

21<sup>st</sup> August, 2023

<b>National Stock Exchange of India Ltd.</b> Listing Department. Exchange Plaza, C-1, Block- G, Bandra Kurla Complex, Bandra (East) Mumbai-400 051. Fax No. 26598235/8237/8347. <b>Symbol: DELTAMAGNT</b>	<b>BSE Ltd.,</b> Corporate Relation Department, Listing Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Facsimile No. 22723121/22722037/2041 <b>Script Code: 504286</b>
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Dear Sir/Madam,

**Sub: Submission of Annual Report pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In compliance with provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the year ended 31<sup>st</sup> March, 2023.

You are requested to take the same in your record.

Thanking You.

Yours Sincerely,  
**For Delta Manufacturing Limited****Madhuri Deokar**  
**Company Secretary**  
**ACS No.: 54631**  
**Encl: As above**



## THE BOARD OF DIRECTORS

Mr. Jaydev Mody	Non-Executive Chairman
Dr. Ram H. Shroff	Managing Director and Executive Vice Chairman
Ms. Anjali Mody	Non-Executive Director
Mr. Darius Khambatta	Independent Director
Mr. Javed Tapia	Independent Director
Mr. Rajesh Jaggi	Independent Director
Dr. Vrajesh Udani	Independent Director

## CHIEF FINANCIAL OFFICER AND CEO

Mr. Abhilash Sunny

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Madhuri Deokar  
Email Id.: [secretarial@dmltd.in](mailto:secretarial@dmltd.in)

## REGISTERED OFFICE

B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra.

## PLANT LOCATION

1. B-87, MIDC, Ambad, Nashik-422010, Maharashtra
2. Plot No. 101-103, 19<sup>th</sup> Street, MIDC, Satpur, Nashik 422 207, Maharashtra

## STATUTORY AUDITORS

M/s. M H S & Associates  
Chartered Accountants

## BANKERS

Axis Bank Limited

## REGISTRAR & SHARE TRANSFER AGENTS

Purva Sharegistry (India) Private Limited  
Registered Office:  
Unit No. 9, Ground Floor, Shivshakti Industrial Estate  
J. R. Boricha Marg, Lower Parel (E),  
Mumbai-400 011,  
Phone : (022) 3199 8810 / 4961 4132  
E-mail : [support@purvashare.com](mailto:support@purvashare.com)

## SHARES LISTED ON

BSE Limited (Script Code: 504286)  
National Stock Exchange of India Limited  
(Symbol: DELTAMAGNT)

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## NOTICE

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting (AGM) of Members of Delta Manufacturing Limited (the Company) will be held on Thursday, 14<sup>th</sup> September, 2023 at 03.30 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement (including the Consolidated Financial Statement) for the financial year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Ms. Anjali Mody (DIN: 02784924), who retires by rotation and being eligible offers herself for re-appointment.
3. To re-appoint M/s. M H S & Associates, Chartered Accountants as Statutory Auditors of the Company for second term.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to recommendation made by the Audit Committee and Board of Directors of the Company, M/s. M H S & Associates, Chartered Accountants (Firm Reg. No. 141079W) be and are hereby re-appointed as Statutory Auditors of the Company to hold office for second term of five consecutive years who shall hold the office from the conclusion of this Annual General Meeting (AGM) of the Company till the conclusion of 46<sup>th</sup> AGM of the Company to be held in the calendar year 2028, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof), be and are hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

### NOTES:

1. In terms of General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated 28<sup>th</sup> December, 2022 (collectively referred to as ‘MCA Circulars’) issued by the Ministry of Corporate Affairs (‘MCA’), the AGM is being held through VC/OAVM without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (‘the Act’), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and the MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. As the AGM is being conducted through VC/OAVM, the facility to appoint Proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representative to attend the AGM through VC/OAVM and participate therein and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Companies Act, 2013 (the Act) on the e-mail id [secretarial@dmltd.in](mailto:secretarial@dmltd.in).
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors,

Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) Regulation 44 of SEBI Listing Regulations (as amended), in line with MCA Circulars and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.
6. In line with the MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.deltamagnets.com](http://www.deltamagnets.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circulars as issued from time to time.

7. In terms of Section 152 of the Act, Ms. Anjali Mody (DIN: 02784924) Director, shall retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends re-appointment of Ms. Anjali Mody. Details of Ms. Anjali Mody, Director, proposed to be appointed/re-appointed at the ensuing AGM, as required by Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) are forming part of this Notice. Requisite declarations have been received from the Director for her appointment/re-appointment. An explanatory statement pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), in regard to the item no. 3 is annexed hereto.
8. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, 8<sup>th</sup> September, 2023 to Thursday, 14<sup>th</sup> September, 2023 (both days inclusive), for the purpose of AGM.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, The Register of Contracts or Arrangements in which the Directors are interested under section 189 of the Act and all other documents referred to the Notice will be available for inspection in electronic mode. Members can inspect the same by sending email to [secretarial@dmltd.in](mailto:secretarial@dmltd.in).
10. Unclaimed Dividends:
  - a. Members are requested to note that pursuant to the Scheme of Amalgamation between the Company, Arrow Textiles Limited (First Transferor Company or ATL) and MMG India Private Limited (Second Transferor Company or MMG) and respective shareholders as approved by Hon'ble National Company Law Tribunal, Mumbai bench (NCLT) by its order dated 27<sup>th</sup> December, 2019 (the Scheme), ATL amalgamated with the Company. As per the provisions of section 124(5) and section 124(6) of the Act, dividends declared by ATL not encashed/claimed by the members, within a period of seven years from the date of declaration of dividend, shall be transferred by the Company to the IEPF along with all the shares in respect of which dividend has not been paid or claimed for the period of seven years.

- b. Members/claimants whose shares, unclaimed dividend have been transferred to the IEPF, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <https://www.iepf.gov.in>) along with requisite fees, if any, as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
- c. The details of the unpaid/unclaimed dividend are available on the website of the Company i.e. [www.deltamagnets.com](http://www.deltamagnets.com)

It is in the Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends if any paid by the Company are credited to the Members' account on time.

11. Unclaimed Proceeds of Fractional Shares:

Members of the Company are requested to note that as per the provisions of section 124(5) and section 124(6) of the Act, proceeds of fractional shares not claimed by the Member of the Company, within a period of seven years from the date of sale of shares, shall be transferred by the Company to the IEPF.

12. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021 and 05<sup>th</sup> January, 2023 respectively, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.deltamagnets.com](http://www.deltamagnets.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
13. Members are requested to register/update their e-mail addresses with the Depository Participant (DP) (in case of shares held in dematerialized form) or with Registrar and Share Transfer Agent (RTA) (in case of shares held in physical form) which will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.
14. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023, in supersession of earlier circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details. As per the said Circular, it is mandatory for the members holding shares in physical form to register PAN, KYC and Nomination details. Members holding shares in physical form are requested to register their PAN, e-mail id, bank details and other KYC details by filling Form ISR-1, update signature by filling Form ISR-2 and update Nomination details by filling Form SH-13 or declaration of opt out of Nomination by filling Form ISR-3 or cancel nomination by filling form SH-14 and send the respective forms to Purva Sharegistry (India) Private Limited at 9 Shiv Shakti Industrial Estate, J R Boricha Marg, Lower Parel (E), Mumbai-400011 or email the scanned copy to [support@purvashare.com](mailto:support@purvashare.com). The forms for updating the same are available at [www.deltamagnets.com](http://www.deltamagnets.com) and on the website of our RTA at [www.purvashare.com](http://www.purvashare.com) on or after 01<sup>st</sup> October, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Members are requested to quote their Folio Numbers/Client ID/DP ID and contact details in all correspondence and consolidate their holdings into one Folio in case they hold share under multiple Folios in the identical order of names.

**Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from 01<sup>st</sup> April, 2024, upon registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money-Laundering Act, 2002, if they continue to remain frozen as on 31<sup>st</sup> December, 2025.**

**Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before 30<sup>th</sup> September, 2023, failing which their trading accounts shall be frozen for trading and demat account shall be frozen for debits.**

15. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website [www.deltamagnets.com](http://www.deltamagnets.com) and on the website of the Company's RTA [www.purvashare.com](http://www.purvashare.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.
16. SEBI vide its notification dated 24<sup>th</sup> January, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with the physical shares and avail various benefits of dematerialization Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Purva Sharegistry (India) Private Limited for assistance in this regard.
17. The Company has appointed Mr. Ashish Kumar Jain (Membership No. 6058 and CP No. 6124) of M/s A.K. Jain & Co. to act as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.
18. The venue of the meeting shall be deemed to be the Registered Office of the Company.
19. Any person holding shares in physical form and non- individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Friday, 18<sup>th</sup> August, 2023 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/ RTA at [support@purvashare.com](mailto:support@purvashare.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholder holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, 7<sup>th</sup> September, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
20. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
21. Voting through electronic means:

In compliance with the provisions of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s) thereof for the time being in force), Regulation 44 of the SEBI Listing Regulations and SS – 2, the Company is providing to its Members with the facility to cast their vote electronically ("remote e-Voting") using an electronic voting system provided by NSDL, on all the business items set forth in the Notice of AGM and the business may be transacted through such remote e-voting. The instructions for remote e-Voting explain the process and manner for generating/ receiving the password and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items:

## **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Sunday, 10<sup>th</sup> September, 2023 at 09:00 a.m. and ends on Wednesday, 13<sup>th</sup> September, 2023 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the (cut-off date) i.e. Thursday, 7<sup>th</sup> September, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 7<sup>th</sup> September, 2023.

## How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### Step 1: Access to NSDL e-Voting system





#### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible Companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘**Shareholder/Member**’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [secretarial@dmltd.in](mailto:secretarial@dmltd.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board

Resolution/Power of Attorney/Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secretarial@dmltd.in](mailto:secretarial@dmltd.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [secretarial@dmltd.in](mailto:secretarial@dmltd.in)
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
4. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in **Shareholder/ Member login** where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, along with the questions, from their registered e-mail id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. at [secretarial@dmltd.in](mailto:secretarial@dmltd.in) on or before Monday, 4<sup>th</sup> September, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers/questions depending on the availability of time for the AGM.

In case of any grievances connected with facility for e-voting, please contact

**A. Pallavi Mhatre, Senior Manager**

E-voting Helpdesk  
National Securities Depositories Limited  
Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)  
Phone: 022-4886 7000 / 022-2499 7000

**B. Madhuri Deokar, Company Secretary**

Delta Manufacturing Limited  
Corporate Office: Bayside Mall,  
2<sup>nd</sup> Floor, Tardeo Road, Haji Ali, Mumbai-400 034  
Email: [secretarial@dmltd.in](mailto:secretarial@dmltd.in)  
Phone: 022-40794700

**C. Deepali Dhuri**

Purva Sharegistry (India) Pvt. Ltd.  
Registered Office:  
Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt,  
J. R. Boricha Marg, Lower Parel East,  
Mumbai- 400011  
Email: [support@purvashare.com](mailto:support@purvashare.com)  
Phone: 022-3199 8810/022-4961 4132

**By Order of the Board of Directors**

**Place: Mumbai**  
**Date: 3<sup>rd</sup> August, 2023**

**Registered Office:**

B-87, MIDC, Ambad, Nashik-422 010, Maharashtra.  
CIN : L32109MH1982PLC028280  
Email ID : [secretarial@dmltd.in](mailto:secretarial@dmltd.in)  
Website : [www.deltamagnets.com](http://www.deltamagnets.com)  
Tel No. : 91-0253-2382238  
Fax No. : 91-253-2382926

**Madhuri Deokar**  
**Company Secretary**  
**ACS No: 54631**

## EXPLANATORY STATEMENT

**Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')**

### Item no. 3

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

M/s. M H S & Associates was constituted on 1<sup>st</sup> August, 2015. The Firm is registered with the Institute of Chartered Accountants of India having (Firm Registration No. 141079W). The firm is a partnership concern of Mr. Mayur H. Shah who has relevant experience of 10 years. M/s. M H S & Associates is registered in Mumbai. The registered office of the Firm is B-304, Siddh-Paras Building, Pushpa Park, Daftary Road, Malad East, Mumbai - 400097.

