

EAST INDIA DRUMS & BARRELS MFG. LTD

(An ISO 9001 : 2015, 14001 : 2015, 45001 : 2018 Certified Company)

CIN: L28920MH1981PLC023972

Registered Office : B-1, 1st Floor, Madhav Niwas CHSL, Opp. S. V. Road, Borivali (W), Mumbai - 400092.



REF.NO: PCL-EIDB/BOMSTOCK/2024

June 28, 2024

The Listing Manager
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai -400 001

Dear Sirs,

Sub: Company No. . 523874
Discrepancies in Financial Results

This has reference to your email dated June 24, 2024 - as below - in connection with Discrepancies in Financial Results.

Discrepancy 1. Standalone Results - Declaration or Statement of Impact of Audit Qualifications not submitted in pdf for Year Ended - March 2024.


Please note that as per our Audit Report, there are no audit qualifications. We are once again enclosing the Declaration or Statement of Impact of Audit Qualifications in Pdf. for Year ended - March 2024 for your reference

This is for your information please.

Yours faithfully,
For East India Drums & Barrels Mfg. Ltd.
(Formerly known as Precision Containeurs Ltd.)

(H. K. BIJLANI)
COMPANY SECRETARY

Enc:a/a

 **MARKETING OFFICE:** 2nd Floor, Pushp Vinod - 2, A-Wing, Soniwadi, S.V. Road, Borivali (W), Mumbai -400 092.

FACTORY ADDRESS:

Daman Plant: Survey No.260/2, 260/3 & 260/5 Village Bhimpore, Bhimpore Char Rasta, Daman Union Territory, India - Pin 396 210.

Sonipat Plant: No. 124, Khata No 147 Khasra, killa No. 8/2/2, 3/2 Village Johsi Jat, Bhalgarh Road, Tehsil Rai, Dist. Sonipat Haryana, India. Pin - 131 001.

Karjat Plant: Survey No. 18/5/A/(2), 18/5/B(1), 21/1(P), 21/10,21/12, Anjap, Karjat - Taluka, Raigad, Maharashtra, 410 101.

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Independent Auditor's Report

To
The Members of
M/S. PRECISION CONTAINEURS LIMITED

(A company revived as per the Hon'ble NCLT order dated 2nd May, 2023 from Corporate Insolvency Resolution Process)

Report on the Audit of the Standalone Financial Statements

We have audited the financial statements of M/S. PRECISION CONTAINEURS LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March, 2024, and the Statement of Profit and Loss (including other comprehensive income), and statement of cash flows and statement of changes in equity for the year ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred as "Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive loss, its cash flows and changes in equity 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 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 on the Financial statements.

Emphasis of Matter Paragraph

We draw attention to the fact that the shares of the company listed on BSE are suspended as on the date of issue of this report due to procedural reasons.

Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>(i) Accounting treatment for the effects of the Resolution Plan</p> <p>Refer Note 36 to the standalone Financial Statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2024 under Insolvency and Bankruptcy Code, 2016.</p> <p>In respect of de-recognition of operational and financial creditors, difference amounting to Rs. 1489.43 lacs between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit or loss account in accordance with "Ind-As -109" on "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional Items". Further, these write back includes parties of creditors, advances and lenders.</p> <p>Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users understanding of the Financial Statements as a whole and materiality thereof.</p>	<p>We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the Financial Statements:</p> <ul style="list-style-type: none"> • Reviewed management's process for review and implementation of the Resolution Plan. • Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis. • Verified the payment of funds on test check basis as per the Resolution Plan. • Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan



Information other than the financial statements and Auditors Report thereon

The Company management /Board of Directors are responsible for the other information. The other information comprises the information in the Company's annual report, but does not include the financial statement and our auditor's report thereon. The company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for Standalone

