72)
Share of profit/(loss) of joint venture	0.15	0.00
<b>Operating profit before working capital changes</b>	<b>354.53</b>	<b>147.37</b>
Working capital adjustments :		
(Decrease)/ increase in other current liabilities	49.92	163.72
(Decrease)/ increase in trade payables	926.31	(309.71)
(Decrease)/ increase in other financial liabilities	(25.40)	32.35
(Decrease)/ increase in provisions	1.57	3.39
Decrease/ (increase) in inventories	(422.73)	(282.88)
Decrease/ (increase) in trade receivables	(405.95)	714.46
Decrease/ (increase) in other financial assets	7.99	(7.76)
Decrease/ (increase) in other current assets	(17.05)	(16.94)
Decrease/ (increase) in non-current assets	(1.03)	51.80
Cash generated from operations	468.17	495.80
Income taxes paid (net of refunds)	(12.76)	(26.41)
<b>Net cash from operating activities (A)</b>	<b>455.41</b>	<b>469.39</b>
<b>Cash flows from investing activities</b>		
Loan given/repayment related to employees	5.64	(5.04)
Payment for purchase of property, plant and equipment including intangible assets	(5.17)	(77.46)
Bank deposits placed	(383.04)	(19.13)
Interest received	6.64	3.67
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(375.92)</b>	<b>(97.96)</b>
<b>Cash flows from financing activities</b>		
Loan from related party	-	20.00
Repayment of loan from related party	(20.00)	-
Proceeds from borrowings	-	233.27
Repayment of borrowings	(603.59)	-
Repayment of Car loan	(6.38)	(10.09)
Interest paid on loan from related party	(6.49)	(3.90)
Interest paid on bank overdraft	(8.28)	(24.42)
Interest on car loan	(0.20)	(1.19)
<b>Net cash flow used in financing activities (C)</b>	<b>(644.93)</b>	<b>213.68</b>
<b>Net increase(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(565.44)</b>	<b>585.12</b>
Cash and cash equivalent at the beginning of the year	613.49	28.37
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>	<b>48.05</b>	<b>613.49</b>
<b>Components of Cash and cash equivalents -</b>		
Cash in hand	4.55	4.93
Balances with bank	43.50	608.56
<b>Total cash and cash equivalents (refer note 15)</b>	<b>48.05</b>	<b>613.49</b>

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

As per our report of even date attached  
For Bhat, Kelkar & Co.  
Chartered Accountants  
Firm's Registration No: 101285W



CA. SANDEEP D KELKAR  
Partner  
Membership No: 123443

Place: Dombivli  
Date: 30/09/2023



For and on behalf of the Board of Directors of  
CHAVARE ENGINEERING PRIVATE LIMITED



Rajesh Chavare  
Director  
DIN: 01278267

Place: Dombivli  
Date: 30/09/2023



Sanjay Chavare  
Director  
DIN: 01278218

Place: Dombivli  
Date: 30/09/2023

**CHAVARE ENGINEERING PRIVATE LIMITED**

Notes to financial statement for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

**1 Company Overview**

CHAVARE ENGINEERING PRIVATE LIMITED (CEPL) is a company established on 21st June, 1996 having its registered office situated at Thane. The main activity of company is to carry on business of Designing, Manufacture, Supply, Installation & Commissioning of process automation systems, which include control panels, programmable logic controllers, power panels, operating stations, distribution boards, M.C.C.'s. P.C.C.'s & affiliated activities.

**2 Basis for Preparation**

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. The financials for the year ended March 31, 2023 of the company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2021. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("IGAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2022 have now been restated as per Ind AS to provide comparability. These financials statements have been approved by the Board of Directors at their meeting held on September 06, 2023. Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 52.

**2.1 Statement of Compliance**

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. These financials statements have been approved by the Board of Directors at their meeting held on 06th September, 2023.

**2.2 Basis of accounting and preparation and presentation of financial statements**

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

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



(e) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(f) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

(g) Fair value measurement of financial instruments

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

(h) Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

(i) Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.



### 3.3 Property, Plant & Equipment

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Expenditure incurred after the PPE have been put into use such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

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

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

#### Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. In respect of additions to /deletions from the PPE, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

In case of assets retired from active use, accelerated depreciation is provided on the same.

Gains or losses arising from de-recognition of a Property, Plant and Equipment 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.

The Company uses useful lives as prescribed in Schedule II to the Act. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The company has used the following useful lives to provide depreciation on the following assets:

Property, Plant & Equipment	Management's estimate of useful life	Useful life as per schedule II
Plant and machinery	12 years	12 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
Computers	3 years	3 years
Building	30 years	30 years
Solar Power Plant	12 years	12 years
Electrical installations	12 years	12 years
Vehicles	8 years	8 years

The useful lives of Property, Plant & Equipment are based on lives prescribed in Schedule II of the Companies Act, 2013 and

### 3.4 Investment in Subsidiaries, Associates and Joint Venture

Investments are classified into current and non-current investments. Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Non-current investments". Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments.

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.



b) **Financial Liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

**3.6 Impairment of assets**

i) **Non-derivative financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all financial assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analyzed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

ii) **Impairment of non-financial Asset**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

**3.7 Inventories**

Inventories which comprise raw material and work-in-progress are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost and net realizable value; cost is determined on First-In-First-Out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



### 3.10 Taxes on income

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

#### Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

### 3.11 Foreign currency translations

The company's financial statements are prepared in Indian Rupees which is also the company's functional currency. Foreign exchange transactions are recorded at spot rates on the date of respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.



The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

#### 3.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year and equity shares to be issued on conversion of mandatorily convertible instruments. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

#### 3.15 Cash flow statement

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

Cash and cash equivalents in the cash flow statement comprise cash on hand, bank balance available on demand and bank deposits with original maturity of three months or less.

#### 3.16 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM), i.e. Board of Directors (BOD) in case of the company to make decisions about resources to be allocated to the segments and assess their performance.

#### 3.17 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



5 Property, plant and equipment

Description of Assets	Land	Building	Computer	Solar Power Plant	Electrical Installations	Plant & Machinery	Office Equipments	Vehicles	Furniture & Fixtures	Total
<b>Gross Block</b>										
Balance as at April 01, 2021	160.57	236.06	2.84	9.73	4.44	15.19	1.01	7.90	1.68	439.41
Additions	-	22.80	4.32	-	8.15	36.07	3.27	0.55	-	75.16
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	160.57	258.86	7.16	9.73	12.59	51.26	4.28	8.44	1.68	514.57
Additions	-	-	4.68	-	-	-	-	0.49	-	5.17
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	160.57	258.86	11.84	9.73	12.59	51.26	4.28	8.93	1.68	519.73
<b>Accumulated Depreciation / Impairment</b>										
Balance as at April 01, 2021	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	23.46	1.78	1.35	2.34	2.79	1.31	2.33	0.22	35.60
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	23.46	1.78	1.35	2.34	2.79	1.31	2.33	0.22	35.60
Charge for the year	-	22.37	3.41	1.17	2.49	8.01	1.24	1.80	0.12	40.60
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	45.83	5.19	2.52	4.84	10.80	2.55	4.13	0.33	76.20
<b>Net Block</b>										
Balance as at March 31, 2022	160.57	235.39	5.38	8.38	10.24	48.47	2.97	6.11	1.46	478.97
Balance as at March 31, 2023	160.57	213.02	6.65	7.21	7.75	40.46	1.73	4.80	1.34	443.53

Note: The Company has adopted IND AS 101 and has elected to continue with the carrying value for all of its Property, Plant & Equipment as recognized in its previous GAAP financial statements as deemed cost on the transition date i.e. April 01 2021.