The Audit Committee and the Board have recommended their re-appointment as the Statutory Auditors of the Company for the second term of five years from the conclusion of 41<sup>st</sup> Annual General Meeting till the conclusion of the 46<sup>th</sup> Annual General Meeting. The proposed audit fee of the M/s. M H S & Associates for the financial year 2023-24 will be ₹ 3,00,000 plus out-of-pocket expenses. For the remaining period of the tenure, it is proposed to authorize the Board of Directors to fix and pay the statutory fee and other charges.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends their appointment and payment of remuneration for approval of the shareholders.

**By Order of the Board of Directors**

**Madhuri Deokar**  
**Company Secretary**  
**ACS No: 54631**

**Place: Mumbai**  
**Date: 3<sup>rd</sup> August, 2023**

**Registered Office:**  
B-87, MIDC, Ambad, Nashik-422 010, Maharashtra.  
CIN : L32109MH1982PLC028280  
Email ID : [secretarial@dmltd.in](mailto:secretarial@dmltd.in)  
Website : [www.deltamagnets.com](http://www.deltamagnets.com)  
Tel No. : 91-0253-2382238  
Fax No. : 91-253-2382926

## ANNEXURE

### DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 41<sup>ST</sup> AGM PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

<b>Name of Director</b>	: Ms. Anjali Mody
<b>DIN</b>	: 02784924
<b>Date of 1<sup>st</sup> Appointment</b>	: 13/02/2020
<b>Age</b>	: 37
<b>Qualification</b>	: Bachelors of Fine Arts in Industrial Design from the Rhode Island School of Design (RISD).
<b>Experience/brief profile</b>	: Ms. Anjali Mody graduated from the Rhode Island School of Design in 2009 after earning her BFA in Industrial Design. She honed her skills in Providence and New York before returning to Mumbai in 2010. Anjali got involved in the Projects team of Delta Corp starting 2018, overseeing design of the gaming vessels and hotel properties.

A team player who believes in leading through example, Anjali has played a key role at Delta over the last 5 years and is responsible for several positive developments over the years. She has been involved in a few key strategic changes:

- Creatively led and art directed the full rebrand of Delta creating 'Deltin' as the Client facing brand that everyone is familiar with today.
- Led the interior overhaul of The Deltin, Daman largest property with close to 200 rooms where her key contributions were to revamp the entire hotel spanning across 10 Acres.
- Deltin Suites interiors revamp yielding in a steady increase of revenue attributed to her efforts
- Now pursuing to excel in raising the bar with the new Ship spanning 300,000 sq. ft., currently under construction at the company's shipyard.
- Deltin Town: Ms. Anjali will be leading the design team, taking key decisions in the areas of landscape, interiors, space programming, value engineering, user interface, graphic design etc. Her team will include a team of 15 people, comprising of specialists in legal, engineering, admin, design and PMC. In addition, there will also be a projects team comprising of 100+ consultants, with whom her team will interact with.
- Built an in-house factory in Goa to support any/all production requirements, therefore streamlining the entire process of design development and cost saving.
- As President of Projects (Design and Execution at Delta Corp), she has effectively overseen and executed the designing of the company's projects, be it the hotels and interiors or the gaming vessels. She continues to guide the company with her expertise in designing new gaming vessels and will play a large role in the upcoming integrated Resort project at Mopa, Goa.

Throughout her career, Anjali has established a philosophy centered on blending necessity with imagination. She has been regularly featured in Elle Decor, Architectural digest and Casa vogue, as one of most influential designers in the Indian Landscape.

Apart from her day job as a design fanatic, she is an avid animal activist and provides support to animal shelters, animal rescue enthusiasts and the world of stray animals.

**Terms and conditions of re-appointment along with details of remuneration sought to be paid:** Liable to retire by rotation

**Last Drawn Remuneration:** ₹ 8 ('000) by way of sitting fee.

**Relationship with Other Directors, Manager and Other Key Managerial Personnel of the Company:** Daughter of Mr. Jaydev Mody

**Shareholding in the Company (Individually or Jointly):** Nil

**Number of Meetings of the Board Attended during the year:** 4

**List of Directorships in other companies:**

Skarma Consultancy Private Limited

J M Livestock Private Limited

Highpoint Agro Star Private Limited

J M Realty Management Private Limited

Anjoss Trading Private Limited

Qraters Boutique Private Limited

**Foreign Companies:**

J M Holdings Limited (U A E)

J M Holdings (USA) Inc.

**List of Committee Membership/Chairmanship in other companies:** NA

**Listed entities from which the person has resigned in last three years:** NA



# DIRECTORS' REPORT

## TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Forty-First 41<sup>st</sup> Directors' Report of Delta Manufacturing Limited ("the Company") along with the financial statements for the financial year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL SUMMARY AND HIGHLIGHTS

Certain key aspects of your Company's performance during the financial year ended 31<sup>st</sup> March, 2023 as compared to the previous financial year are summarised below:

(₹ in '000)

Particulars	Standalone Year Ended Audited		Consolidated Year Ended Audited	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022*
Income for the year	813,257.99	898,569.46	813,257.99	888,859.38
Profit /(Loss) before Interest, Depreciation and Tax	(41,130.73)	(26,214.29)	(41,130.73)	(25,661.01)
Finance Charges	37,940.33	44,481.24	37,940.33	44,481.24
Profit /(Loss) before Depreciation and Taxes	(79,071.06)	(70,695.53)	(79,071.06)	(70,142.25)
Depreciation & Amortisation	48,463.05	42,218.87	48,463.05	42,218.87
Provisions for Taxation/ Deferred Tax	21,384.55	28,469.21	21,384.55	28,469.21
Exceptional Items	70,304.29	376,509.91	(20,905.35)	256,670.04
Profit from Discounted operations	–	–	2,444.49	76,896.35
Net Profit /(Loss) for the Current Year	(78,614.36)	235,126.30	(167,379.51)	192,736.06
Earlier Years Balance Brought forward	(72,031.80)	(306,767.38)	53,218.75	(131,067.37)
Net Profit /(Loss) available for Appropriation	(78,614.36)	235,126.30	(167,379.51)	192,736.06
<b>Appropriation:</b>				
Transferred from other comprehensive Income	(7,016.10)	(390.72)	(9,421.16)	(8,449.94)
Balance carried to Balance Sheet	(157,662.26)	(72,031.80)	(123,581.92)	53,218.75

**\*Note:** The consolidated figures are re-stated to bring in line with the financial statements on account of discontinued operations.

The Standalone Gross Revenue from operations for financial year 2022-23 was ₹ 813,257.99 thousand (Previous Year: ₹ 898,569.46 thousand). The Operating Loss before tax stood at (₹ 127,534.11 thousand) as against Loss of (₹ 112,914.40 thousand) in the Previous Year. The Net Loss after tax for the year stood at (₹ 78,614.36 thousand) as against (Profit of ₹ 235,126.30 thousand reported in the Previous Year).

The Consolidated Gross Revenue from operations for financial year 2022-23 was ₹ 813,257.99 thousand (Previous Year: ₹ 888,859.38 thousand), The Consolidated Operating loss before tax stood (for continued operations) (₹ 127,534.11 thousand) as against Loss of (₹ 112,361.12 thousand) in the Previous Year. The Consolidated Loss after tax stood at (₹ 167,379.51 thousand) as against (Profit of ₹ 192,736.06 thousand in the Previous Year).

### 2. DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2023.

### 3. SHARE CAPITAL

During the year under review, there was no change in the Company's share capital. The paid up Capital of the Company is ₹ 10,85,11,200/- comprising of 10851120 Equity Shares of ₹ 10/- each.

### 4. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 (the Act), the Annual Return as on 31<sup>st</sup> March, 2023 is available on the Company's website at [https://www.deltamagnetsgroup.com/dml/downloads/Annual%20Return\\_2223.pdf](https://www.deltamagnetsgroup.com/dml/downloads/Annual%20Return_2223.pdf)

### 5. NUMBER OF MEETINGS OF THE BOARD

The Board met four (4) times in financial year 2022-23 viz., on 27<sup>th</sup> May, 2022, 11<sup>th</sup> August, 2022, 20<sup>th</sup> October, 2022, and 03<sup>rd</sup> February, 2023. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

- i. in the preparation of the annual accounts for financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed there are no material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they had prepared the annual accounts on a 'going concern' basis.
- v. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- vi. they had devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

### 7. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (Listing Regulations), confirming that they meet the criteria of independence under Section 149(6) of the Act and Regulation 16 (1)(b) of SEBI Listing Regulations as amended from time to time. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

In compliance with the rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs.

### 8. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations is appended as **Annexure I** to this Report.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act, read with Companies (Meetings of Board and Its Powers) Rules, 2014 are given in the notes to the financial statement forming part of this Annual Report.

## 10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2022-23, your Company has entered into transactions with related parties as defined under Section 2(76) of the Act, Rules made thereunder and Regulation 23 of the SEBI Listing Regulations. During the financial year 2022-23, the Company has not entered into transactions with related parties which qualify as material transactions as per the Listing Regulations. All transactions with related parties were reviewed and approved by the Audit Committee were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations.

The details of related party transactions as required under IND AS-24 are set out in notes to accounts to the standalone financial statements forming part of this Annual Report.

The policy on Related Party Transactions may be accessed on the Company's website at the link:

<https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20on%20Related%20Party%20Transactions.pdf>.

There are no transactions to be reported in Form AOC-2.

## 11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report except mentioned below.

### Change of Registrar and Share Transfer Agent of the Company

The Board of Directors of the Company vide Resolution dated 17<sup>th</sup> March, 2023 have approved the appointment of "Purva Shareregistry (India) Private Limited" having registered office at 9 Shiv Shakti Industrial Estate, J R Boricha Marg, Lower Parel (E), Mumbai - 400 011 as Registrar and Share Transfer Agent (RTA) in place of Share Transfer Agent, (STA) "Freedom Registry Limited".

## 12. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is appended as **Annexure II** to this Report.

## 13. BUSINESS RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

#### **14. VIGIL MECHANISM**

The Company has adopted Vigil Mechanism and Whistle Blower Policy for directors and employees in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the SEBI Listing Regulations, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. During the year no personnel of the Company was denied access to the Audit Committee. The said policy is available on the website of the Company at <https://www.deltamagnetsgroup.com/dml/downloads/policies/Whistle%20Blower%20Policy.pdf>

#### **15. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD**

Pursuant to the provisions of the Act and Regulation 19 of the SEBI Listing Regulations, the Board has carried out an annual evaluation of performance of the Board, its Committees and Individual Directors.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Individual Directors.

The Board's functioning was evaluated after taking inputs from the Directors on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were evaluated after taking inputs from the Committee members on the basis of criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of independent directors, performance of non-independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

#### **16. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

During the year the Board of Directors reviewed the affairs of subsidiary. In accordance with Section 129(3) of the Act, and the Listing Regulations the Company has prepared consolidated financial statements of the Company and its subsidiary, which form part of the Annual Report. A report on the performance and financial position of the subsidiary company as per the Act and Rules made thereunder, is provided as Annexure-A (AOC-1) in the financial statements and hence not repeated here for the sake of brevity.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiary, are available on Company's website [www.deltamagnets.com](http://www.deltamagnets.com).

The policy for determining material subsidiaries as approved is available on the Company's website at <http://www.deltamagnetsgroup.com/dml/downloads/policies/Policy-for-Determining-Material-Subsidiaries.pdf>.

## 17. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT

The Company has neither accepted nor renewed any deposits during the financial year 2022-23 in terms of Chapter V of the Act.