The Hon'ble Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated 10th March, 2022 ("NCLT Order") admitted company petition (IB) no. 2146/MB-IV/2019 filed by Stressed Assets Stabilization Fund ("SASF" or "financial creditor") for initiation of Corporate Insolvency Resolution Process ("CIRP") against the company u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Vide the NCLT order, the moratorium u/s 14 of the Code came into the effect and Mr. Ramnarayan Rajaraman with IP registration No. IBBI/IPA-002/IP-N000699/2018-19/12204 was appointed as Interim Resolution Professional ("IRP") to, inter alia, manage its affairs of the Company in accordance with the provisions of Code. Subsequently Committee of Creditors ("CoC") in its meeting held on 8th April, 2022 resolved to replace the IRP Mr Ramnarayan Rajaraman with Mr. Chetan T Shah, with IP registration no. IBBI/IPA-001/IP-P00026/2016-17/10059 as Resolution Professional ("RP"). The NCLT has confirmed the appointment of Mr. Chetan T Shah as RP vide order dated 26th April, 2022. As per the provisions of the Code, powers of the Board of Directors were vested with the Resolution Professional. The Hon'ble NCLT, Mumbai Bench has approved the Resolution Plan for the Company vide Order dated 2nd May, 2023. In view of the said order, the status of the Resolution Professional has changed to Monitoring Agent & Erstwhile Resolution Professional. Further, the Monitoring Committee has vested the powers with the new Board of Directors of the Corporate Debtor as per the terms of the Resolution Plan.



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 and presentation of these standalone 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 the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 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 "A", 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 appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Resolution Professional, none of the Directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid remuneration to its directors during the year, further the Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented by us.

3) 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:

a) The Company, as detailed in Note no. 32 to the standalone financial statements has disclosed the impact of pending litigations on its financial position.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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Chartered Accountants

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

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

d(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (d)(i) and (d)(ii), contain any material mis-statement.

(e) There was no dividend declared or paid by the Company during the year, and therefore the clause as to whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013 is not applicable.

(f) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account which does not have a feature of recording audit trail (edit log) facility due to which we cannot comment on any instances of the audit trail feature being tampered with.

PLACE: MUMBAI
DATE : 29th May, 2024
UDIN : 24046437BKEZLB5773



FOR APMH & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FRN : 102699W/W100142

Hemant Mehta
(HEMANT MEHTA)
PARTNER
MEMBERSHIP NO.046437

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2024 we report that:

(i) In respect of Property, Plant & Equipment and Intangible Assets

i)(a)(A) The company has maintained full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

i)(a)(B) The company does not have any intangible assets, hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the company.

i)(b) As explained to us, these Property, Plant & Equipment have been physically verified by the management at reasonable intervals and no material discrepancies on such verification has been noticed during the year.

i)(c) The title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) are in the name of the company.

i)(d) According to information & explanation given to us & on the basis of our examination of records of the company, the company has not revalued it's Property, Plant & Equipment (including Right of Use assets) or intangible assets or both during the year.

i)(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)(a) The company is not holding any inventory during the year and hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

ii)(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 during the year hence reporting under clause 3(ii)(b) of the order is not applicable to the company.

iii) As informed to us, the Company has not made investments in, provided any guarantee or security or granted any loans/advances in nature of loans, secured or unsecured to companies, firms, limited liability partnership firm or any other parties during the year. Accordingly, clause 3(iii) of the Order is not applicable to the company.

iv) There are no transactions undertaken by the company which attract the provision of Section 185 and 186 of the Companies Act, 2013, 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, for the business activities carried out by the company. Accordingly, clause 3(vi) of the Order is not applicable.
- vii) In respect of statutory dues :
- a) According to the records of the company, undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and Statutory dues as applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at the Balance Sheet date for a period of more than 6 months from the date of becoming payable.
- b) As mentioned in note 32 to the standalone financial statements, as per approved resolution plan, which interalia resulted in extinguishment of all contingent liabilities and commitments, claims and obligations, which pertains to the period on or before the effective date (i.e. 2nd May, 2023 pursuant to the implementation of the Resolution Plan). There are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited on account of any dispute.
- 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)(a) The National Company Law Tribunal ('NCLT') has approved the terms of the Resolution Plan submitted by Resolution Applicant, pursuant to which loans or borrowings owed by the Company as at that date have been partially paid and balance amount has been extinguished. Accordingly, the Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- ix)(b) According to information and explanation given to us, the company is not declared wilful defaulter by any bank or financial institution or government or any government authority
- ix)(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.
- ix)(d) According to information and explanation given to us, the short term funds raised by the company are not used for long term purposes.
- ix)(e) According to information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of it's subsidiaries, associates or