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

6 Intangible Assets

Particular	Software	Total
<b>Gross Block</b>		
Balance as at April 01, 2021	4.97	4.97
Additions	2.30	2.30
Deletions	-	-
<b>Balance as at March 31, 2022</b>	<b>7.27</b>	<b>7.27</b>
Additions	-	-
Deletions	-	-
<b>Balance as at March 31, 2023</b>	<b>7.27</b>	<b>7.27</b>
<b>Accumulated Amortization</b>		
Balance as at April 01, 2021	-	-
Charge for the year	2.49	2.49
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>2.49</b>	<b>2.49</b>
Charge for the year	1.91	1.91
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>4.40</b>	<b>4.40</b>
<b>Net Block</b>		
<b>Balance as at March 31, 2022</b>	<b>4.78</b>	<b>4.78</b>
<b>Balance as at March 31, 2023</b>	<b>2.87</b>	<b>2.87</b>



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

7 Non-Current Assets - Financial Assets - Investments

*Unquoted investment at amortised cost*

Investment in equity instruments (Refer Note 44)

Investment in JV Endress Hauser

Investment in JV Gharpure

*Unquoted investment at fair value*

Investment in equity instruments

Investment in Abhinav Sahakari Bank Shares

Total

Aggregate amount of unquoted investment at cost

Aggregate amount of unquoted investment at fair value

Aggregate amount of impairment in value of

8 Non - Current Assets - Financial Assets - Trade Receivables

Secured - considered good

Unsecured - considered good

Less: Allowance for expected credit loss

Net trade receivables

	March 31, 2023	March 31, 2022	April 01, 2021
Investment in JV Endress Hauser	3.20	3.20	3.20
Investment in JV Gharpure	0.07	0.21	0.22
<i>Unquoted investment at fair value</i>			
Investment in equity instruments			
Investment in Abhinav Sahakari Bank Shares	6.10	6.10	6.10
<b>Total</b>	<b>9.37</b>	<b>9.51</b>	<b>9.52</b>
Aggregate amount of unquoted investment at cost	9.37	9.51	9.52
Aggregate amount of unquoted investment at fair value	9.37	9.51	9.52
Aggregate amount of impairment in value of	-	-	-

	March 31, 2023	March 31, 2022	April 01, 2021
Secured - considered good	-	-	-
Unsecured - considered good	56.85	107.02	111.42
Less: Allowance for expected credit loss	-	-	-
<b>Net trade receivables</b>	<b>56.85</b>	<b>107.02</b>	<b>111.42</b>

Ageing schedule of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	56.85	-	-	-	-	-	56.85
(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	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>56.85</b>	-	-	-	-	-	<b>56.85</b>



## Ageing schedule of trade receivables as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	107.02	-	-	-	-	-	107.02
(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	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>107.02</b>	-	-	-	-	-	<b>107.02</b>

## Ageing schedule of trade receivables as at April 01, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	111.42	-	-	-	-	-	111.42
(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	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>111.42</b>	-	-	-	-	-	<b>111.42</b>



9 Non-Current Assets - Financial Assets - Others

Financial assets at amortised cost  
 Bank deposits with more than twelve months maturity (Refer Note 16)  
 Security deposits

	March 31, 2023	March 31, 2022	April 01, 2021
	290.00	3.27	1.23
	6.73	14.72	6.96
	<b>296.74</b>	<b>17.99</b>	<b>8.19</b>

10 Non-Current Assets - Deferred Tax Asset (net)

Components of deferred tax (assets) and liabilities recognized in the balance sheet in relation to

Property, Plant and Equipment  
 ECL Impact  
 Gratuity Provision  
 Deferred Tax Assets

	March 31, 2023	March 31, 2022	April 01, 2021
	19.24	17.39	15.72
	5.14	3.88	7.84
	6.24	7.09	5.69
	<b>30.62</b>	<b>28.37</b>	<b>29.25</b>

Deferred Tax Liability

	-	-	-
	-	-	-

Deferred Tax Assets (net)

	<b>30.62</b>	<b>28.37</b>	<b>29.25</b>
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Movement in deferred tax balances

For the year ended March 31, 2023:

Particulars	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax asset</b>				
On property, plant and equipment	17.39	1.85	-	19.24
On ECL Impact	3.88	1.26	-	5.14
On Gratuity Provision	7.09	-0.85	-	6.24
	<b>28.37</b>	<b>2.25</b>	<b>-</b>	<b>30.62</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
On gratuity provision	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Asset / (Liabilities)</b>	<b>28.37</b>	<b>2.25</b>	<b>-</b>	<b>30.62</b>

For the year ended March 31, 2022:

Particulars	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax asset</b>				
On property, plant and equipment	15.72	1.67	-	17.39
On ECL Impact	7.84	-3.96	-	3.88
On Gratuity Provision	5.69	1.40	-	7.09
	<b>29.25</b>	<b>-0.89</b>	<b>-</b>	<b>28.37</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
On gratuity provision	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Asset / (Liabilities)</b>	<b>29.25</b>	<b>-0.89</b>	<b>-</b>	<b>28.37</b>

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

11 Non-Current Assets - Income Tax Assets (net)

Advance tax (net of provisions)

March 31, 2023	March 31, 2022	April 01, 2021
-	-	-
-	-	-

12 Non-Current Assets - Others

(Unsecured, unless otherwise stated)

MVAT refund receivable  
Prepaid expenses

March 31, 2023	March 31, 2022	April 01, 2021
24.46	24.46	76.26
1.02	-	-



13 Current Assets - Inventories

(Valued at lower of cost and net realizable value)

Raw materials

Work in Progress

	25.49	24.46	76.26
	March 31, 2023	March 31, 2022	April 01, 2021
	763.79	556.31	743.46
	994.32	779.06	309.04
	<b>1,758.11</b>	<b>1,335.38</b>	<b>1,052.50</b>



## 14 Current Assets - Trade Receivables

Secured - considered good  
Unsecured - considered good

Less: Allowance for expected credit loss  
Net trade receivables

	March 31, 2023	March 31, 2022	April 01, 2021
	-	-	-
	1,586.78	1,162.21	1,872.28
	1,586.78	1,162.21	1,872.28
	-20.42	-15.43	-31.15
	1,566.36	1,146.79	1,841.14

## Ageing schedule of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	1,354.02	29.50	76.53	36.01	90.72	1,586.78
(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	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-18.57	-0.26	-0.03	-0.07	-1.48	-20.42
<b>Total</b>	-	-	<b>1,335.45</b>	<b>29.24</b>	<b>76.49</b>	<b>35.94</b>	<b>89.24</b>	<b>1,566.36</b>

## Ageing schedule of trade receivables as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	870.44	99.58	88.64	3.76	99.79	1,162.21
(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	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-12.51	-0.06	-0.80	-0.07	-1.98	-15.43
<b>Total</b>	-	-	<b>857.92</b>	<b>99.52</b>	<b>87.84</b>	<b>3.70</b>	<b>97.81</b>	<b>1,146.79</b>



## Ageing schedule of trade receivables as at April 01, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	1,559.76	93.24	41.70	46.84	130.75	1,872.28
(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	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-24.98	-1.86	-0.83	-0.91	-2.58	-31.15
<b>Total</b>	-	-	<b>1,534.78</b>	<b>91.38</b>	<b>40.87</b>	<b>45.92</b>	<b>128.17</b>	<b>1,841.14</b>

Refer note 47 about information on credit risk and market risk of trade receivables.