## 18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS AFFECTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## 19. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 and other applicable provisions, if any, of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Section 152(6)(e) of the Act, Ms. Anjali Mody (DIN: 02784924), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

## 21. AUDITORS

### 1. Statutory Auditor

The Statutory Auditors M/s. MHS & Associates, Chartered Accountants (Firm Registration No: 141079W), was appointed in 36<sup>th</sup> Annual General Meeting (AGM) to hold office from the conclusion of 36<sup>th</sup> AGM for a term of consecutive five years till the conclusion of 41<sup>st</sup> AGM. Their present term as Statutory Auditors will be completing at the ensuing 41<sup>st</sup> AGM of the Company.

M/s. MHS & Associates, being eligible has expressed their willingness to serve as Statutory Auditors of the Company for second term. Their re-appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of this AGM upto the conclusion of 46<sup>th</sup> AGM.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their re-appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor of the Company, in audit report.

### 2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have appointed M/s. A. K. Jain & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2023. The Secretarial Audit Report is appended as **Annexure III** to this Report.

There are no qualifications, reservations or adverse remarks or disclaimers made by Secretarial Auditor of the Company.

## **22. COST RECORDS AND COST AUDIT**

Maintenance of Cost Records is applicable to the Company. However, Cost Audit as specified by the Central Government under Section 148(1) of the Act is not applicable to the Company.

## **23. REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of Act and Rules framed thereunder.

## **24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As per Regulation 34(2) read with Schedule V of the Listing Regulations, Management Discussion and Analysis Report is provided in a separate section and forms an integral part of this Annual Report.

## **25. CORPORATE GOVERNANCE**

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance which forms an integral part of this Report.

## **26. AUDIT COMMITTEE OF THE COMPANY**

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations as amended from time to time and guidance note issued by Stock Exchanges. The details of the Composition of Audit Committee are detailed in the Corporate Governance Report, which forms part of this Report.

## **27. PARTICULARS OF EMPLOYEES**

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as required under the provisions of section 197(12) of the Act, read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any shareholder on request, as per provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write email to the Company Secretary on [secretarial@dm ltd.in](mailto:secretarial@dm ltd.in).

The disclosures in terms of the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure IV** to this Report.

## **28. COMPLIANCE OF THE SECRETARIAL STANDARDS**

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

## **29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has complied with the provisions relating to constitution of Internal Complaints Committee and has Anti-Sexual Harassment policy pursuant to the provisions of The Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013. The Company did not receive any such complaints during the financial year 2022-23.

## **30. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

### **31. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

There are no instances of one time settlement during the financial year.

### **32. TRANSFER OF UNCLAIMED/ UNPAID AMOUNTS AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND**

In accordance with the provisions of the Section 124 and 125 of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unclaimed/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority.

Pursuant to the Scheme of Amalgamation between the Company, Arrow Textiles Limited (First Transferor Company or ATL) and MMG India Private Limited (Second Transferor Company or MMG) and respective shareholders as approved by Hon'ble National Company Law Tribunal, Mumbai bench (NCLT) by its order dated 27<sup>th</sup> December, 2019 (the Scheme), ATL amalgamated with the Company. As per the provisions of section 124(5) and section 124(6) of the Act, dividends declared by ATL not encashed/claimed by the members, within a period of seven years from the date of declaration of dividend, shall be transferred by the Company to the IEPF along with all the shares in respect of which dividend has not been paid or claimed as mentioned above.

The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the Authority. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

The company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at [www.deltamagnets.com](http://www.deltamagnets.com).

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website [www.deltamagnets.com](http://www.deltamagnets.com). and on the website of the Ministry of Corporate Affairs [www.iepf.gov.in](http://www.iepf.gov.in)

### **33. CORPORATE SOCIAL RESPONSIBILITY**

In terms of Section 135 of the Act, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute Corporate Social Responsibility (CSR) Committee and formulate a CSR Policy.

Since, the Company does not fall under the said criteria during the immediately preceding financial year, the provisions of Section 135 of the Act, Schedule VII and the rules made thereunder are not applicable to the Company. Accordingly, a report on CSR activities as per rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is not applicable.

### **34. ACKNOWLEDGEMENTS**

Your Directors express their sincere appreciation for the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, for better performance of the Company during the year.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 03<sup>rd</sup> August, 2023**

**Jaydev Mody**  
**Chairman**  
**DIN: 00234797**

## **ANNEXURE I**

### **NOMINATION AND REMUNERATION POLICY**

This Policy shall come into effect from 01<sup>st</sup> April, 2019

#### **1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity.
- 1.7. To develop a succession plan for the Board and to regularly review the plan;
- 1.8. To formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc. and matters related thereto.

#### **2. DEFINITIONS**

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
  - 2.4.1. Managing Director;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary; and
  - 2.4.5. such other officer as may be prescribed under the Companies Act, 2013 as amended from time to time .
- 2.5. **Senior Management shall** means officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below



the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

### 3. ROLE OF COMMITTEE

#### 3.1 The Committee shall:

- 3.1.1 Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 3.1.2 Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3.1.3 Devising a policy on diversity of board of directors;
- 3.1.4 identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 3.1.5 Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 3.1.6 Recommend to the Board, appointment Remuneration and removal of Director, KMP and Senior Management Personnel.
- 3.1.7 formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto or such other role as may be defined by the Board of Directors.

#### 3.2. Policy for appointment and removal of Director, KMP and Senior Management

##### 3.2.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### 3.2.2 Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. *However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.*
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**3.2.3 Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**3.2.4 Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**3.2.5 Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**3.3. Policy relating to the Remuneration for the Managing Director or Whole-time Director, KMP and Senior Management Personnel**

**3.3.1 General:**

- a) The remuneration/compensation/commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration /compensation /commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and in line with the Company's policy.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Whole-time Director.

- d) Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **3.3.2 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

**a) Fixed pay:**

The Managing Director or Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**c) Provisions for excess remuneration:**

If any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **3.3.3 Remuneration to Non- Executive / Independent Director:**

**a) Remuneration/Commission:**

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and/or the Act.

**b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

#### **4. MEMBERSHIP**

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **5. CHAIRPERSON**

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at least once in a year.

#### **7. COMMITTEE MEMBERS' INTERESTS**

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **9. VOTING**

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.9 Recommend any necessary changes to the Board; and
- 10.10 Considering any other matters, as may be requested by the Board.

## **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

## **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee or by the Chairperson of the subsequent Committee meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 03<sup>rd</sup> August, 2023**

**Jaydev Mody**  
**Chairman**  
**DIN: 00234797**

## ANNEXURE II

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014

### A. Conservation of Energy

- (i) Steps taken or impact on conservation of energy

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy. The following energy conservation methods were implemented during the year:

- a) Use of energy efficient equipment's.
- b) Intensified Internal Audit aimed at detecting wastage of electricity.
- c) Campaign based synchronization of utilities with plant operations.
- d) Minimum utilization of electricity in Pick hour.
- e) The Company has installed LED street light fitting in place of regular Fluorescent fittings.

The impact of above energy conservation measures is that it has resulted in improvement of power factor, consequential tariff benefits.

- (ii) Steps taken by the company for utilizing alternate sources of energy: Nil  
(iii) Capital investment on energy conservation equipment's: Nil

### B. Technology Absorption

- (i) Efforts made towards technology absorption

The technology developments were validated and implemented

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

- (a) New products developed to the specific requirements of customers
- (b) Development of starter motor grade magnets
- (c) Flexibility in usages of raw materials
- (d) Achieved higher productivity

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

- |  |   |     |
|--|---|-----|
| (a) the details of technology imported   | : | Nil |
| (b) the year of import   | : | Nil |
| (c) whether the technology been fully absorbed   | : | Nil |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : | NA  |

- (iv) The expenditure incurred on Research and Development.

- |                    |   |     |
|--------------------|---|-----|
| (a) Capital Nature | : | Nil |
| (b) Revenue Nature | : | Nil |

### Foreign Exchange Earnings and Outgo

During the year, the foreign exchange outgo was ₹ 195,685.88 thousand (Previous Year: ₹ 2,68,034.35 thousand) the foreign exchange earned was ₹ 58,928 thousand (Previous Year ₹ 40,710.28 thousand).

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date : 03<sup>rd</sup> August, 2023**

**Jaydev Mody**  
**Chairman**  
**DIN: 00234797**

## **ANNEXURE III**

### **Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

#### **For the financial year ended on 31<sup>st</sup> March, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**Delta Manufacturing Limited**  
B-87, MIDC, Ambad  
Nashik – 422010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Delta Manufacturing Limited (CIN: L32109MH1982PLC028280) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification physically and electronically of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined electronically the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;  
**(Not Applicable to the Company during the Audit Period);**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021  
**(Not Applicable to the Company during the Audit Period);**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**; and
- i. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015.
- j. The management has confirmed that there is/ are no sector specific laws applicable to the Company during the Audit Period.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors of the Company during the period under the review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority/ unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period, the specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. are mentioned below:**

<b>Date of event</b>	<b>Details of the specific events/ actions bearing on Company's affairs pursuance of the above referred laws, rules, regulations, guidelines etc.</b>
27.05.2022	Board approved for reduction in its investment in the Share capital of Rhine Estates Limited (Formerly known as Magdev Limited) a wholly owned material subsidiary of the Company incorporated in England from £329,607 to £634 by cancelling and extinguishing 326,473 ordinary shares of £1.00 each and 2500 deferred shares of £1.00 each on account of capital reduction.

**For A. K. Jain & Co.  
Company Secretaries**

**Ashish Kumar Jain  
Proprietor  
FCS: 6058. CP: 6124  
Peer Review Certificate No.1485/2021  
UDIN No. F006058E000736007**

**Place: Mumbai  
Date : 03<sup>rd</sup> August, 2023**

**Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.**



## **ANNEXURE A**

To  
The Members  
**Delta Manufacturing Limited**  
B-87, MIDC, Ambad  
Nashik – 422010

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. Jain & Co.**  
**Company Secretaries**

**Ashish Kumar Jain**  
**Proprietor**  
**FCS: 6058. CP: 6124**  
**Peer Review Certificate No.1485/2021**  
**UDIN No. F006058E000736007**

**Place: Mumbai**  
**Date : 03<sup>rd</sup> August, 2023**

## ANNEXURE IV

Disclosures pursuant to Section 197(12) of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

- i. **The ratio of the remuneration of each director to the median remuneration of the employees and percentage increase in Remuneration of each director, Chief Financial Officer, Company Secretary or Manager, if any in the financial year 2022-23.**

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Ratio of remuneration of each Director / KMP to median remuneration of employees	% of increase in Remuneration in the financial year 2022-23
<b>Non-Executive Directors<sup>§</sup></b>			
1	Mr. Jaydev Mody	0.03	100
2	Ms. Anjali Mody	0.03	33
3	Mr. Darius Khambatta	0.03	0
4	Mr. Javed Tapia	0.01	0
5	Mr. Rajesh Jaggi	0.05	0
6	Dr. Vrajesh Udani	0.05	0
<b>Executive Directors</b>			
7	Dr. Ram H. Shroff	20.35	0
<b>Key Managerial Personnel (KMP)</b>			
8	Mr. Abhilash Sunny (Chief Financial Officer)	24.05	15
9	Ms. Madhuri Deokar (Company Secretary)*	1.88	409

<sup>§</sup> The remuneration of Non-Executive Directors covers sitting fees.

\* Percentage increased in remuneration of Company Secretary is for part period.

- ii. **The percentage increase in median remuneration of employee in the financial year 2022-23**

Median remuneration of each employee (decreased) by (5)% in financial year 2022-23.

- iii. **The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2023**

418

- iv. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration.**

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for the financial year 2022-2023 is around 8%, while the average increase in the remuneration of the Key Managerial Personnel is 12%.