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- ix)(f) According to information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in it's subsidiaries, joint ventures or associates companies.
- x)(a) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- x)(b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- xi)(a) Based on our audit procedures and the information and explanation made available to us, no fraud by the company or any fraud on the Company has been noticed or reported during the year.
- xi)(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 was required to be filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- xi)(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year (and upto the date of this report), hence reporting under clause 3(xi)(c) of the order is not applicable.
- xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The company has not formed audit committee for the period under audit due to which compliance with the provision of Section 177 of the Companies Act, 2013 are not complied with.
- (xiv) (a) In our opinion. the company has an internal audit system commensurate with the size and nature of its business;
- xiv)(b) We have considered the internal audit reports for the year under audit, issued to the Company, in determining the nature, time and extent of our audit procedures.



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- xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence clause 3(xvi)(a), (xvi)(b), (xvi)(c), (xvi)(d) of the Order are not applicable to the Company.
- xvii) The company has incurred cash losses only during the immediate preceding financial year but has not incurred any cash losses during the current financial year. The amount of cash loss is Rs. 17,49,877 for period ending 31st March, 2023.
- xviii) There has been no resignation of the statutory auditors during the year and 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) Due to inadequacy of profits, the company is not required to spend any amount towards Corporate Social Responsibility under section 135 of the Companies Act and accordingly clause (xx) of the Order is not applicable.

PLACE: MUMBAI
DATE : 29th May, 2024
UDIN : 24046437BKEZLB5773



FOR APMH & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FRN : 102699W/W100142

Hemant
(HEMANT MEHTA)
PARTNER
MEMBERSHIP NO.046437

ANNEXURE - B TO THE AUDITOR'S REPORT

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. PRECISION CONTAINEURS LIMITED as of 31st March 2024 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 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 2024, 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.

PLACE: MUMBAI
DATE : 29th May, 2024
UDIN : 24046437BKEZLB5773



FOR APMH & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FRN : 102699W/W100142

Hemant Mehta
(HEMANT MEHTA)
PARTNER
MEMBERSHIP NO.046437

PRECISION CONTAINERS LIMITED

[CIN : L28920MH1981PLC023972]

Standalone Balance Sheet as at March 31, 2024

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	Mar 31, 2024 Rs	Mar 31, 2023 Rs
ASSETS			
Non-current assets			
(i) Property, plant and equipment	3	1.21	1.21
(ii) Investment Property	4	17.51	21.01
(iii) Financial assets			
- Investments	5	3.61	4.02
- Other Non current financial assets	7	0.07	0.08 *
		22.40	26.32
Current assets			
(i) Financial assets			
- Investments	5	-	-
- Loans	6	62.30	0.24 *
- Cash and cash equivalents	11	1.92	11.26
- Bank Balance other than Cash and cash equivalents	12	0.89	0.83 *
- Other Current financial assets	10	-	- *
(ii) Other current assets	8	10.20	6.49 *
(iii) Current Tax assets	9	0.24	7.05 *
		75.55	25.87
Total assets		97.95	52.20
EQUITY AND LIABILITIES			
EQUITY			
(i) Equity share capital	13	77.42	2,238.12
(ii) Other equity	14	(604.52)	(4,216.36)
		(527.09)	(1,978.24)
LIABILITIES			
Non Current Liability			
(i) Financial liabilities			
- Borrowings	15	-	- *
- Provisions	17	-	- *
- Other financial liabilities	16	-	- *
(ii) Other Non Current liabilities	18	-	- *
		-	- *
Current Liability			
(i) Financial liabilities			
- Borrowings	15	71.65	1,443.85 *
- Trade payables			
Total Outstanding dues of Micro & Small Enterprises	19	1.24	3.42 *
Total Outstanding dues of other than Micro & Small Enterprises	19	0.82	4.88 *
- Provisions	17	-	0.31 *
- Other financial liabilities	16	0.83	559.63 *
(ii) Other Current liabilities	18	550.50	18.35 *
		625.05	2,030.44
Total equity and liabilities		97.95	52.20
Summary of significant accounting policies	2.1		