## 15 Current Assets - Financial Assets - Cash and cash equivalents

	March 31, 2023	March 31, 2022	April 01, 2021
<b>Balances with banks:</b>			
- On current account	6.89	600.84	2.36
- Deposit with original maturity of less than three months (Refer Note 16)	36.61	7.72	24.09
<b>Cash on hand</b>			
- Cash on hand	4.55	4.93	1.93
	<b>48.06</b>	<b>613.49</b>	<b>28.37</b>

## 16 Current Assets - Financial Assets - Other Bank Balances

	March 31, 2023	March 31, 2022	April 01, 2021
Deposits with banks with original maturity of more than three months but less than twelve months*	165.77	69.47	52.38
	<b>165.77</b>	<b>69.47</b>	<b>52.38</b>



\* Fixed deposit are in lien for bank guarantee of Rs. 358.59 lakhs (As on March, 31 2022 : Rs 7.35 lakhs , As on April 01, 2021 : Rs 7.67 lakhs)

& Fixed deposit are in lien for letter of credit of Rs. 106.22 lakhs (As on March, 31 2022 : Rs 50.62 lakhs , As on April 01, 2021 : Rs 50.62 lakhs)

17 Current Assets - Loans

(Unsecured, unless otherwise stated)

Loan to Employees

March 31, 2023	March 31, 2022	April 01, 2021
9.67	15.31	10.28
9.67	15.31	10.28

18 Other Current Assets

Balance with government authorities

Advances to employee

Advance to suppliers

Prepaid expenses

Other receivables

March 31, 2023	March 31, 2022	April 01, 2021
27.95	75.35	60.06
12.70	1.42	0.74
71.57	21.84	7.82
3.61	0.24	13.29
0.05	-	-
115.89	98.85	81.91



19 Equity Share Capital

Share Capital

Authorized

4,00,000 (March 31, 2022: 4,00,000, April 01, 2021: 4,00,000) equity shares of Rs. 100 each

Issued, subscribed and paid up

4,00,000 (March 31, 2022: 4,00,000, April 01, 2021: 4,00,000) equity shares of Rs.100 each fully paid up

	March 31, 2023	March 31, 2022	April 01, 2021
Authorized	400.00	400.00	400.00
Issued, subscribed and paid up	400.00	400.00	400.00

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

	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	4,00,000	400.00	4,00,000	400.00	4,00,000	400.00
Add/Less: changes during the year	-	-	-	-	-	-
Outstanding at the end of the year	4,00,000	400.00	4,00,000	400.00	4,00,000	400.00

(b) Particulars of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
SFC Environmental Technologies Pvt. Ltd.	2,04,000	51.00%	2,04,000	51.00%	2,04,000	51.00%
Sanjay R. Chavare	98,000	24.50%	98,000	24.50%	98,000	24.50%
Rajesh R. Chavare	98,000	24.50%	98,000	24.50%	98,000	24.50%
	4,00,000	100.00%	4,00,000	100.00%	4,00,000	100.00%

(c) Shares held by promoters in the company

Name of the Promoter	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Sanjay R. Chavare	98,000	24.50%	98,000	24.50%	98,000	24.50%
Rajesh R. Chavare	98,000	24.50%	98,000	24.50%	98,000	24.50%
	1,96,000	49.00%	1,96,000	49.00%	1,96,000	49.00%

(d) Shares held by holding company

Name of the Shareholder	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs. 100 each fully paid up						
SFC Environmental Technologies Pvt. Ltd.	2,04,000	51.00%	2,04,000	51.00%	2,04,000	51.00%

(e) Terms/rights attached to Equity Shares

The company has only one class of equity shares having at par value of Rs.100/- per share. Members of the Company holding equity share capital therein have right to In the event of liquidation, the equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding and are subject to the preferential rights of the preference shares.

20 Equity - Other equity

20A Movement in reserves and surplus

	March 31, 2023	March 31, 2022	April 01, 2021
Securities premium	423.00	423.00	423.00
Retained earnings	998.47	807.81	733.55
Total Reserve and Surplus	1,421.47	1,230.81	1,156.55

Securities premium

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	423.00	423.00	423.00
Add/Less: Changes during the year	-	-	-
Closing balance	423.00	423.00	423.00

Retained earnings

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	807.81	733.55	785.50
Add: Ind AS transition impact	-	-	-51.95
Add: Profit for the year	190.66	74.26	-
Closing balance	998.47	807.81	733.55

20B Movement in Other Comprehensive Income

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	(3.21)	-	-
Add: Re-measurement loss on defined benefit liabilities (net of tax)	0.97	(3.21)	-
Closing balance	(2.24)	(3.21)	-
Total other equity	1,419.23	1,227.60	1,156.55



CHAVARE ENGINEERING PRIVATE LIMITED  
Notes to financial statement for the year ended March 31, 2023  
(Currency: Indian Rupees in lakhs)

21 Non-Current Liabilities - Financial Liabilities - Borrowings  
(Unsecured, unless otherwise stated)

Loan for purchase of property, plant and equipment\*  
Loan from Directors#

March 31, 2023	March 31, 2022	April 01, 2021
-	6.38	16.47
39.00	59.00	39.00
<b>39.00</b>	<b>65.38</b>	<b>55.47</b>

\* Loan was availed for the purchase of car which is fully repaid in the current year  
# Loan from directors is repayable on demand at the interest rate of 10% p.a.

22 Non-Current Liabilities - Provisions

Provision for employee benefits  
Net defined benefit liability- Gratuity (refer note 42)

March 31, 2023	March 31, 2022	April 01, 2021
27.31	28.18	22.60
<b>27.31</b>	<b>28.18</b>	<b>22.60</b>

23 Current Liabilities - Financial Liabilities - Borrowings

(Secured)  
Bank Overdraft\*

March 31, 2023	March 31, 2022	April 01, 2021
23.01	626.59	393.32
<b>23.01</b>	<b>626.59</b>	<b>393.32</b>

\*Overdraft facility has been received from the bank at the interest rate of (6.5 % repo rate +3% spread) 9.5% p.a. which is repayable on demand.

24 Current Liabilities - Financial Liabilities - Trade payables

Total outstanding dues of micro enterprises and small enterprises  
Total outstanding dues of creditors other than micro enterprises and small enterprises

March 31, 2023	March 31, 2022	April 01, 2021
-	-	-
2,123.85	1,197.53	1,507.24
<b>2,123.85</b>	<b>1,197.53</b>	<b>1,507.24</b>

The Company does not have certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures

Particulars	March 31, 2023	March 31, 2022	April 01, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond	-	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but	-	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the	-	-	-



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Ageing schedule for trade payables outstanding as at March 31, 2023:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<u>Undisputed</u>							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	2,121.23	1.98	-	0.64	2,123.85
<u>Disputed</u>							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>2,121.23</b>	<b>1.98</b>	-	<b>0.64</b>	<b>2,123.85</b>

Ageing schedule for trade payables outstanding as at March 31, 2022:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<u>Undisputed</u>							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	1,191.11	2.87	0.20	3.34	1,197.53
<u>Disputed</u>							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1,191.11</b>	<b>2.87</b>	<b>0.20</b>	<b>3.34</b>	<b>1,197.53</b>

Ageing schedule for trade payables outstanding as at April 01, 2021:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<u>Undisputed</u>							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	1,503.81	-	3.32	0.12	1,507.24
<u>Disputed</u>							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1,503.81</b>	-	<b>3.32</b>	<b>0.12</b>	<b>1,507.24</b>

25 Current Liabilities - Financial Liabilities - Others

	March 31, 2023	March 31, 2022	April 01, 2021
Interest payable on bank overdraft	1.13	0.36	2.69
Interest payable on loan from directors	0.33	2.33	0.33
Employee benefits payable	60.73	50.22	49.12
Remuneration payable to directors	29.56	65.47	34.23
<b>Total</b>	<b>91.75</b>	<b>118.37</b>	<b>86.36</b>