- v. **Affirmation that the remuneration is as per the remuneration policy of the Company**

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

**For and on behalf of the Board of Directors**

Jaydev Mody  
Chairman  
DIN: 00234797

**Place: Mumbai**  
**Date: 03<sup>rd</sup> August, 2023**

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## 1. Economic Overview

### 1.1 Global Economy Overview

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthen financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

Overview of the World Economic Outlook Projections (%):

Geography	2022	Projections	
		2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.5	5.3	5.0
China	3.0	5.2	4.5
India	7.2	6.1	6.3

Source: World Economic Outlook, IMF

### 1.2 Indian Economic Overview

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for

India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

*Source: India Brand Equity Foundation (IBEF), Indian Economy Overview*

## **2. Industry Overview**

### **2.1 Indian Automobile Industry**

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy trucks manufacturer in the world. India's automobile sector is split into four segments, i.e., two-wheelers, three-wheelers, passenger vehicles and commercial vehicles, each having a few market leaders. Two-wheelers and passenger vehicles dominate the domestic demand.

In terms of market size, the India passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027, while registering a CAGR of over 9% between 2022-27. The electric vehicle (EV) market is estimated to reach ₹ 50,000 crore (US\$ 7.09 billion) in India by 2025.

India has a strong market in terms of domestic demand and exports. In FY22, total passenger vehicle sales reached 3.07 million, while automobile exports stood at 31,207 units in September 2022. This is because India has significant cost advantages, as automobile firms save 10-25% on operations vis-a-vis Europe and Latin America. The Indian automotive industry is targeting to increase export of vehicles by five times during 2016-26.

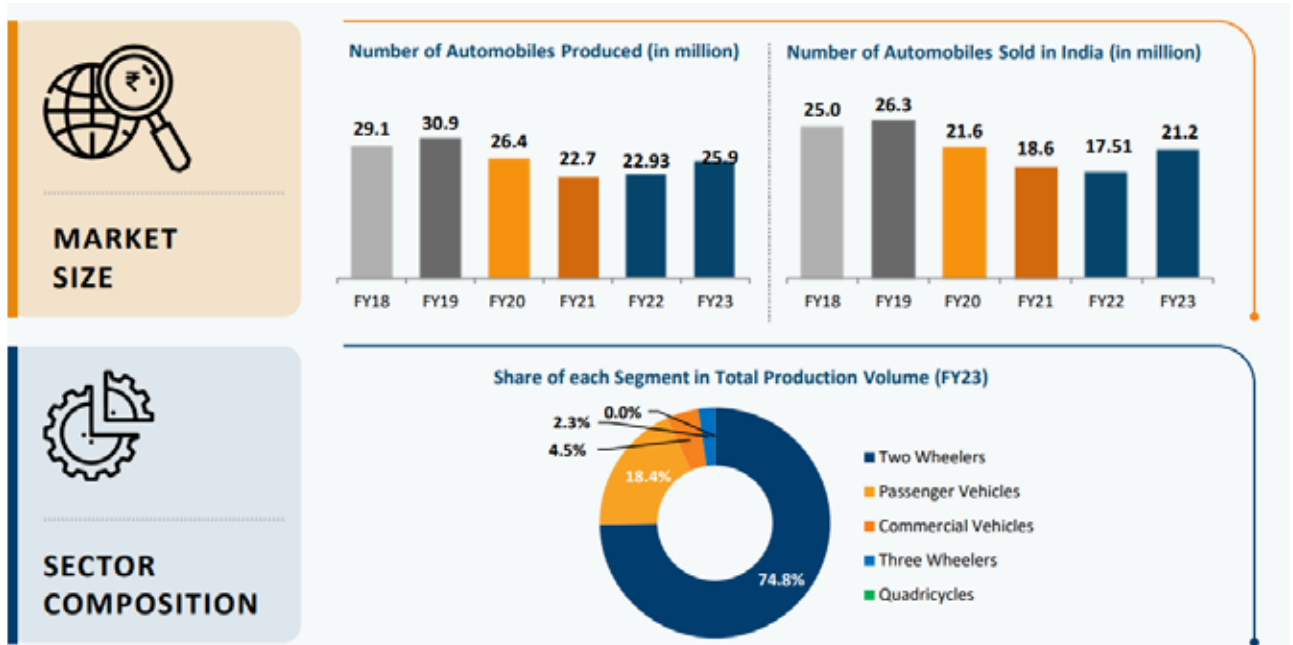
Foreign companies such as Kia Motors and Volkswagen have adapted themselves to cater to the large Indian middle-class population by dropping their traditional structure and designs. This has allowed them to compete directly with domestic firms, making the sector highly competitive.

India is currently shifting focus to electric cars to reduce emissions. In terms of electric vehicles (EVs), in Q3 FY22, sales reached a new high of 5,592 units. Overall, in 2021, 329,190 EVs were sold in India, indicating a 168% YoY growth over last year's sales of 122,607 units. A report by India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for the EV battery market is forecast to expand at a CAGR of 30% during the same period.

There have been plenty of investments in the automobile sector recently, as the Government of India expects the automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023. The industry attracted Foreign Direct Investment equity inflow (FDI) worth US\$ 33.53 billion between April 2000-June 2022, accounting for 5.54% of the total equity FDI during the period.

Investment flow into EV start-ups in 2021 touched an all-time high, increasing nearly 255% to reach ₹ 3,307 crore (US\$ 444 million). There is a need to set up proper charging infrastructure for EVs in India. To install electric vehicle supply equipments (EVSE) infrastructure for EVs, various public sector firms, ministries and railways have come together to create infrastructure, and to manufacture components.

The Indian government has planned US\$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles. Initiatives like Make in India, the Automotive Mission Plan 2026, and NEMMP 2020 will be a net positive for the sector.



Source: India Brand Equity Foundation (IBEF), Automobile Industry in India

## Auto-Component Industry

Over the period between FY16 to FY22, the automotive components industry registered a CAGR of 6.35%, reaching US\$ 56.60 billion in FY22, with exports growing at a CAGR of 11.89% during FY16-FY22 to reach US\$ 19 billion in FY22. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India's GDP. The automobile component industry turnover stood at ₹ 4.20 lakh crore (US\$ 56.5 billion) between April 2021-March 2022 the industry had revenue growth of 23% as compared to FY18-19. The Auto components industry is expected to grow to US\$ 200 billion by FY26. According to ICRA, Auto ancillaries' revenue is estimated to increase by 8-10% in FY23.

India's auto component's aftermarket witnessed a 15% growth from US\$ 8.70 billion in 2020-21 to US\$ 10 billion in FY22. Strong international demand and resurgence in the local original equipments and aftermarket segments are predicted to help the Indian auto component industry grow by 20-23% in FY22.

As per Automobile Component Manufacturers Association (ACMA), automobile component export from India is expected to reach US\$ 30 billion by 2026. The Indian auto component industry aims to achieve US\$ 200 billion in revenue by 2026.

India has a very strong position in the international market. It is the largest manufacturer of tractors, second-largest manufacturer for buses and the third largest for heavy trucks in the world. Indian automotive industry (including component manufacturing) is expected to reach between ₹ 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile sector recorded an inflow of huge investments from domestic and foreign manufacturers. FDI inflow in the sector stood at US\$ 33.54 billion between April 2000-June 2022.

Domestic automobile production increased at 2.36% CAGR during FY16-FY20 with 26.36 million vehicles being manufactured in the country in FY20. Production of two wheelers, passenger vehicles, commercial vehicles and three wheelers reached 17.71 million, 3.65 million, 0.80 million, and 0.75 million, respectively, in FY22. In FY22, the total output of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycles was 22,933,230 units. Automobile export is expected to grow at a CAGR of 3.05% during 2016-2026. The Government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investment by 2023.

The Indian government announced a PLI scheme in February 2022. Under the PLI Auto scheme, the government received investment proposals worth ₹ 45,016 crore (US\$ 6.04 billion) from 20 automotive companies. This scheme is expected to generate ₹ 2,31,500 crore (US\$ 31.08 billion) in additional output.

Source: India Brand Equity Foundation (IBEF), Auto Components Industry in India

## 2.2 Electronic Industry

Domestic production of electronics to reach USD 300 Bn by FY26.

With per capita disposable income and private consumption having doubled between FY12 and FY22, India has emerged as one of the largest markets for electronic products in the world.

Domestic production of electronics is valued at USD 87 Bn in FY22 and is segmented as Mobile Phones (43%), IT Hardware (5%), Consumer Electronics (12%), Strategic Electronics (5%), Industrial Electronics (12%), Wearables & Hearables (0.3%), PCBA (0.7), Auto Electronics (8%), LED Lighting (3%) and Electronic Components (11%).

- Over 2X growth in domestic electronics production in 6 years from USD 43 Bn in FY17 to USD 87 Bn in FY22.
- Over 5x growth in production of mobile phones in 5 years from 58 million units in FY15 to 310 million units in FY23.
- Newer product verticals such as Wearables & Hearables, Smart Meters along with the larger component ecosystem are steadily being manufactured in the country.\

In order to position India as a global hub for ESDM, the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, Production Linked Incentive Scheme (PLI) for IT Hardware, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) have been notified.

Additionally, the Semicon India Program with an incentive outlay of ~USD 10 Bn was launched with the vision to develop a sustainable semiconductor and display ecosystem in the country. This program will establish India as global hub for semiconductor and display manufacturing, promote self-reliance, strengthen resilience in global supply chains, and pave the way for India's technological leadership in the industry.

Source: <https://www.investindia.gov.in/sector/electronic-systems>

## 2.3 The Apparel Market – Global And Indian Overview

### Global Overview

The global apparel consumption in 2021 is estimated to be around \$1.5 trillion. The market recovered by approx. 16% compared to 2020. It is estimated to reach \$2 trillion by 2025 growing at a CAGR of 4% from 2019. In 2021, the US was the largest apparel consumer market, worth \$257 billion with a growing CAGR of 5%. EU-27 has declined at a CAGR of 11% in 2021 post-Covid impact and stood at \$211 billion. China, the 3rd largest market in the world, grew marginally from 2019, due to pandemic, however, is expected to grow with 11% CAGR (highest among all markets) and becomes the largest apparel market, worth \$340 billion by 2025. Other major markets include Japan, India, Brazil and Canada.

The report, titled Building a Roadmap for \$ 250 Billion Sustainable Textile Industry, indicates that that growing economies such as China, India are growing at much higher rates than developed regions owing to the growing domestic market and increasing disposable income. Together these market account for 59% of the total apparel market while rest of the world accounts for remaining 41% share.