The above Balance Sheet should be read in conjunction with the accompanying notes.
As per our Report of even date

For APMH & Associates LLP

Firm Registration Number: 102692W/AY/100142

Chartered Accountants

Hemant Mehta

Partner

Membership No.: 046437



For and on behalf of the Board of Directors

Precision Containers Ltd.

Mr. Madhav Jayesh Valia

Director

(DIN:03381853)

Mr. Jayesh Palsanekar

C.F.O

(PAN :AVWPP2828G)

Mr. Sunil Mahadeo Patil

Director

(DIN:08609438)

Mr. Hariram Kalpehand Bijlani

Co. Secretary

(PAN: AAN1B5577C)

Place: Mumbai

Date: 29th May '2024

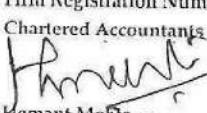
Place: Mumbai

Date: 29th May '2024


PRECISION CONTAINEURS LIMITED
 | CIN : L28920MH1981PLC023972 |
 Standalone Statement of Profit and Loss for the Year Ended March 31, 2024
 (All amounts in Indian Rupees Lakhs, except as otherwise stated)


	Notes	March 31, 2024 Rs	March 31, 2023 Rs
Income			
Other income			
Total Income	20	2.64	7.77
		2.64	7.77
Expenses			
Employee benefits expense	21	2.73	-
Depreciation and amortization expense (note 3)	22	3.50	3.50
Finance costs	23	0.01	-
Other expenses	24	34.36	25.27
Total expenses		40.61	28.77
Profit/(loss) before Exceptional Items & Tax		(37.96)	(21.00)
Exceptional Items	25	1,489.43	-
Profit/(loss) before Tax		1,451.47	(21.00)
Tax expense			
Current tax			-
Deferred tax			-
Total tax expense			-
Profit/(loss) for the year		1,451.47	(21.00)
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods			
(a) Re-measurement gains/ (losses) on defined benefit plans			-
(b) Net fair value gain/(loss) on investments in equity through OCI		(0.37)	(1.46)
Other comprehensive income ('OCI')		(0.37)	(1.46)
Total comprehensive income for the year (comprising profit and OCI for the year)		1,451.10	(22.46)
Earnings per equity share	26		
- Basic (')		6.49	(0.09)
- Diluted (')		6.49	(0.09)
Summary of significant accounting policies	2.1		


The above Statement of Profit and Loss should be read in conjunction with the accompanying notes. As per our report of even date.

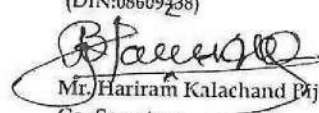
For APMH & Associates LLP
 Firm Registration Number: 102699/WA/00142
 Chartered Accountants

 Hemant Mehta
 Partner
 Membership No: 046437


For and on behalf of the Board of Directors
 Precision Containeurs Ltd.


 Mr. Madhav Jayesh Valia
 Director
 (DIN:03381853)


 Mr. Sunil Mahadeo Patil
 Director
 (DIN:08609438)


 Mr. Jayesh Palsanekar
 C.F.O
 (PAN :AVWPP2828G)


 Mr. Hariram Kalachand Pijlani
 Co. Secretary
 (PAN : AANPB5577G)

Place: Mumbai
 Date: 29th May '2024

Place: Mumbai
 Date: 29th May '2024

PRECISION CONTAINERS LIMITED

[CIN. : L28920MH1981PLC023972]