26 Current Liabilities - Other Current liabilities

	March 31, 2023	March 31, 2022	April 01, 2021
Statutory dues Payable			
GST	0.37	0.37	0.37
TDS	4.84	6.08	7.46
TCS	0.01	-	0.00
ESIC	1.74	1.39	1.00
Provident fund payable	3.06	3.08	3.21
Contract Liabilities	316.91	205.25	60.42
Provision for Expenses	48.98	109.98	89.97
<b>Total</b>	<b>376.07</b>	<b>326.14</b>	<b>162.42</b>

27 Current Liabilities - Provisions

	March 31, 2023	March 31, 2022	April 01, 2021
Provision for employee benefits			
Provision for Gratuity (refer note 42)	7.50	6.03	5.00
<b>Total</b>	<b>7.50</b>	<b>6.03</b>	<b>5.00</b>

28 Current Liabilities - Current Tax Liabilities (Net off taxes paid)

	March 31, 2023	March 31, 2022	April 01, 2021
Provision for tax (Net off taxes paid)*	21.38	-45.68	-43.38
<b>Total</b>	<b>21.38</b>	<b>-45.68</b>	<b>-43.38</b>

\*Net of taxes paid as on Mar 31, 2023 - 97.26 Lakhs (March 31, 2022 - 496.67 Lakhs; April 01, 2021 - Rs 499.61 lakhs)



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

29 Revenue from operations

Revenue from contracts with customer

Sale of Manufactured goods and Traded goods

Sale of Services

Total revenue from operations

Year Ended March 31, 2023	Year ended March 31, 2022
431.45	349.66
6,944.65	5,725.26
<b>7,376.11</b>	<b>6,074.92</b>

30 Other income

Interest income under the effective interest method on

-Term deposits

-Income Tax refund

-MVAT refund

-LC Issuance

Net gain on foreign currency transactions

Insurance Claim

Incentives

Post-tax profit from joint venture Gharpure

Miscellaneous income

Total other income

Year Ended March 31, 2023	Year ended March 31, 2022
6.64	3.67
1.77	1.11
-	6.22
-	1.61
-	0.33
-	1.92
18.84	-
-0.15	-0.00
3.48	3.00
<b>30.58</b>	<b>17.85</b>

31 Impairment gains on financial assets

Impairment loss on trade receivables arising from contracts with customer

Year Ended March 31, 2023	Year ended March 31, 2022
-	15.72
-	<b>15.72</b>

32 Cost of Material Consumed

Opening stock of raw material

Add: Purchase for the year

Closing stock of raw material

Year Ended March 31, 2023	Year Ended March 31, 2022
556.31	743.46
6,472.58	5,356.58
763.79	556.31
<b>6,265.10</b>	<b>5,543.72</b>

33 Changes in inventories of Work in Progress

Inventories at the beginning of the year

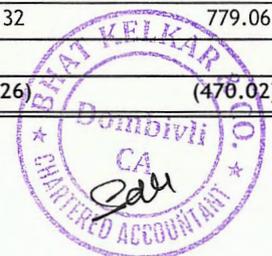
- Work in Progress

Less: Inventories at the end of the year

- Work in Progress

Net decrease/ (increase)

Year Ended March 31, 2023	Year ended March 31, 2022
779.06	309.04
779.06	309.04
994.32	779.06
994.32	779.06
<b>(215.26)</b>	<b>(470.02)</b>



34 Employee benefits expense

	Year Ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	488.06	436.34
Remuneration payable to director	48.00	60.00
Contribution to provident and other funds	20.22	21.32
Gratuity (refer note 42)	7.93	7.29
Leave Encashment Expenditure	1.96	1.75
Staff welfare expenses	15.36	18.05
<b>Total employee benefits expense</b>	<b>581.54</b>	<b>544.74</b>

CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

35 Finance costs

	Year Ended March 31, 2023	Year ended March 31, 2022
Interest expense on Financial liabilities measured at amortized cost		
- on Bank Overdraft	9.05	22.08
- on loan from related party	4.49	5.90
- on car loan	0.20	1.19
- on late payment of statutory dues	0.54	0.83
Bank Charges	24.70	14.02
LC Issuance Charges	2.53	3.75
Stamp Duty Charges for loan	14.71	0.27
<b>Total finance costs</b>	<b>56.22</b>	<b>48.04</b>

36 Depreciation and amortization expense

	Year Ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	40.60	35.60
Amortisation on intangible asset	1.91	2.49
<b>Total depreciation and amortization expense</b>	<b>42.51</b>	<b>38.09</b>

37 Impairment losses on financial assets

	Year Ended March 31, 2023	Year ended March 31, 2022
Impairment loss on trade receivables arising from contracts with customer	4.99	-
	<b>4.99</b>	<b>-</b>



38 Other expenses

Repair and maintenance

- Factory

- Building

- others

Erection Charges

Installation Charges

Labour Charges

Legal & professional fees

Payment to Auditors (Refer note 38.a)

Power & fuel

Travelling & conveyance

Bad Debts written off

Rates & taxes

Hire Charge

Advertisement & selling Expenses

Stores and spares consumed

Donation

Food & refreshment expenses

Insurance

Site expenses

Rent

Security Charges

IT Charges

Telephone & Internet Charges

Transport Charges

Miscellaneous Expenses

**Total other expenses**

	Year Ended March 31, 2023	Year ended March 31, 2022
	0.22	0.78
	0.72	0.28
	3.92	3.91
	0.54	10.59
	37.01	32.17
	59.93	44.54
	55.05	37.47
	4.75	3.00
	20.30	16.49
	44.05	23.81
	31.56	-
	10.92	2.97
	4.47	4.02
	0.40	0.10
	2.50	1.80
	1.08	0.16
	22.31	19.29
	1.44	2.76
	8.33	5.83
	2.37	10.34
	13.05	10.80
	0.76	3.94
	7.34	6.75
	51.86	45.10
	18.47	17.54
	<b>403.35</b>	<b>304.42</b>

37.a Payment to auditors

**As auditor:**

Statutory audit

**In other capacity:**

Tax audit

**Total**

	Year Ended March 31, 2023	Year ended March 31, 2022
	3.75	2.25
	1.00	0.75
	<b>4.75</b>	<b>3.00</b>



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

39 Income Tax

(A) Current tax expense

- Current tax charge

- Deferred tax charge / (income)

Income tax expense reported in the statement of profit or loss

March 31, 2023	March 31, 2022
79.82	24.35
(2.25)	0.89
<b>77.57</b>	<b>25.24</b>

Deferred tax assets

On property, plant and equipment

On ECL Impact

On Gratuity Provision

March 31, 2023	March 31, 2022
19.24	17.39
5.14	3.88
6.24	7.09
<b>30.62</b>	<b>28.37</b>

Deferred tax liabilities

Deferred Tax Asset/(Liabilities) (Net)

-	-
<b>30.62</b>	<b>28.37</b>

(C) Income tax expense charged to OCI

Items that will not be reclassified to profit or loss

Net loss/(gain) on remeasurements of defined benefit liability(asset)

Income tax charged to OCI

March 31, 2023	March 31, 2022
(0.33)	1.10
<b>(0.33)</b>	<b>1.10</b>

(D) Reconciliation of effective tax rate

Profit before tax from continuing operations

Tax using the Company's domestic tax rate

Tax effect of:

-Non Deductible expenses

-Other

Short/(Excess) provision of income tax of earlier years

Deferred tax impact

Income tax expense

March 31, 2023	March 31, 2022
268.23	99.50
67.51	25.04
(3.65)	0.93
2.48	(1.87)
13.47	-
(2.25)	0.89
<b>77.55</b>	<b>25.00</b>