Source: Federation of Indian Chambers of Commerce & Industry and retail consultancy Wazir Advisors

### Domestic Overview

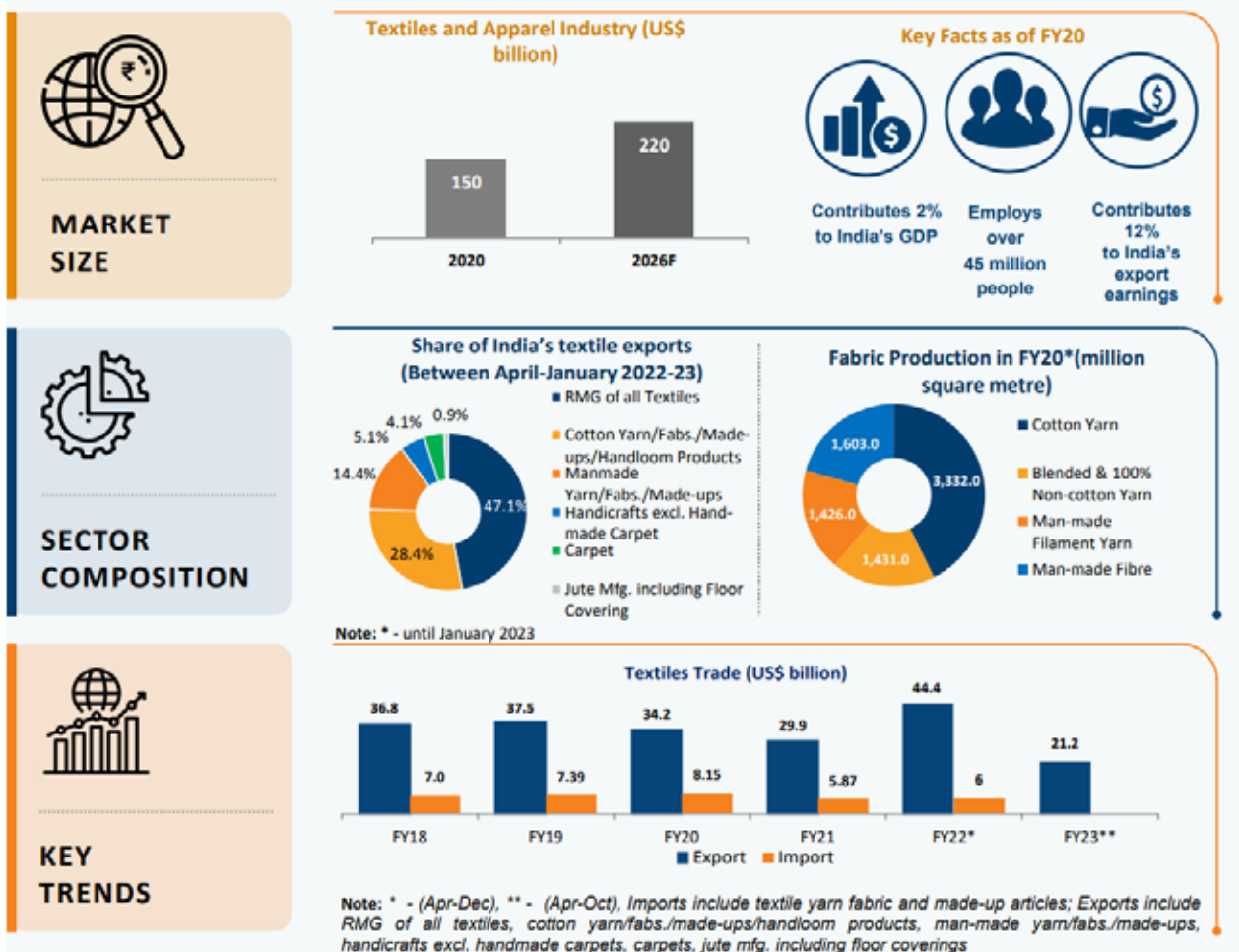
The domestic apparel & textile industry in India contributes approx. 2% to the country's GDP, 7% of industry output in value terms. The share of textile, apparel and handicrafts in India's total exports was 11.4% in 2020-21. India stands as the 3rd largest exporter of Textiles & Apparel in the world.

India is one of the largest producers of cotton and jute in the world. India is also the 2<sup>nd</sup> largest producer of silk in the world and 95% of the world's hand-woven fabric comes from India. The Indian technical textiles segment is estimated at \$16 Bn, approximately 6% of the global market. The textiles and apparel industry in India is the 2<sup>nd</sup> largest employer in the country providing direct employment to 45 Mn people and 100 Mn people in allied industries.

India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over \$92.5 Bn by 2025, up from \$52.7 Bn in 2019.

- Textile industry to reach \$250 billion business size by 2025
- The domestic apparel & textile industry in India contributed to 2.3% to the country's GDP, 7% of industry output in value terms
- India has a share of 5% of the global trade in textiles and apparel.
- The export of cotton Textiles was \$ 17.2 Bn with 39% share registering a growth of 54% and 67% during 2021-22 over FY 2020-21 and FY 2019-20, respectively

Source: <https://www.investindia.gov.in/sector/textiles-apparel>





## 3. Company Overview

Delta Manufacturing Limited (DML) is one of the oldest business house in India, incorporated in 1982.

In a world of unprecedented technological disruption and end market volatility, our direction for growth has always revolved around transformation, technology, innovation and the need to generate new value – to unlock new opportunities, drive growth and deliver new efficiencies. The aim is to create an effective business transformation from the traditional products to a wide range of newly developed technologically advanced components and sub-systems. We intend to integrate and align our new strategic businesses with the existing business, to differentiate and stay ahead in the industry, even as we pursue new innovation-driven opportunities that emerge, as well as respond to shifting market demands. We strive to separate ourselves from competitors and establish a platform for future growth.

We have two primary business lines:

- (i) The manufacture and supply of magnets to tier 1 suppliers of all the two wheeler, three wheeler, passenger vehicles, electronic components and aerospace OEMs in India and worldwide, which we undertake through our magnet division.
- (ii) The design, manufacture and supply of a wide range of garment trims in India i.e, woven labels, heat transfers, fabric printed labels, elastic & non-elastic tapes primarily to major garment / textile companies in India.

We have 2 operating manufacturing cum R&D facilities in India.

### 3.1 Highlights and Progress

Our focus on technology-enabled capability development has played a key role in driving growth and enhance stakeholders value. We continuously focus on building capabilities by establishing ourselves in new locations for manufacturing as well as R&D, focusing on select value-accretive acquisitions and expanding our customer base. During the year, many such initiatives were undertaken, which are summarised as follows:

### 3.2 Financial & Operational Performance

(₹ in '000)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022*
Income for the year	813,258	898,569	813,258	888,859
Profit before Interest, Depreciation and Tax	(41,131)	350,296	(41,131)	231,009
Finance Charges	37,940	44,481	37,940	44,481
Profit before Depreciation and Taxes	(79,071)	305,814	(79,071)	186,528
Depreciation & Amortization	48,463	42,219	48,463	42,219
Provisions for Taxation/ Deferred Tax	21,385	28,469	21,385	28,469
Net Profit for the Current Year	(78,614)	235,126	(167,380)	192,736
Add: Other Comprehensive Income (OCI)	(7,016)	(391)	(9,421)	(8,450)
Total Comprehensive Income for the Year	(85,630)	234,736	(176,801)	184,286

**\*Note:** The consolidated figures are re-stated to bring in line with the financial statements on account of discontinued operations.

### Key Financial Ratios

Particulars	March 31, 2023	March 31, 2022	YoY Change (%)
EBIDTA Margin	-5.06%	38.98%	-113%
EBIT (Operating) Margin	-11.02%	34.29%	-132%
PBT Margin	-7.04%	29.34%	-124%
PAT Margin	-9.67%	26.17%	-137%
Debtors Turnover	3.33	3.34	0%
Inventory Turnover	1.60	2.17	-26%
Interest Coverage Ratio	(2.36)	8.22	-129%
Current Ratio	0.82	0.88	-6%
Debt Equity Ratio	1.18	1.11	6%
Return on Net Worth	-23.03%	55.07%	-142%

The Financial Performance of our Company has been affected by the slowdown in the domestic and global markets owing to the pandemic, margins have been under pressure due to the liquidity crunch in the unorganized sector, who are affected during this fiscal because of higher compliance cost, eroding market share and limited ability to pass on the increase in raw material prices.

### Trims Segment

Strengths	Challenges	Opportunities	Threats
1. Very stable customer base / Strong Channel partners	1. Competition from unorganized segments.	1. Immense headroom for growth due to lower consumption vs global average	1. Supply chain disruption, high cost inflation and COVID-19 may derail economic growth.
2. Increased focused on Value Added Product and use of sustainable materials.	2. Ensuring brand reputation and customer trust in an environment where counterfeit products is becoming common.	2. The consumers need to upgrade in life is leading to demand for premium products.	2. Labour availability challenges and costly training expenses incurred for skilling
3. Global Certification		3. Increase in demand due to higher Ecommerce activities/ online platforms.	

We are in the process of restructuring the customer & product portfolio with a single objective of growing the business. We believe this will enable us to achieve our long-term objectives.

## 4. SWOT Analysis

### Magnet Segment

Strengths	Challenges	Opportunities	Threats
<ol style="list-style-type: none"> <li>1. Very stable customer base</li> <li>2. We provide our customers an extensive range of options to suit their budget and performance.</li> <li>3. Holding extra production capacity to meet any spike in customer demand</li> </ol>	<ol style="list-style-type: none"> <li>1. Commodity product</li> <li>2. Dependence on imported R.M for soft ferrites.</li> <li>3. Supply to OEMS providing volume stability but create time lag between inflation and ability to pass on higher costs to customer</li> <li>4. Poor record of timely payments and honouring of purchase terms by various clients poses a recurring challenge for timely closure of projects and recoveries and working capital management.</li> </ol>	<ol style="list-style-type: none"> <li>1. PLI scheme for White Goods and proactive trade measures by the Government to help in import substitution.</li> <li>2. Immense headroom for growth due to limited players in the domestic market</li> <li>3. Strong Demand of soft magnets particularly in the EV segments</li> </ol>	<ol style="list-style-type: none"> <li>1. Supply chain disruption, high cost inflation and COVID-19 may derail economic growth.</li> <li>2. Competition from China</li> <li>3. Decline in the use of ceramic magnets owing to EV adoption.</li> </ol>

## 5. Outlook

The overall economic revival and private consumption rebound bodes well for demand recovery in the auto, electronic and textiles segment. Further, the return of discretionary spending towards aspirational purchases is likely to drive demand for products in the industry we operate.

In anticipation of growing demand, the Company is looking at capacity expansion with increased infrastructure and facilities in the trim segment. This will allow scalability and ramp up incremental machinery and manpower to meet the expected growth in demand. The Company expects to be on a profitable growth momentum.

The Company is focussed on liquidity management through cost reduction initiatives and working capital optimization with a stated aim of becoming a net debt-free company in next 3 years. Our Company is well positioned to capitalise on the existing and emerging opportunities in the industry by focusing on innovation, partnerships / J.V, global presence.

## 6. Risks And Concerns

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk, etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

## 7. Internal Control System And Adequacy

The Company is committed to maintaining adequate internal control systems as a part of efficient corporate governance. The system ensures that all transactions are authorised, recorded and reported correctly to safeguard assets and protect them from any loss due to unauthorized use or disposition. The operating managers make sure that all operations within their area are compliant and safeguarded against all risks whereas on the other, auditors carry out random audits to detect flaws in the system, which makes it effective and efficient. Internal audit reports are prepared to create awareness and to take corrective actions on the respective units or areas, which need rectification. These reports are then reviewed by the management team and the Audit Committee for follow-up action.

## **8. Human Resources And Industrial Relations**

The man and machine combination is balanced optimally, as the Company believes that Human Resource is one of the most vital resources and a key pillar in providing the Organization a competitive edge in current business environment. A motivated and efficient workforce can help it attain its target in a realistic manner. Taking cognizance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. The Company appreciates the productive co-operation extended by its employees in the efforts of the management to carry the Company to greater heights.

As on 31st March, 2023, the Company had employee strength of 418 on its payroll.

## **9. Cautionary Statement**

The statements made above may be construed as forward looking statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

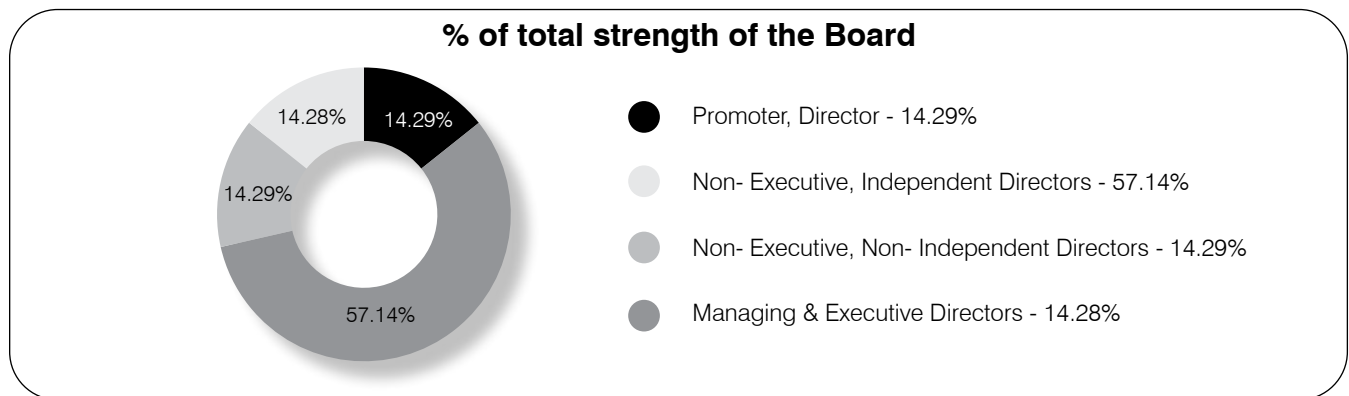
The Company fully subscribes to the principles and spirit of Corporate Governance. Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organisation and at the Company we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business. It is well recognized that an effective Board of Directors is a pre-requisite for strong and effective Corporate Governance. Our Board and Committees therefore are formed as per requirement of Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which oversees how the management serves and protects the long-term interests of all our stakeholders.