Cash Flow Statement for the Year Ended March 31, 2024

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

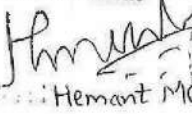
Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
	Amount In Rs Lakhs	Amount In Rs Lakhs	Amount In Rs Lakhs	Amount In Rs Lakhs
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		3,662.17		(21.00)
<i>Adjustments for:</i>				
Depreciation and amortisation	3.50		3.50	
Finance costs	0.01		0.00	
Rent Income	(2.40)		(6.80)	
Interest Income	(0.24)		(0.97)	
Written back of loans	(1,539.43)		-	
Reduction of Share Capital	(2,160.70)		-	
Profit on Sale of Fixed Assets / Shares				
	(3,699.26)	(3,699.26)	(4.27)	(4.27)
Operating profit / (loss) before working capital changes		(37.09)		(25.27)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories				
Financial assets (Current)	(59.02)		(3.37)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(6.23)		1.80	
Financial Liabilities (Non Current)	-		-	
Employee Benefit obligations	-		-	
Other current liabilities	(26.97)		27.34	
Long-term provisions	-		-	
	(92.21)	(92.21)	25.77	25.77
Cash generated from operations		(129.30)		0.50
Interest Paid /Accrued		(129.30)		0.50
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		(129.30)		0.50
B. Cash flow from investing activities				
Receipt of Advance	-			
Proceeds from sale of Fixed Assets /Shares	-			
Rent received	2.40		6.80	
Interest Income	0.24		0.97	
Written back of loans	1,539.43			
Written back of Investment	0.05			
Written back of Fixed Deposit	0.05			
	1,542.17	1,542.17	7.77	7.77
Net income tax (paid) / refunds		1,542.17		7.77
Net cash flow from / (used in) investing activities (B)		1,542.17		7.77



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C. Cash flow from financing activities			
Change in Share Premium			
Change in Financial assets (Non Current)	(50.00)		-
Repayment of long-term borrowings	0.01		0.25
Proceeds from other short-term borrowings	-		-
Finance cost	(1,372.20)		(0.00)
	(0.01)		(0.00)
Net cash flow from / (used in) financing activities (C)	(1,422.21)	(1,422.21)	0.25
		(1,422.21)	0.25
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(9.34)	8.52
Cash and cash equivalents at the beginning of the year		11.26	2.74
Cash and cash equivalents at the end of the year		1.92	11.26
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 11)		1.92	11.26
Net Cash and cash equivalents (as defined in IND AS 7 Cash Flow Statements) included in Note 11		1.92	11.26
Cash and cash equivalents at the end of the year *		1.92	11.26
* Comprises:			
(a) Cash on hand		-	-
(b) Balances with banks			
(i) In current accounts		1.92	1.04
(ii) In deposit accounts with original maturity of less than 3 months		-	10.21
		1.92	11.26


In terms of our report attached.


For APMH & Associates LLP
 Firm Registration Number: 102699WAW100142
 Chartered Accountants

 Hemant Mehta
 Partner
 Membership No.: 096437

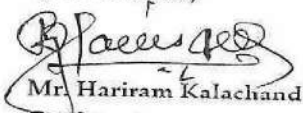


For and on behalf of the Board of Directors
 Precision Containeurs Ltd.


 Mr. Madhav Jayesh Valia
 Director
 (DIN:03381853)


 Mr. Jayesh Palsaneekar
 C.F.O
 (PAN :AVWPP2828G)


 Mr. Sunil Mahadeo Patil
 Director
 (DIN:08609438)


 Mr. Hariram Kalachand Bijlani
 Co. Secretary
 (PAN: AANPB5577G)

Place: Mumbai
 Date: 29th May '2024

Place: Mumbai
 Date: 29th May '2024

PRECISION CONTAINERS LIMITED

[CIN : L28920MH1981PLC023972]

Notes To Standalone Ind AS Financial Statements for the Year Ended March 31, 2024

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

A EQUITY SHARE CAPITAL

	As on 31.03.2024	As on 31.03.2023
Balance at the beginning of the reporting period		2,238.12
Changes in Equity Share Capital during the reporting period	(2,160.70)	-
Balance at the end of the reporting period	77.42	2,238.12