40 Earnings per share ("EPS")

	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year for basic and diluted EPS (A)	190.66	74.26
Weighted average number of Equity shares outstanding for calculating basic and diluted EPS (B)	4,00,000	4,00,000
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share) (A/B)	47.67	18.57
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share) (A/B)	47.67	18.57

41 Contingent liabilities and commitments

I. Claims against the company not acknowledged as debts

	March 31, 2023	March 31, 2022
GST Appeal*	44.98	-

\*GST Appeal for outstanding liabilities has been filed for FY 2017-18

II. Capital commitments

	March 31, 2023	March 31, 2022
There are no capital commitments for the company as on March 31, 2023 and also as on March 31, 2022.	Nil	Nil

42 Employee benefits

(I) Defined Contribution Plans

(a) Employer's Contribution to Provident fund and ESIC

During the year, the Company's contribution to Provident Fund and ESIC is recognized in the statement of Profit and loss under the head Employee Benefit

	Year ended March 31, 2023	Year ended March 31, 2022
- Employer's contribution to Provident Fund and Superannuation Fund	20.22	21.32

(II) Defined benefit plans

Every employee is entitled to the benefit equivalent to 15 days of total gross salary last drawn for each completed year of service. Gratuity is payable to all

Particulars

I) Reconciliation in present value of obligation (PVO)

	Gratuity (Funded)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation:		
Liability at the beginning of the year	104.83	97.92
Net current service cost	5.82	5.66
Interest cost on defined benefit obligation	5.18	4.52
Actuarial loss on obligations	-0.18	5.56
Benefits paid	-9.93	-8.83
Liability at the end of the year	105.73	104.83

II) Change in fair value of plan assets:

	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	70.62	70.32
Interest Income plan assets	3.07	2.89
Employer Contributions	6.03	5.00
Benefits payment	-9.93	-8.83
Actuarial gain/(Losses) on plan assets	1.13	1.25
Funded status	70.92	70.62



III) Expenses recognized in the Statement of Profit & Loss:

Current service cost	5.82	5.66
Net Interest costs	2.11	1.63
Other expenses/adjustments	-	-
Components of Defined Benefit Cost recognized in Profit and loss	<u>7.93</u>	<u>7.29</u>

IV) Expenses recognized in the Other Comprehensive Income:

Actuarial (gain) / loss	-1.30	4.31
	<u>-1.30</u>	<u>4.31</u>
<b>Included in Other Comprehensive Income</b>		
Amount recognized in OCI, Beginning of the period	4.31	-
Remeasurements due to:		
Effect of Change In financial assumptions	(3.66)	(0.97)
Effect of Change In Demographic assumptions	-	-
Effect of experience adjustments	3.48	6.53
Return on plan Assets(excluding interest)	(1.13)	(1.25)
Total Remeasurements recognized in OCI	<u>(1.30)</u>	<u>4.31</u>
Amount recognized in OCI, End of the period	<u>3.01</u>	<u>4.31</u>

V) Net Liability recognized in the balance sheet

Fair value of plan assets at the end of the year	70.92	70.62
Liability at the year end	(105.73)	(104.83)
Amount recognized in the balance sheet	<u>(34.81)</u>	<u>(34.21)</u>

VI) Category of assets as at the end of the year:

Insurer Managed Fund - Non quoted Value	70.92	70.62
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VII) Actuarial Assumptions

	March 31, 2023	March 31, 2022
Discount rate	7.25%	5.70%
Expected rate of return on plan assets	7.25%	5.70%
	5.00%	5.00%
Expected salary increase rate		
Attrition rate	< 50 years : 40% p.a	< 50 years : 40% p.a
	>=50 years : 5 % p.a	>=50 years : 5 % p.a
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate



Notes to financial statement for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

Experience adjustments

	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	105.73	104.83
Fair value of the plan assets	70.92	70.62
(Deficit) in the plan	(34.81)	(34.21)

IX) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the

	March 31, 2023	March 31, 2022
<b>Increase in</b>		
Discount rate (1% movement)	-2.21	(2.33)
Future salary growth (1% movement)	2.35	2.45
Attrition rate (1% movement)	0.10	(0.02)
<b>Decrease in</b>		
Discount rate (1% movement)	2.33	2.46
Future salary growth (1% movement)	-2.28	(2.37)
Attrition rate (1% movement)	-0.11	0.02

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable

X) Expected future cash flows

The expected contributions for the defined benefit plan for the next financial years are men

Expected future benefit payments	As At	As At
	March 31, 2023	March 31, 2022
Year 1	39.39	39.46
Year 2	21.90	20.87
Year 3	24.35	13.21
Year 4	16.36	19.20
Year 5	6.03	12.93
Year 6	2.76	4.20
Year 7	3.81	1.80
Year 8	5.68	2.75
Year 9	1.35	3.11
Year 10 & Above	4.23	3.33

The weighted Average duration of plan as at March 31, 2023 is 3.42 years (As at March 31, 2022 is 3.51 years)

The Company expects to contribute Rs.7.50 lakhs (March 31,2022 is 6.02 lakhs) to its gratuity plan in next financial period.

XI) Leave encashment expenses

Expense recognized in the statement of profit and loss

	Year ended	Year ended
	March 31, 2023	March 31, 2022
	1.96	1.75

43 Related Party Disclosures

1 Related parties where control exists

Holding Company

SFC Environmental Technologies Pvt. Ltd.

Entities with whom joint venture is formed

Endress Hauser (India ) Pvt. Ltd.

Enterprises over which key managerial Personnel are able to exercise significance influence:

Gharpure Engg & Const Pl- Chavare Engg PL JV

Endress+ Hauser & Chavare Engineering (JV) Private Limited

Nimbus Technologies

CEE Square Engineers

Apex Systems

2 Key Managerial Personnel

Directors

Mr. Rajesh Ratnakar Chavare

Mr. Sanjay Ratnakar Chavare



3 Disclosure of transactions between the Company and Related parties and the status of outstanding balances as at year ending

	Year ended March 31, 2023	Year ended March 31, 2022
<b>(i) Holding Company &amp; Subsidiaries &amp; Fellow Subsidiaries</b>		
<u>Transactions during the year:</u>		
<b>Sale of services</b>		
Nimbus Technologies	5.42	4.97
Endress Hauser (India ) Pvt. Ltd.	682.69	242.74
CEE Square Engineers	-	0.85
Endress+ Hauser & Chavare Engineering (JV) Private Limited	-	90.17
<b>Purchase of Services</b>		
Nimbus Technologies	172.49	92.15
CEE Square Engineers	456.60	441.39
Apex Systems	4.94	6.26
Endress Hauser (India ) Pvt LTd	253.51	113.44
<u>Balance outstanding :</u>		
<b>Trade Receivables</b>		
Endress+ Hauser & Chavare Engineering (JV) Private Limited	136.61	139.81
Endress Hauser (India ) Pvt. Ltd.	41.46	-
<b>Advance to Creditor</b>		
Endress+ Hauser & Chavare Engineering (JV) Private Limited	3.20	-
<b>Trade Payables</b>		
Nimbus Technologies	53.87	24.58
CEE Square Engineers	115.79	113.60
Apex Systems	0.33	2.38
Endress Hauser (India ) Pvt. Ltd.	148.52	40.35
<b>(ii) Key Management Personnel</b>		
<u>Transactions during the year</u>		
<b>Borrowings</b>		
Mr. Sanjay Ratnakar Chavare	-	20.00
<b>Borrowings repaid</b>		
Mr. Sanjay Ratnakar Chavare	20.00	-
<b>Interest on Borrowings</b>		
Mr. Rajesh Ratnakar Chavare	1.95	1.95
Mr. Sanjay Ratnakar Chavare	2.54	3.95
<b>Remuneration Paid</b>		
Mr. Rajesh Ratnakar Chavare	24.00	24.00
Mr. Sanjay Ratnakar Chavare	24.00	36.00
<u>Balances Outstanding with Key Management Personnel</u>		
<b>Borrowings payable</b>		
Mr. Rajesh Ratnakar Chavare	19.50	19.50
Mr. Sanjay Ratnakar Chavare	19.50	39.50
<b>Interest on Borrowings Payable</b>		
Mr. Rajesh Ratnakar Chavare	0.16	0.16
Mr. Sanjay Ratnakar Chavare	0.16	2.16
<b>Remuneration Payable</b>		
Mr. Rajesh Ratnakar Chavare	17.10	36.05
Mr. Sanjay Ratnakar Chavare	12.46	29.42