A report on compliance with the principles of Corporate Governance as on 31<sup>st</sup> March, 2023 as prescribed by the Securities and Exchange Board of India (SEBI) and Schedule V of the SEBI Listing Regulations is given below:

### BOARD OF DIRECTORS

#### A. Composition of the Board

As on 31<sup>st</sup> March, 2023, in compliance of Regulation 17 of the SEBI Listing Regulations, the Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Board has Seven (7) Directors and the composition of which is as provided hereunder:



Category	Name of Directors	No. of Directors	% of total strength of the Board
Promoter, Non -Executive Director	Mr. Jaydev Mody	1	14.29
Non- Executive, Independent Directors	Mr. Javed Tapia Mr. Rajesh Jaggi Dr. Vrajesh Udani Mr. Darius Khambatta	4	57.14
Non- Executive, Non-Independent Director	Ms. Anjali Mody	1	14.29
Managing Director	Dr. Ram H. Shroff	1	14.28

The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business.

All Independent Directors of the Company have been appointed as per the provisions of the Act, Rules made therein and the SEBI Listing Regulations. The terms and conditions of their appointment are disclosed on the Company's website.

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the provisions of the Act and the SEBI Listing Regulations. These Committees meet at such frequency as is deemed necessary, to effectively undertake and deliver upon the responsibilities and tasks assigned to them. The Company currently has six (6) Committees of the Board viz., (i) Audit Committee (ii) Stakeholders' Relationship Committee (iii) Nomination and Remuneration Committee (iv) Investment, Borrowing and General Purpose Committee (v) Allotment Committee (vi) Risk Management Committee.

None of the Directors on the Board is a member of more than ten (10) Committees and Chairman of more than five (5) Committees (Committees include Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the SEBI Listing Regulations), across all the listed companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been disclosed by all the Directors. None of the Independent Directors serve as an Independent Director in more than seven (7) listed entities and also the Managing Director of the Company does not serve as Independent Director in more than three (3) listed entities.

None of the Directors hold office in more than twenty (20) companies and in more than ten (10) public companies as prescribed under Section 165 of the Act. The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are Independent of the management.

None of the Directors of the Company are inter-se related to each other except Ms. Anjali Mody who is the daughter of Mr. Jaydev Mody.

**The brief profile of your Company's Board of Directors is as under:**



**Mr. Jaydev Mody**

Mr. Jaydev Mody has been creating, developing and managing businesses for more than 40 years, spending over 25 of them in real estate development. He played a pivotal role in building and developing India's first global mall 'Crossroads' in South Mumbai. A Humanities graduate from Mumbai University, Mr. Mody has been instrumental in the development of several large residential and commercial complexes and retail destinations in and around Mumbai. Some of them are Peninsula Corporate Park, Ashok Towers, Ashok Gardens and Peninsula IT Park, which are all established Mumbai landmarks today. He is a first generation entrepreneur and has interest in various businesses, including gaming and hospitality, textiles and magnet manufacturing. His keen eye and out-of-the-box thinking has helped him identify lucrative business opportunities and he has pioneered several first-of-its kind ventures.



## **Dr. Ram H. Shroff**

Dr. Ram H. Shroff is a qualified medical doctor. Dr. Shroff has an experience of more than 17 years in Charak Pharma where he is a Director. Charak is one of the leading Herbal and Ayurvedic Company in India. Through his initiatives the Company has grown its market share substantially and has introduced several new products which have helped bring a new dimension in medical treatment of patients. Dr. Shroff has also initiated Charak Pharma's international presence. Charak is now available in more than 45 countries around the world. In addition, Dr. Shroff has participated in several local and international medical conferences impressing the need of alternative medicines for the treatment of patients.

Dr. Shroff is the Managing Director of Delta Manufacturing Limited (DML) since 2012, he has been instrumental in the turn around of the company. Dr. Shroff has streamlined the operation of the company by consolidating its resources like spearheading expansion of soft ferrite facility from 7 MT p.m. to 70 MT p.m., improving hard ferrite production from 70 MT p.m to 125 MT p.m. with incremental investment etc. His customer oriented approach coupled with his zeal for innovation has enabled the company to win many new customers and gain foot print in the industry. Under his leadership the Company caters to varied industries ranging from Automobiles, Railways and Telecommunication amongst others. Today DML is one of the leading players in the Industry and poised to grow further.



## **Mr. Rajesh Jaggi**

Mr. Rajesh Jaggi is Vice Chairman-Real Estate, The Everstone Group, one of Asia's premier investment groups focused on domestic investments in India and Southeast Asia and cross border North America – Asia investments. Founded in 2006, the Singapore headquartered group has assets in excess of US \$6 billion across private equity, real estate, credit, infrastructure and venture capital.

Rajesh joined Everstone in 2012 as a partner and manages the real estate investments and operations of the group. He has over 25 years of real estate leadership experience in India, including strategic planning, acquisitions, finance, sales and marketing, legal, and project and facility management services.

Under his leadership, Everstone Group's industrial real estate business 'IndoSpace' has become the pioneer and the largest developer of Grade A industrial and logistics real estate in India and has taken total commitment to India above US\$ 3.2 billion. IndoSpace is the only pan-India developer of modern industrial real estate and has a portfolio of 58 million square feet across 51 logistics and industrial parks with a marquee tenant profile such as IKEA, Amazon, Nissan, DHL, and Bosch. These facilities are in and around ten major industrial corridors /consumption hubs in India.

The renowned 'Euromoney' magazine ranked IndoSpace as the 'Best Developer of Industrial/Warehouse Real Estate in India' for the seventh year. In the same survey, IndoSpace was also awarded among categories including Sustainability, Innovation, and Overall Developer. IndoSpace has also been named as the 'Firm of the Year - India', thrice in a row, by 'PERE' magazine, the real estate arm of PEI.

In 2018, IndoSpace formed a strategic long-term partnership with GLP, the leading global provider of modern logistics facilities and technology-led solutions. Through this partnership, GLP has become an investor in IndoSpace Core, a joint venture established in 2017 by IndoSpace and Canada Pension Plan Investment Board (CPPIB) that is focused on acquiring and developing modern logistics facilities in India. CPPIB initially committed approximately US\$ 500 million to IndoSpace Core.

Recently under Rajesh's guidance, Everstone Group has decided to establish 'EverYondr' - a joint venture with the Yondr Group, to develop and operate data centers in India and support hyperscale clients and service in the fast-growing Indian market.

Rajesh is also a Young Presidents' Organization (YPO) member in the YPO Gold Mumbai Chapter since 2013. Before joining Everstone, he was the Managing Director of Peninsula Land Limited, where he led the successful commissioning of projects of 28mn square feet of real estate.

An alumnus of F.W. Olin Graduate School of Business at Babson College, Boston, and a graduate from the University of Mumbai, Rajesh was featured as one of India's Hottest Young Executives by Business Today magazine (February 8, 2009, issue) – recognition for his contribution in leading Peninsula from a local Mumbai based developer to a notable national player.



**Mr. Darius Khambatta**

Mr. Darius Khambatta is a Chartered Accountant with over 34 years' experience. Mr. Khambatta was working with Delta Corp Limited as a Vice President (Projects) looking after the real estate developments upto September, 2015. Currently he is working with National Centre for Performing Arts as Advisor-Project.



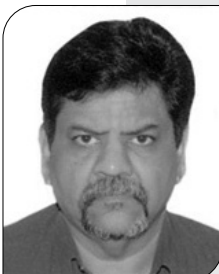
**Mr. Javed Tapia**

Mr. Javed Tapia is a serial entrepreneur who has founded companies in areas such as Information Technology (Clover Infotech), Premium Commercial and Residential Real Estate development (Clover Realty), Renewable Energy (Clover Solar), and Fintech (through brands such as Slonkit and Moneykit). He spearheaded the open-source revolution in India through a joint venture – Red Hat India with Red Hat Inc. in the year 2000 and expanded the company's footprint across South Asia.

Mr. Tapia is currently the Chairman and Chief Mentor of Clover Infotech Pvt. Ltd. He is an investor and mentor in startups across fintech, edtech, and AI. He believes in backing passionate founders and enabling them to build defining companies through '45 degrees' – a startup acceleration platform initiated by him. 45 degrees empowers startups with technology advisory, product engineering, development and operations support, ecosystem connects, and mentorship, and access to capital.

Mr. Tapia is a member of the Young Presidents' Organization (Bombay Chapter) and has been the Education Chair, Chapter Chair, and Membership Chair. He has been on the board of the Entrepreneurs' Organization (EO) and has served on its leadership. He also serves on the managing committee of 'Catalyst for Social Action' (CSA) – an Indian NGO that works to create and ensure a brighter future for every child under institutional care.

Mr. Tapia is an MBA from the Duke University's Fuqua School of Business and is currently on its Board of Visitors and its India Regional Board. He is an avid reader and enjoys horse riding, scuba diving, and golf.



**Dr. Vrajesh Udani**

Dr. Vrajesh Udani is a paediatric neurologist. He is a child neurology and epilepsy consultant at the PD Hinduja National Hospitals, Mahim and Khar, SRCC Children's Hospital, Haji Ali and Saifee Hospital, Charni Road. Dr. Udani also serves as an Honorary visiting consultant at Bai Jerbai Wadia Hospital for Children. He had served earlier as visiting faculty at the Grant Medical College and JJ Group of Hospitals. He is also a member of the Executive Committee of the International Child Neurology Association and is a past president of the Association of Child Neurologists, India.





## Ms. Anjali Mody

Ms. Anjali Mody is graduated from the Rhode Island School of Design in 2009 after earning her BFA in Industrial Design. She honed her skills in Providence and New York before returning to Mumbai in 2010. Anjali got involved in the Projects team of Delta Corp starting 2018, overseeing design of the gaming vessels and hotel properties. A team player who believes in leading through example, Anjali has played a key role at Delta over the last 5 years and is responsible for several positive developments over the years. She has been involved in a few key strategic changes:

- Creatively led and art directed the full rebrand of Delta creating 'Deltin' as the Client facing brand that everyone is familiar with today.
- Led the interior overhaul of The Deltin, Daman largest property with close to 200 rooms where her key contributions were to revamp the entire hotel spanning across 10 Acres.
- Deltin Suites interiors revamp yielding in a steady increase of revenue attributed to her efforts.
- Now pursuing to excel in raising the bar with the new Ship spanning 300,000 sq. ft., currently under construction at the Company's shipyard.
- Deltin Town: Ms. Anjali will be leading the design team, taking key decisions in the areas of landscape, interiors, space programming, value engineering, user interface, graphic design etc. Her team will include a team of 15 people, comprising of specialists in legal, engineering, admin, design and PMC. In addition, there will also be a projects team comprising of 100+ consultants, with whom her team will interact with.
- Built an in-house factory in Goa to support any/all production requirements, therefore streamlining the entire process of design development and cost saving.
- As President of Projects (Design and Execution at Delta Corp), she has effectively overseen and executed the designing of the company's projects, be it the hotels and interiors or the gaming vessels. She continues to guide the company with her expertise in designing new gaming vessels and will play a large role in the upcoming integrated Resort project at Mopa, Goa

Throughout her career, Anjali has established a philosophy centered on blending necessity with imagination. She has been regularly featured in Elle Decor, Architectural digest and Casa vogue, as one of most influential designers in the Indian Landscape.