B OTHER EQUITY

Particulars	General Reserve	Reserves and Surplus		Equity Instruments through OCI	Total
		Securities Premium	Retained Earnings		
As at 31.03.2022					
Profit for the year	-	50.00	(4,188.00)	(55.90)	(4,193.91)
Net fair value Gain/ (Loss) on investments in equity instruments through OCI	-	-	(21.00)	-	(21.00)
Reassessment Benefit of defined benefit plans	-	-	-	(1.46)	(1.46)
As at 31.03.2023					
Profit for the year	-	50.00	(4,209.00)	(57.36)	(4,216.36)
Net fair value Gain/ (Loss) on investments in equity instruments through OCI	-	-	1,451.47	-	1,451.47
Reassessment Benefit of defined benefit plans through OCI	-	-	-	(0.37)	(0.37)
Reduction in value of equity shares & Security Premium (Note No 36 (d))	-	(50.00)	2,210.70	0.04	0.04
As at 31.03.2024			(546.83)	(57.69)	(604.52)

In terms of our report attached.

For APMH & Associates LLP
Firm Registration Number: 102699W/W100142
Chartered Accountants

Hemant Mehta
Partner
Membership No.: 046437



For and on behalf of the Board of Directors
Precision Containers Ltd.

Mr. Madhav Jayesh Valia
Director
(DIN:03381853)

Mr. Sunil Mahadeo Patil
Director
(DIN:08609438)

Mr. Jayesh Palsanekar
C.F.O
(PAN :AVWPP2828C)

Mr. Hariram Kalaehand Bijlani
Co. Secretary
(PAN: AANPB5577G)

Place: Mumbai
Date: 29th May '2024

Place: Mumbai
Date: 29th May '2024

Note 1

Notes forming part of the financial statements

The company overview

Precision Containeurs Limited ('a Public Listed Limited Company') is incorporated in India under Companies Act 1956. The registered office is located at Mumbai

As per the main object clause, business of the Company is of manufacturing of Barrels.

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated 10th March, 2022 ("NCLT Order") admitted company petition (IB) no. 2146/MB-IV/2019 filed by Stressed Assets Stabilization Fund ("SASF" or "financial creditor") for initiation of Corporate Insolvency Resolution Process ("CIRP") against the Company u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code").

The Hon'ble NCLT, Mumbai Bench has approved the Resolution Plan for the Company vide Order dated 02/05/2023. In view of the said order, the status of the Resolution Professional has changed to Monitoring Agent & Erstwhile Resolution Professional. Further as per the minutes of the Fourth Meeting of the Monitoring Committee of "Precision Containeurs Limited" it has been decided that new directors of the Corporate Debtor are holding the office as per the terms of the Resolution Plan. SASF do not have any objection to the proposed reconstitution of the Board of Directors.

Note: 2 Basis of preparation of Financial Statements

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by The Companies (Indian Accounting standards) (amendment) Rules, 2016, in India. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April 2016. Accordingly, the financial statements of the company have been prepared in accordance with the Ind AS.

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March 2024 are the Eighth the Company has prepared in accordance with Ind-AS.

The financial statements are presented in Lakhs and all values are rounded to the nearest rupees except when otherwise indicated.

Pursuant to the Resolution Plan submitted by "East India Drums & Barrels Manufacturing Pvt. Ltd." (referred to as "Resolution Applicant") and its approval by the Hon'able National Company Law Tribunal, Mumbai bench vide their order dated May 02,2023 for the corporate insolvency of the Company, which will be implemented from April 01,2024, the financial statements have been prepared on "going concern basis".

As per the Minutes of the Fourth Meeting of the Monitoring Committee, "The Monitoring Committee of Precision Containeurs Limited has delegated powers to fix/declare Effective Date for the purpose of Capital Reduction and the Scheme of Reverse Merger under the Resolution Plan approved by the NCLT vide order dated 02.05.2023 to the Board of Directors of the Company".