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

CIN : U29100MH1996PTC100426

(Currency: Indian Rupees in lakhs)

44 Investments in Joint Ventures

As at March 31, 2023

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
JV Endress Hauser	24,500	49%	3.20	3.20
JV Gharpure	NA	5%	-	0.07

As at March 31, 2022

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
JV Endress Hauser	24,500	49%	3.20	3.20
JV Gharpure	NA	5%	-	0.21

The summarised financial information below represents amounts shown in the joint ventures financial statements.

Particulars - JV Endress Haus	March 31, 2022	March 31, 2022
Current assets	148.95	148.94
Non-current assets	-	-
Current liabilities	137.16	137.11
Non-current liabilities	-	-
Revenue	0.62	84.74
Profit / (loss) for the year	-0.05	0.14
Other comprehensive income f	-	-
Total comprehensive income f	-0.05	0.14

Particulars - JV Gharpure	March 31, 2022	March 31, 2022
Current assets	5.37	0.06
Non-current assets	-	10.89
Current liabilities	4.02	6.66
Non-current liabilities	-	-
Revenue	-	-
Profit / (loss) for the year	-2.95	-0.01
Other comprehensive income f	-	-
Total comprehensive income f	-2.95	-0.01

45 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) i.e. Board of

46 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Fair value hierarchy

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

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

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at March 31, 2023

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets:</b>								
Investment - Non Current	-	-	9.37	9.37	-	-	9.37	9.37
Trade receivables - Non Current	-	-	56.85	56.85	-	-	56.85	56.85
Financial Assets - Non Current	-	-	296.74	296.74	-	-	296.74	296.74
Loans - Current	-	-	9.67	9.67	-	-	9.67	9.67
Trade receivables - Current	-	-	1,566.36	1,566.36	-	-	1,566.36	1,566.36
Cash and cash equivalents - Current	-	-	48.06	48.06	-	-	48.06	48.06
Other bank balances - Current	-	-	165.77	165.77	-	-	165.77	165.77
<b>Financial Liabilities:</b>								
Borrowings - Non Current	-	-	39.00	39.00	-	-	39.00	39.00
Borrowings - Current	-	-	23.01	23.01	-	-	23.01	23.01
Trade payables - Current	-	-	2,123.85	2,123.85	-	-	2,123.85	2,123.85
Other Financial Liabilities - Current	-	-	91.75	91.75	-	-	91.75	91.75



As at March 31, 2022

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets:</b>								
Investment - Non Current	-	-	9.51	9.51	-	-	9.51	9.51
Trade receivables - Non Current	-	-	107.02	107.02	-	-	107.02	107.02
Financial Assets - Non Current	-	-	17.99	17.99	-	-	17.99	17.99
Loans - Current	-	-	15.31	15.31	-	-	15.31	15.31
Trade receivables - Current	-	-	1,146.79	1,146.79	-	-	1,146.79	1,146.79
Cash and cash equivalents - Current	-	-	613.49	613.49	-	-	613.49	613.49
Other bank balances - Current	-	-	69.47	69.47	-	-	69.47	69.47
<b>Financial Liabilities:</b>								
Borrowings - Non Current	-	-	65.38	65.38	-	-	65.38	65.38
Borrowings - Current	-	-	626.59	626.59	-	-	626.59	626.59
Trade payables - Current	-	-	1,197.53	1,197.53	-	-	1,197.53	1,197.53
Other Financial Liabilities - Current	-	-	118.37	118.37	-	-	118.37	118.37

As at April 01, 2021

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets:</b>								
Investment - Non Current	-	-	9.52	9.52	-	-	9.52	9.52
Trade receivables - Non Current	-	-	111.42	111.42	-	-	111.42	111.42
Financial Assets - Non Current	-	-	8.19	8.19	-	-	8.19	8.19
Loans - Current	-	-	10.28	10.28	-	-	10.28	10.28
Trade receivables - Current	-	-	1,841.14	1,841.14	-	-	1,841.14	1,841.14
Cash and cash equivalents - Current	-	-	28.37	28.37	-	-	28.37	28.37
Other bank balances - Current	-	-	52.38	52.38	-	-	52.38	52.38
<b>Financial Liabilities:</b>								
Borrowings - Non Current	-	-	55.47	55.47	-	-	55.47	55.47
Borrowings - Current	-	-	393.32	393.32	-	-	393.32	393.32
Trade payables - Current	-	-	1,507.24	1,507.24	-	-	1,507.24	1,507.24
Other Financial Liabilities - Current	-	-	86.36	86.36	-	-	86.36	86.36



CHAVARE ENGINEERING PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

47 Risk management Framework

The Company's principal financial liabilities comprises of of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities

(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

(i) Interest rate risk

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

Particulars

	March 31, 2023	March 31, 2022	April 01, 2021
Variable rate borrowings	23.01	626.59	393.32
Fixed rate borrowings	39.00	65.38	55.47
<b>Total</b>	<b>62.01</b>	<b>691.97</b>	<b>448.79</b>

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables

	Increase/ decrease in basis points	Effect on profit before tax	Effect on equity
For Year ended March 31, 2023			
INR	+100	0.09	0.09
INR	-100	-0.09	-0.09
For Year ended March 31, 2022			
INR	+100	0.22	0.22
INR	-100	-0.22	-0.22

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The

Exposure to currency risk

The Company's exposure to currency risk is as follows

Exposure to currency risk

	Currency	March 31, 2023	March 31, 2022	April 01, 2021
Payables	USD	22.64	-	-
		22.64	-	-
Net exposure		22.64	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency, with all other variables held constant relating to unhedged

	Currency	Change in rate	Effect on profit before tax
As at March 31, 2023	USD	+10%	(2.26)
	USD	-10%	2.26
As at March 31, 2022	USD	+10%	-
	USD	-10%	-
As at April 01, 2021	USD	+10%	-
	USD	-10%	-

(B) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk

The credit limit policy is established considering the current economic trend of the industry in which the Company is operating. Also, the trade receivables are

The Company recognises lifetime expected credit losses on trade receivable using simplified approach by computing the expected credit loss allowance for trade

The following table provides information about the exposure to credit risk and ECL's for trade receivables

Trade Receivable for March 31, 2023

Ageing	Average loss rate	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	1.37%	1,354.02	-18.57	1,235.45
6 months-1 Year	0.89%	29.50	-0.26	29.24
1-2 years	0.05%	76.53	-0.03	76.49
2-3 years	0.20%	36.01	-0.07	35.94
More than 3 years	1.63%	90.72	-1.48	89.24
<b>Total</b>		<b>1,586.78</b>	<b>-20.42</b>	<b>1,566.36</b>