Apart from her day job as a design fanatic, she is an avid animal activist and provides support to animal shelters, animal rescue enthusiasts and the world of stray animals.

## B. Board Procedure

A detailed agenda folder is sent to each Director in advance of the Board meeting. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

All major agenda items are backed by comprehensive background notes and other material information to enable the Board to take informed decisions. Agenda papers (except documents containing unpublished price sensitive information) are circulated to the Board as prescribed in the Act and Secretarial Standards.

## C. Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

#### D. Post - Meeting Follow - Up Systems

The governance system in the Company includes an effective post – meeting follow-up, review and reporting process for action taken/pending on decisions of the Board. Action taken Report forms part of the agenda item of the Board meetings.

#### E. Board Support

The Company Secretary of the Company attends all the meetings of the Board and its Committees and advises/assures the Board and Committee on compliance and governance principles.

#### F. CEO / CFO Certification

Pursuant to Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer (CFO) of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2023. The Managing Director and the CFO have also given quarterly certification on financial results to the Board in terms of Regulation 33 (2) of the Listing Regulations.

#### G. Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on Thursday, 11<sup>th</sup> August, 2022 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:

- (i) Reviewed the performance of Non-Independent Directors and the Board as a whole;
- (ii) Reviewed the performance of the Chairman of the Board, taking into account the views of Executive Director and Non-Executive Directors; and
- (iii) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### H. Details of Board Meetings:

- i. During the financial year 2022-23, four (4) meetings of the Board were held as follows:

Sr. No.	Date of the Board Meeting
1.	27 <sup>th</sup> May, 2022
2.	11 <sup>th</sup> August, 2022
3.	20 <sup>th</sup> October, 2022
4.	3 <sup>rd</sup> February, 2023

The maximum gap between two Board Meetings was not more than one hundred and twenty (120) days.

- ii. Details of Directorships and Chairman/Membership of Board Committees showing the position as on 31<sup>st</sup> March, 2023 are given in the following table:

Name of the Director	Category	Number of Board Meetings during the year 2022-2023		Whether attended the last AGM held on 29 <sup>th</sup> September, 2022	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		Directorship in Other listed entity (category of Directorship)
		Held	Attended			Chairman	Member	
Mr. Jaydev Mody (Chairman)	Non-Executive, Promoter	4	4	No	18	2	2	Delta Corp Limited (Chairman)

Name of the Director	Category	Number of Board Meetings during the year 2022-2023		Whether attended the last AGM held on 29 <sup>th</sup> September, 2022	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		Directorship in Other listed entity (category of Directorship)
		Held	Attended			Chairman	Member	
Dr. Ram H. Shroff (Managing Director)	Executive, Non-Independent	4	4	Yes	10	0	0	–
Mr. Darius Khambatta	Non-Executive, Independent	4	4	No	11	0	0	–
Mr. Javed Tapia	Non-Executive, Independent	4	1	Yes	13	0	2	Indiabulls Real Estate Limited (Independent Director)
Mr. Rajesh Jaggi	Non-Executive, Independent	4	4	Yes	14	2	3	Delta Corp Limited (Independent Director)
Dr. Vrajesh Udani	Non-Executive, Independent	4	4	No	3	0	3	Delta Corp Limited (Independent Director)
Ms. Anjali Mody	Non-Executive - Non Independent	4	4	Yes	6	0	0	–

Chairmanships/Memberships of Board Committees includes only Audit and Stakeholders Relationship Committees of other public companies excluding private limited companies, foreign companies and companies under section 8 of the Act.

iii. Shareholding of Non-executive Directors

The individual shareholding of Non-executive Directors (including shareholding as joint holder) as on 31<sup>st</sup> March, 2023 is given below:

Name	No. of shares held
Mr. Jaydev Mody	1189
Mr. Darius Khambatta	620
Mr. Javed Tapia	Nil
Mr. Rajesh Jaggi	Nil
Dr. Vrajesh Udani	Nil
Ms. Anjali Mody	Nil

### Committees of the Board

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

## A. AUDIT COMMITTEE

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors/Internal Auditors. The Audit Committee acts as a link between Statutory Auditors, Internal Auditors and the Board of Directors.

### i. Composition

The constitution of the Committee is in compliance with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations as amended from time to time. The CFO, Internal Auditors and the Statutory Auditors are invitees to the meetings of the Audit Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 is detailed below:

Sr. No.	Name of Members	Category	Chairman/Member
1	Mr. Rajesh Jaggi	Independent Director	Chairman
2.	Dr. Ram H. Shroff	Managing Director	Member
3.	Mr. Javed Tapia	Independent Director	Member
4.	Dr. Vrajesh Udani	Independent Director	Member

### ii. Meeting and attendance

During the financial year 2022-23, four (4) meetings of the Audit Committee were held as follows:

Sr. No.	Date	Committee Strength	No. of members present
1.	27 <sup>th</sup> May, 2022	4	3
2.	11 <sup>th</sup> August, 2022	4	4
3.	20 <sup>th</sup> October, 2022	4	3
4.	03 <sup>rd</sup> February, 2023	4	3

The maximum gap between two Audit Committee Meetings was not more than one hundred and twenty (120) days.

The previous Annual General Meeting of the Company held on Thursday, 29<sup>th</sup> September, 2022 was attended by Mr. Rajesh Jaggi, Chairman of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

### iii. Brief Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 177 of the Act and the guidelines set out in Regulation 18 of the Listing Regulations as amended from time to time. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia performs the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.

- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Evaluate internal financial controls and risk management systems.

**B. NOMINATION AND REMUNERATION COMMITTEE**

The role of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act, Regulation 19 and Part D of Schedule II of the SEBI Listing Regulations as amended from time to time. The Composition of Nomination and Remuneration Committee is as follows:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Nature of Directorship</b>	<b>Chairman/ Member</b>
1.	Mr. Javed Tapia	Independent Director	Chairman
2.	Mr. Jaydev Mody	Non-Executive Director	Member
3.	Mr. Rajesh Jaggi	Independent Director	Member

The Company Secretary acts as the Secretary to the Committee.

**i. Meeting and attendance**

During the financial year 2022-2023, one (1) meeting of the Nomination and Remuneration Committee was held as follows:

<b>Sr. No.</b>	<b>Date</b>	<b>Committee Strength</b>	<b>No. of members present</b>
1.	02 <sup>nd</sup> August, 2022	3	3

The previous Annual General Meeting of the Company held on Thursday, 29<sup>th</sup> September, 2022 was attended by Mr. Rajesh Jaggi, authorized as a representative of Nomination and Remuneration Committee as per provisions of Section 178 (7) of the Act.

**ii. Brief of Terms of reference**

- Make recommendations regarding the composition of the Board, identify Independent Directors to be inducted to the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Review and recommend to the Board the remuneration and commission to the managing and executive Directors and define the principles, guidelines and process for determining the payment of commission to non-executive Directors of the Company.

### iii. Performance Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own Performance, performance of the Individual Directors (including Independent Directors), as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Independent Directors.

### iv. Nomination and Remuneration Policy

The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is reproduced in Board's Report forming part of this Annual Report.

## C. Remuneration of Directors

During the financial year 2022-23 apart from sitting fees that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in discharge of their duties, none of the Non-executive Directors have any other material pecuniary relationship or transactions with Company, its promoters, its Directors, its senior management or its subsidiaries.

### i. Criteria for Payment to Non-executive Directors

Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company; taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.

Independent Directors and Non-Independent Non-executive Directors are paid sitting fees for attending the meetings of the Board and of Committees of which they are members as approved by the Board. The Company pays sitting fees of ₹ 2,000/- each to directors/members for attending the Board and Audit Committee Meetings. Further, no payment is made towards commission or any other remuneration to the Non-executive Directors of the Company.

Details of sitting fees paid to Non-Executive Directors during financial year 2022-23 are as follows:

<b>Name</b>	<b>Sitting fees(₹ in '000)</b>
Mr. Jaydev Mody	8
Mr. Darius Khambatta	8
Mr. Javed Tapia	4
Mr. Rajesh Jaggi	16
Dr. Vrajesh Udani	16
Ms. Anjali Mody	8

During the financial year 2022-23, except payment of sitting fees, the Company does not have any pecuniary relationship or transactions with the Non-executive Directors.

### ii. Disclosures with reference to remuneration to Managing Director

The Company provides Managing Director/Executive Director the basic/fixed salary, benefits, perquisites and allowances subject to the provisions stipulated in Section 197 of the Act.

**iii. Details of remuneration paid to Managing/Executive Director for the year ended 31<sup>st</sup> March, 2023**

(₹ in '000)

<b>Name</b>	<b>Salary (₹)</b>	<b>Stock Option (₹)</b>	<b>Benefits, Perks and Allowances (₹)</b>	<b>Contribution to Provident Fund (₹)</b>
Dr. Ram H. Shroff	6,326.92	–	5,146.87	–

**iv. Service Contract, Severance Fee and Notice Period**

The Company has not entered into any service contract.

**v. Employee Stock Option Scheme**

The Company does not have any Employee Stock Option Scheme.

**D. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations as amended from time to time.

**i. Composition**

The composition of Stakeholders Relationship Committee along with the details of the meetings held and attended during the financial year 2022-23 is detailed below:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Nature of Directorship</b>	<b>Chairman/ Member</b>
1.	Mr. Jaydev Mody	Non-executive Director	Chairman
2.	Dr. Ram H. Shroff	Managing Director	Member
3.	Mr. Rajesh Jaggi	Independent Director	Member

The Company Secretary acts as the Secretary to the Committee.

**ii. Meeting and Attendance**

During the financial year 2022-23 five (5) meetings of the Stakeholders Relationship Committee were held, as follows:

<b>Sr. No.</b>	<b>Date</b>	<b>Committee Strength</b>	<b>No. of Members present</b>
1.	11 <sup>th</sup> May, 2022	3	3
2.	3 <sup>rd</sup> November, 2022	3	3
3.	21 <sup>st</sup> November, 2022	3	2
4.	13 <sup>th</sup> December, 2022	3	2
5.	26 <sup>th</sup> December, 2022	3	3

The previous Annual General Meeting of the Company held on Thursday, 29<sup>th</sup> September, 2022 was attended by Dr. Ram H. Shroff, authorized as a representative of the Stakeholders Relationship Committee.

### iii. Brief Terms of reference

The constitution and terms of reference of Stakeholders Relationship Committee are in compliance with provisions of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

The Committee specifically looks into redressing of investors' complaints including non-receipt of annual reports and complaints related to transfer of shares. The Share Transfer Agent provides quarterly confirmation to the Committee on compliance of the requirements in respect of dealing with the transfers, transmissions, complaints and other shareholders related matters.

The Committee also monitors and reviews the performance and service standards of the Share Transfer Agent and provides continuous guidance to improve the service levels for investors.

### iv. Name and Designation of Compliance Officer:

**Name:** Ms. Madhuri Deokar

**Designation:** Company Secretary & Compliance Officer

### v. Details of Shareholders'/Investors' Complaints

During the financial year ended 31<sup>st</sup> March, 2023, there was one complaint received from shareholders of the Company and same was resolved hence no complaints were pending as on that date .

In addition, the Company has also received certain requests/general intimations regarding change of address, issuance of duplicate share certificates, transfer/ transmission of shares, dematerialization of shares, physical copy of Annual Report etc. which are duly attended within the period prescribed under the Act and SEBI Listing Regulations.

## E. Details of General Meetings:

- i. Location, date and time of AGM held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2019-20	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) Pursuant to the MCA circular	28 <sup>th</sup> September, 2020	Monday	04.00 p.m.	1
2020-21	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) Pursuant to the MCA circular	28 <sup>th</sup> September, 2021	Tuesday	02.30 p.m.	–
2021-22	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) Pursuant to the MCA circular	29 <sup>th</sup> September, 2022	Thursday	03.30 p.m.	1

- ii. Whether any special resolution passed last year through postal ballot:

During the financial year 2022-23 no resolution was passed through postal ballot.