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As per the minutes of the Fourth Meeting of the Monitoring Committee of Precision Containeurs Limited, the members have unanimously decided that since entire payment under the Resolution Plan to SASF have been made the complete control of the Corporate Debtor ("CD") is given to the ARA and the ARA need not seek any further approval from the Monitoring Committee be it merger activities or running of the CD independently.

Accordingly, Board of Directors meeting held on 29th March, 2024 and has decided the Effective Date i.e. "**April 01, 2024**" for the purpose of implementation of requisite corporate actions envisaged under the approved Resolution Plan.

The Board has further taken note of the following effects of implementation of the approved Resolution Plan consisting of Scheme of Reverse Merger:

- 1) Extinguishment of entire existing promoter shareholding 30,25,675 equity shares on March 31, 2024.
- 2) Capital Reduction of existing public shareholding 1,93,55,525 equity shares to 7,74,221 equity shares on March 31, 2024.
- 3) Merger of the ARA into Company w.e.f April 1, 2024 comprising inter alia following corporate actions on the same day"
 - i) issuance of 1.4 Crores equity shares of Rs. 10 each of the company to the shareholders of the ARA;
 - ii) Change of name of the Company to **East India Drums and Barrels Manufacturing Limited**; and
 - iii) Authorised Capital of the ARA to be combined with the authorised capital of the CD.

Note 2.1: Summary of significant accounting policies

a) Current versus non-current classification

Assets and Liabilities are classified as current or non - current, inter-alia considering the normal operating cycle of the company's operations and the expected realization/settlement thereof within 12 months after the Balance Sheet date.

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

b) Revenue recognition

The revenue is recognized on the basis of Mercantile System of Accounting. The expenses and Income considered payable and receivable respectively are accounted on accrual basis. Revenue from sale of goods is recognised when significant risk and reward of ownership is transferred to the customer and commodity has been delivered to the customer.

c) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest. Interest income is included under the head "Other income" in the statement of profit & loss account.

d) Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the balance sheet date.



e) Inventories

Inventories are valued at lower of cost and Net realisable value (FIFO) after providing for obsolescence and other losses where considered necessary. Raw material and WIP is valued at cost exclusive of duties and taxes. Scrap is estimated at realisable value. Finished goods are valued at cost or estimated realizable value inclusive of excise duty payable thereupon at the time of dispatch whichever is lower.

f) Taxes

i. Current income tax

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

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

ii. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences,

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

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

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

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

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

g) Property, plant and equipment



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Plant and equipment is stated at cost of acquisition or constructions including attributable borrowing cost till such assets are ready for their intended use, less of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition for the aforesaid purpose comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, net of trade discounts, rebates and credits received if any.

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

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property Plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property, Plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate,

Depreciation is provided as per useful life prescribed by Schedule II of the Companies Act, 2013 on Written Down Value Method on Tangible PPE.

h) Investment properties

Investment properties comprise portions of office buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit and loss as incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

i) Impairment of 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



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amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

j) Borrowing costs:

a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

b) All other borrowing costs are recognised as expense in the period in which they are incurred.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term



g/h

g/h

g/h

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase

m) Provisions, Contingent liabilities, Contingent assets and Commitments: Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A present obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

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

n) Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such schemes. The Company recognises contribution payable to such schemes as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Liability for gratuity as at the year-end is provided on the basis of actuarial valuation.

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

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

- Service costs comprising current service costs; and
- Net interest expense or income



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

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

o) Fair value measurement

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. **(As per Schedule 28)**

p) Financial instruments

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

i. Financial assets

Initial recognition and measurement

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



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Subsequent measurement

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

- Financial assets at fair value
- Financial assets at amortized cost

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collected contractual cash flows and selling financial instruments.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



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

ii. Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.



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iii. Offsetting of financial instruments

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

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise of the net profit after tax, after reducing dividend on Cumulative Preference Shares for the period (irrespective of whether declared, paid or not), as per Ind AS 33 on "Earnings Per Share". The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

s) Significant accounting judgements, estimates and assumptions

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



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