## Trade Receivable for March 31, 2022

Ageing	Average loss rate	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	1.44%	870.44	-12.51	857.92
6 months-1 Year	0.06%	99.58	-0.06	99.52
1-2 years	0.91%	88.64	-0.80	87.84
2-3 years	1.77%	3.76	-0.07	3.70
More than 3 years	1.99%	99.79	-1.98	97.81
<b>Total</b>		<b>1,162.21</b>	<b>-15.43</b>	<b>1,146.79</b>

## Trade Receivable for April 01, 2021

Ageing	Average loss rate	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	1.60%	1,559.76	-24.98	1,534.78
6 months-1 Year	1.99%	93.24	-1.86	91.38
1-2 years	1.98%	41.70	-0.83	40.87
2-3 years	1.95%	46.84	-0.91	45.92
More than 3 years	1.97%	130.75	-2.58	128.17
<b>Total</b>		<b>1,872.28</b>	<b>-31.15</b>	<b>1,841.14</b>

The Movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	March 31, 2023	March 31, 2022
Balance as at April 01	15.43	31.15
Amounts written off	-	-
Provision for the year	4.99	-15.72
Net measurement of loss allowance	4.99	-15.72
Balance as at March 31	20.42	15.43

## (C) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Exposure to liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include

	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
<b>As at March 31, 2023</b>					
Long term Borrowings	-	39.00	-	-	39.00
Short term borrowings	23.01	-	-	-	23.01
Trade payables	2,123.85	-	-	-	2,123.85
Other financial liabilities	91.75	-	-	-	91.75
	<b>2,238.60</b>	<b>39.00</b>	<b>-</b>	<b>-</b>	<b>2,277.60</b>
<b>As at March 31, 2022</b>					
Long term borrowings	6.38	59.00	-	-	65.38
Short term borrowings	626.59	-	-	-	626.59
Trade payables	1,197.53	-	-	-	1,197.53
Other financial liabilities	118.37	-	-	-	118.37
	<b>1,948.87</b>	<b>59.00</b>	<b>-</b>	<b>-</b>	<b>2,007.87</b>
<b>As at April 01, 2021</b>					
Long term Borrowings	-	16.47	39.00	-	55.47
Short term Borrowings	393.32	-	-	-	393.32
Trade payables	1,507.24	-	-	-	1,507.24
Other financial liabilities	86.36	-	-	-	86.36
	<b>1,593.60</b>	<b>16.47</b>	<b>39.00</b>	<b>-</b>	<b>1,593.60</b>



48 Ratio Analysis

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variation	Remarks
Current Ratio	Current assets	Current Liabilities	1.39	1.47	-6%	NA
Debt to Equity Ratio	Total Debt (Borrowings)	Shareholder's Equity	0.03	0.43	-92%	Due to drastic reduction in debt
Debt Service Coverage Ratio	Earnings available for debt service (Net Profit after taxes + Non-Net profit after taxes	Debt Service (Interest Payments)	5.15	3.34	54%	Due to increase in net profit
Return on Equity Ratio	Net profit after taxes	Average shareholder's Equity ((Opening+Closing)/2)	0.10	0.05	130%	Due to increase in net profit
Inventory Turnover Ratio	Cost of material consumed &	Average Inventory	3.91	4.25	-8%	NA
Trade Receivable Turnover Ratio	Revenue from contracts with customer	Average Trade Receivable ((Opening+Closing)/2)	5.44	4.07	34%	Due to increase in revenue from contracts with customer and reduction in average trade receivable
Trade Payable Turnover Ratio	Purchases of raw material &	Average Trade Payables	3.77	3.61	4%	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	7.23	5.78	25%	NA
Net Profit Ratio	Net profit after taxes	Revenue from operations	0.03	0.01	111%	Due to increase in net profit
Return on Capital Employed	Earning before interest and tax	Capital Employed	0.18	0.06	172%	Due to increase in earnings before interest and taxes
Return on Investment	Interest income on term deposits	Average investment in term deposits ((Opening+Closing)/2)	0.02	0.05	-50%	Due to increase in interest income and average investments in term deposits

49 Corporate social responsibility

The Company is not liable to establish Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

50 Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. 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 during the year ended March 31, 2023 and March 31, 2022.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less The amount managed as capital by the Company are summarised as follows:

Particulars	March 31, 2023	March 31, 2022	April 1, 2021
Borrowings	62.01	691.97	448.79
Less: cash and cash equivalent	48.06	613.49	28.37
Net Debt	13.95	78.48	420.41
Total Equity	1,819.23	1,627.60	1,556.55
Capital and Net debt	1,833.18	1,706.08	1,976.96
Gearing Ratio	0.01	0.05	0.21

The Company is exposed to certain externally imposed capital requirements for its borrowings. However there are no debt covenants for long term borrowings as these are from related parties. Further, in case of the variable rate borrowing facility availed by the Company, these are against fixed deposits placed with the Bank, there are no debt covenants for variable rate borrowings.



54 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of balance sheet as at date of transition April 01, 2021

	Previous GAAP	Adjustments on transition to Ind As	Ind AS
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	436.80	2.60	439.41
(b) Intangible Assets	4.97	-	4.97
(c) Financial assets			
(i) Investments	9.52	-	9.52
(ii) Trade Receivables	111.42	-	111.42
(iii) Other financial assets	8.85	(0.66)	8.19
(d) Deferred Tax Assets (Net)	15.72	13.53	29.25
(e) Income tax assets (Net)	-	-	-
(f) Other non - current assets	76.26	-	76.26
<b>Total non-current assets</b>	<b>663.54</b>	<b>15.48</b>	<b>679.01</b>
<b>2 Current assets</b>			
(a) Inventories	1,052.50	-	1,052.50
(b) Financial assets			
(i) Trade receivables	1,872.28	(31.15)	1,841.14
(ii) Cash and cash equivalents	28.37	-	28.37
(iii) Other bank balances	52.38	-	52.38
(iv) Loans	10.28	-	10.28
(c) Other current assets	81.91	-	81.91
<b>Total current assets</b>	<b>3,097.72</b>	<b>(31.15)</b>	<b>3,066.57</b>
<b>Total assets</b>	<b>3,761.26</b>	<b>(15.67)</b>	<b>3,745.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	400.00	-	400.00
(b) Other equity	1,208.50	(51.95)	1,156.55
<b>Total equity</b>	<b>1,608.50</b>	<b>(51.95)</b>	<b>1,556.55</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	55.47	-	55.47
(b) Provisions	-	22.60	22.60
<b>Total non-current liabilities</b>	<b>55.47</b>	<b>22.60</b>	<b>78.07</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	393.32	-	393.32
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro and small ente	1,507.24	-	1,507.24
(iii) Other financial liabilities	86.36	-	86.36
(b) Other current liabilities	148.74	13.68	162.42
(c) Provisions	5.00	-	5.00
(d) Current Tax Liabilities	(43.38)	-	(43.38)
<b>Total current liabilities</b>	<b>2,097.29</b>	<b>13.68</b>	<b>2,110.97</b>
<b>Total liabilities</b>	<b>2,152.76</b>	<b>36.28</b>	<b>2,189.04</b>
<b>Total equity and liabilities</b>	<b>3,761.26</b>	<b>(15.67)</b>	<b>3,745.59</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



54 Reconciliations (Continued)

(b) Reconciliation of balance sheet as at March 31, 2022

	Previous GAAP	Adjustments on transition to Ind AS	Ind AS
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	478.97	-	478.97
(b) Intangible Assets	4.78	-	4.78
(c) Financial assets			
(i) Investments	9.51	-	9.51
(ii) Trade Receivables	107.02	-	107.02
(iii) Other financial assets	17.99	-	17.99
(d) Deferred tax assets (Net)	17.39	10.98	28.37
(e) Income tax assets (Net)	-	-	-
(f) Other non-current assets	24.46	-	24.46
<b>Total non-current assets</b>	<b>660.13</b>	<b>10.98</b>	<b>671.11</b>
<b>2 Current assets</b>			
(a) Inventories	1,335.38	-	1,335.38
(b) Financial assets			
(i) Trade receivables	1,162.21	-15.43	1,146.79
(ii) Cash and cash equivalents	613.49	-	613.49
(iii) Other bank balances	69.47	-	69.47
(iv) Loans	15.31	-	15.31
(c) Other current assets	98.85	-	98.85
<b>Total current assets</b>	<b>3,294.71</b>	<b>(15.43)</b>	<b>3,279.28</b>
<b>Total assets</b>	<b>3,954.84</b>	<b>(4.45)</b>	<b>3,950.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	400.00	-	400.00
(b) Other equity	1,276.04	(48.44)	1,227.60
<b>Total equity</b>	<b>1,676.04</b>	<b>(48.44)</b>	<b>1,627.60</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	65.38	-	65.38
(b) Provisions	-	28.18	28.18
<b>Total non-current liabilities</b>	<b>65.38</b>	<b>28.18</b>	<b>93.55</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	626.59	-	626.59
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro and small enter	1,197.53	-	1,197.53
(iii) Other financial liabilities	118.37	-	118.37
(b) Other current liabilities	310.33	15.81	326.14
(c) Provisions	6.03	-	6.03
(d) Current tax liabilities	(45.68)	-	(45.68)
<b>Total current liabilities</b>	<b>2,213.18</b>	<b>15.81</b>	<b>2,228.99</b>
<b>Total liabilities</b>	<b>2,278.55</b>	<b>43.99</b>	<b>2,322.55</b>
<b>Total equity and liabilities</b>	<b>3,954.59</b>	<b>(4.45)</b>	<b>3,950.14</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



54 Reconciliations (Continued)

(c) Reconciliation of statement of profit or loss for the year ended March 31, 2022

	Previous GAAP	Adjustments on transition to Ind AS	Ind AS
<b>Income</b>			
I Revenue from operations	6,074.92	-	6,074.92
II Other income	17.85	-	17.85
Impairment gains on financial assets	-	15.72	15.72
IV Total income (I+II+III)	6,092.77	15.72	6,108.49
<b>V Expenses</b>			
Cost of material consumed	5,543.72	-	5,543.72
Changes in inventories of Work in Progress	(470.02)	-	(470.02)
Employee benefits expense	543.48	1.26	544.74
Finance costs	48.04	-	48.04
Depreciation and amortization expense	38.09	-	38.09
Impairment losses on financial assets	-	-	-
Other expenses	302.28	2.13	304.42
Total expenses	6,005.59	3.40	6,008.99
# Profit before share of Profit /(Loss) of Joint venture	-	-	-
Share of profit/(loss) of joint venture (Net of income tax)	-	-	-
VI Profit before tax (IV-V)	87.18	12.33	99.50
VII Tax expense			
Current tax	23.25	1.10	24.35
Deferred tax	(1.01)	1.90	0.89
Total tax expense	22.24	3.00	25.24
VIII Profit for the year (VI-VII)	64.94	9.33	74.26
<b>IX Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement loss on defined benefit liabilities	-	(4.31)	(4.31)
Income tax relating to items that will not be reclassified to profit or loss	-	1.10	1.10
	-	(3.21)	(3.21)
Other comprehensive losses for the year, net of tax	-	(3.21)	(3.21)
X Total comprehensive income for the year (VIII+IX)	64.94	6.11	71.05

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) Reconciliation of total equity as at March 31, 2022 and April 01, 2021

	As at March 31, 2022	As at April 01, 2021
Shareholder's equity as per Indian GAAP audited financial statements	1,676.04	1,608.50
<u>Adjustment</u>		
i) Impact under Ind AS 109 Financial Instruments	(15.43)	(31.15)
ii) Impact of prior period expenditure adjustment	(16.47)	(11.73)
iii) Impact of actuarial valuation of employee benefit obligation	(28.18)	(22.60)
iv) Impact of deferred taxes on above adjustments	11.63	13.53
Total Adjustment	(48.44)	(51.95)
Shareholder's equity as per Ind AS	1,627.60	1,556.55

(e) Reconciliation of total comprehensive income for the year ended March 31, 2022

	As at March 31, 2022
Profit as per Indian GAAP	64.94
<u>Adjustment</u>	
i) Impact under Ind AS 109 Financial Instruments	15.72
ii) Impact of prior period expenditure adjustment	(2.13)
iii) Impact of actuarial valuation of employee benefit obligation	(5.57)
iv) Impact of deferred taxes on above adjustments	(1.90)
Total	6.11
Profit as per Ind AS	71.05



54 Reconciliations (Continued)

(f) Impact of Ind AS adoption on cash flow statements for the year ended March 31, 2022

	Previous GAAP	Adjustments on transition to Ind As	Ind AS
Net cash flow from operating activities	469.15	-	469.15
Net cash flow from investing activities	(97.96)	-	(97.96)
Net cash flow from financing activities	213.68	-	213.68
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>584.87</b>	<b>-</b>	<b>584.87</b>
Cash and cash equivalents as at April 01, 2021	28.37		28.37
<b>Cash and cash equivalents as at March 31, 2022</b>	<b>613.25</b>	<b>-</b>	<b>613.25</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(g) Notes to first-time adoption

(i) Defined benefit liabilities

Under Indian GAAP, the Company recognized costs related to its post-employment defined benefit plan on Contribution made to the fund. Under Ind AS, the Company recognised, the current and past service costs and actuarial gains and losses are accounted as per the actuarial valuation reports, to the statement of profit and loss and OCI respectively. Thus, the employee benefit cost for the year ended March 31 2022 is decreased by ₹ 4.31 lakhs and the corresponding amount has been recognized in the OCI, net of taxes.

(ii) Ind AS 109 - Financial Instrument

Under Ind AS 109, the company has provided for expected credit loss on trade receivables as on 1 April 2021 amounting to Rs 31.15 lakhs.

(iii) Prior period expenditure

Prior period expenditure of previous years has been adjusted as on transition date i.e. 01 April 2021 in retained earning.

(iv) Deferred tax

Indian GAAP requires assessment of virtual certainty in case of losses for recognizing deferred tax asset, but under Ind AS deferred tax assets

(v) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP. Also refer point (i) above.

(vi) Statement of cash flows

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

(h) First-time adoption - mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2021 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain mandatory exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment and intangible assets

The Company has elected the exemption of previous GAAP carrying value for its Property, Plant and Equipment and Intangible Assets recognized as of April 1, 2021 (transition date) as deemed cost.

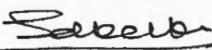
Investments in joint ventures

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used

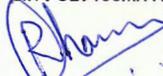
As per our report of even date  
For Bhat, Kelkar & Co.  
Chartered Accountants  
Firm's Registration No: 101285W

  
CA. SANDEEP D KELKAR  
Partner  
Membership No: 123443

Place: Dombivali  
Date: 30/09/2023



For and on behalf of the Board of Directors of  
CHAVARE ENGINEERING PRIVATE LIMITED  
CIN : U29100MH1996PTC100426

  
Rajesh Chavare  
Director  
DIN: 01278267

  
Sanjay Chavare  
Director  
DIN: 01278218

Place: Dombivali  
Date: 30/09/23

Place: Dombivali  
Date: 30/09/23