- iii. Person who conducted the postal ballot exercise: NA



- iv. Whether any special resolution is proposed to be conducted through postal ballot:  
No special resolution is proposed to be conducted through the postal ballot as on the date of this report.
- v. Procedure for postal ballot – NA

**F. MEANS OF COMMUNICATION**

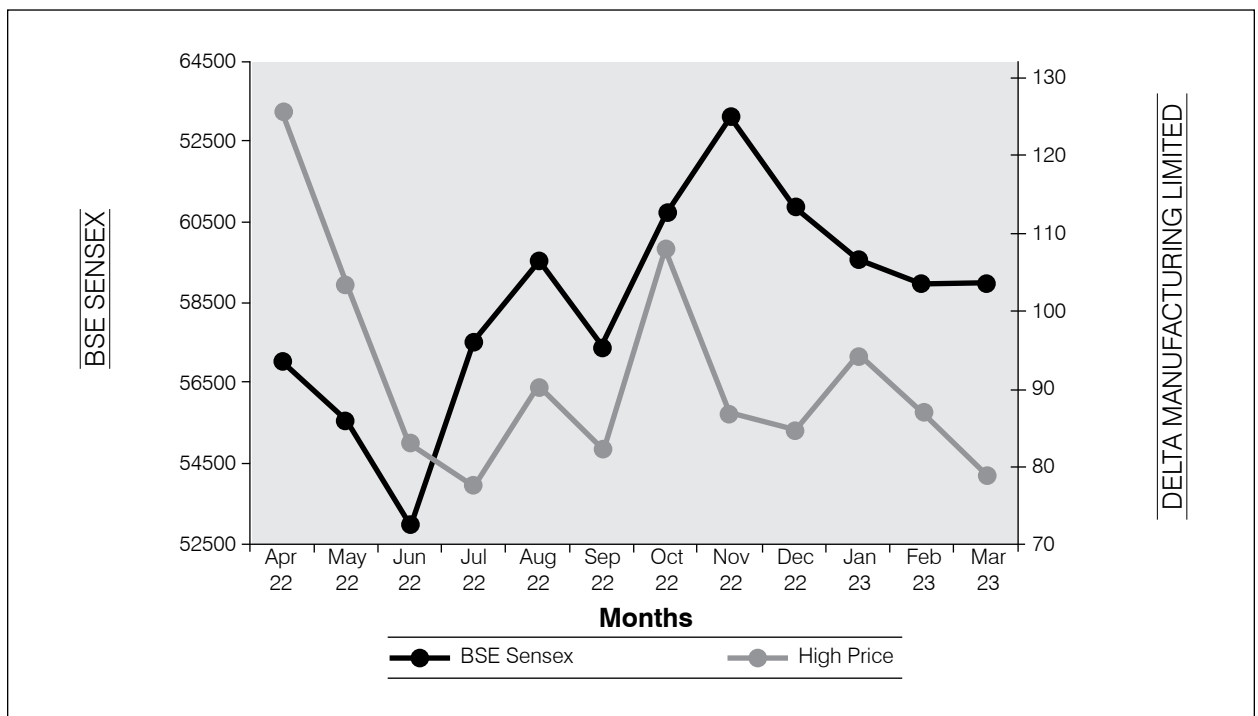
- i. Quarterly/half yearly and annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in following leading newspapers:
- Free Press Journal (English)
  - Navshakti (Marathi)
- ii. The financial results are displayed on Company's website i.e. <https://www.deltamagnetsgroup.com/dml/Announcements.php> and sent to Stock Exchanges.
- iii. During the year no press releases or presentations were made to the institutional investors or to the analysts.

**G. GENERAL SHAREHOLDER INFORMATION****i. Annual General Meeting**

Mode of Conduct	Video Conferencing (VC) / Other Audio Visual Means (OAVM)
Date and Time	Thursday, 14 <sup>th</sup> September, 2023 at 03.30 p.m.
As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on as Thursday, 14 <sup>th</sup> September, 2023	
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March.
Dates of Book Closure	Friday, 8 <sup>th</sup> September, 2023 to Thursday, 14 <sup>th</sup> September, 2023.
Dividend payment date	–
Dividend History	–
Stock Exchange where Company's Shares are Listed	<b>BSE Limited</b> Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Maharashtra. Scrip Code : 504286
	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra. Scrip Symbol : DELTAMAGNT
Listing fees:	The Company has paid the listing fees to all the Stock Exchanges, where its securities are listed till 31 <sup>st</sup> March, 2023.

ii. Stock Market Price data: High /Low during each month for the financial year 2022-23

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2022	125.50	68.00	125.40	67.55
May, 2022	103.40	79.20	103.00	75.15
June, 2022	83.10	62.55	83.45	62.30
July, 2022	77.50	69.05	78.30	68.50
August, 2022	90.30	70.25	89.25	70.00
September, 2022	82.25	69.30	82.90	70.00
October, 2022	108.00	71.20	108.00	69.35
November, 2022	86.80	65.25	87.65	68.25
December, 2022	84.80	66.30	84.45	66.35
January, 2023	94.40	71.30	84.45	71.20
February, 2023	86.90	64.45	85.90	63.50
March, 2023	78.98	61.20	79.00	63.20



iii. Register and Share Transfer Agent

Purva Shareregistry (India) Private Limited  
 9, Shiv Shakti Ind. Estt.,  
 J. R. Boricha marg, Lower Parel (E), Mumbai - 400 011  
 Email: [support@purvashare.com](mailto:support@purvashare.com)  
 Tel.: (022) 2301 6761 / 2301 8261  
 Website: [www.purvashare.com](http://www.purvashare.com)

The Board of Directors of the Company on 17<sup>th</sup> March, 2023 has approved the appointment of Purva Sharegistry (India) Private Limited having registered office at 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (E), Mumbai- 400 011 as Registrar and Share Transfer Agent in place of Freedom Registry Limited, Share Transfer Agent.

#### iv. Share Transfer Process

Pursuant to SEBI circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service request from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on <https://www.deltamagnetsgroup.com/dml/investor-services.php>.

After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising those shares. If the shareholders fail to submit the dematerialisation request within one hundred and twenty (120) days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The requests for transmission or transposition of securities held in physical form are registered and returned within a period of fifteen (15) days from the date of receipt in case the documents are complete in all respects.

#### v. Distribution of Equity Shareholding according to Numbers as at 31<sup>st</sup> March, 2023

Category	No of Shareholders	% to total number of shareholders	No. of shares held in that slab	% to total number of shares
1 to 5000	14496	99.49	1931856	17.80
5001 to 10000	37	0.25	262106	2.42
10001 to 20000	16	0.11	229543	2.12
20001 to 50000	13	0.09	407426	3.75
50001 to 100000	3	0.02	194000	1.79
100001 and above	6	0.04	7826189	72.12
<b>TOTAL</b>	<b>14571</b>	<b>100</b>	<b>10851120</b>	<b>100</b>

**vi. Distribution of Equity Shareholding according to categories of Shareholders as at 31<sup>st</sup> March, 2023**

Sr.No.	Category of Shareholder	Number of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>	<b>7821337</b>	<b>72.08</b>
<b>(B)</b>	<b>Public shareholding</b>	<b>-</b>	<b>-</b>
<b>1</b>	<b>Institutions</b>		
	(a) Mutual Funds/ UTI	1425	0.01
	(b) Financial Institutions / Banks	7456	0.07
<b>2</b>	<b>Non-Institutions</b>		
	(a) Bodies Corporate	122802	01.13
	(b) Individuals	2726140	25.13
	(c) NRIs	30186	0.28
	(d) Clearing Member	29878	0.28
	(e) Key Managerial Personnel	6	0.00
	(f) IEPF	28608	0.26
	(g) LLP	101	0.00
	(h) Director or Director's Relatives	2506	0.02
	(i) Trusts	150	0.00
	(j) HUF	80525	0.74
	<b>Total Public Shareholding</b>	<b>3029783</b>	<b>27.92</b>
	<b>TOTAL (A) + (B)</b>	<b>10851120</b>	<b>100.00</b>

**vii. Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March, 2023, 10551737 Equity Shares ( 97.24 % of the total number of shares) are in demat form as compared to 10536377 Equity Shares (97.10% of the total number of shares) as on 31<sup>st</sup> March, 2022.

**viii. Outstanding GDRs/ ADRs / Warrants or any convertible instruments**

The Company has not issued any GDR's/ADR's, Warrants or any convertible instruments during the financial year 2022-23.

**ix. There is no Commodity price risks or foreign exchange risk and hedging activities.**

**x. Plant Location**

The Company has plants on the following given address:

1. B-87, MIDC, Ambad, Nashik-422020, Maharashtra.
2. Plot No. 101-103, 19<sup>th</sup> Street, MIDC, Satpur, Nashik - 422077, Maharashtra.

**xi. Investor Correspondence**

Shareholders can contact the following official for secretarial matters of the Company.

Name	Address	Telephone No. / Fax No.	Email id
<b>Ms. Madhuri Deokar</b> Company Secretary and Compliance Officer	Bayside Mall, 2 <sup>nd</sup> Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai - 400 034 Maharashtra.	(022) 4079 4700 (022) 4079 4777	<a href="mailto:secretarial@dmltd.in">secretarial@dmltd.in</a>

**xii. Fees to Statutory Auditors**

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

(₹ in 000)

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Audit Fees		
– Continued Operation	290.84	260.32
– Discontinued Operation	825.68	4,931.64
Audit Fees for Other Services	–	–
Reimbursement of Out of pocket Expenses	–	–
<b>Total</b>	<b>1,116.53</b>	<b>5,191.96</b>

**H. Other Disclosures:**

Particulars	Regulations	Details	Website link of details/policy
(a) Related party transactions	Regulation 23 of the Listing Regulations and as defined under the Act	During the financial year 2022-23 there are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the company at large.  The Register of Contracts detailing the transactions as required under the Act is placed before the Board. Transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.	<a href="https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20on%20Related%20Party%20Transactions.pdf">https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20on%20Related%20Party%20Transactions.pdf</a>
(b) Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ("SEBI") or any statutory authority on any matter related to capital markets during the last three years	Schedule V (C) 10(b) to the Listing Regulations	There were no penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.	–
(c) Whistle Blower Policy and Vigil Mechanism	Regulation 22 of the Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="https://www.deltamagnetsgroup.com/dml/downloads/policies/Whistle%20Blower%20Policy.pdf">https://www.deltamagnetsgroup.com/dml/downloads/policies/Whistle%20Blower%20Policy.pdf</a>

<b>Particulars</b>	<b>Regulations</b>	<b>Details</b>	<b>Website link of details/policy</b>
(d) Discretionary requirements	Schedule II Part E of the Listing Regulations	<p>The Company complies with the following non-mandatory requirements:</p> <ul style="list-style-type: none"> <li>▪ The financial statements of the Company are with unmodified audit opinion.</li> <li>▪ The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.</li> <li>▪ Reporting of the Internal Auditor to the Audit Committee.</li> </ul>	–
(e) Subsidiary Companies	Regulation 24 of the Listing Regulations	The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	<a href="https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20for%20Determining%20Material%20Subsidiaries.pdf">https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20for%20Determining%20Material%20Subsidiaries.pdf</a>
(f) Code of Conduct	Regulation 17 of the Listing Regulations	The Board has laid down Code of Conduct for the Board Members and for Senior Management and Employees of the Company. The same has been posted on the website of the Company. All Board Members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with this Code. A declaration to this effect, signed by the Managing Director forms part of this Report.	<a href="https://www.deltamagnetsgroup.com/dml/code_conduct.php">https://www.deltamagnetsgroup.com/dml/code_conduct.php</a>
(g) Terms of Appointment of Independent Directors	Regulation 46 of the Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="https://www.deltamagnetsgroup.com/dml/downloads/policies/Terms%20of%20Appointment%20of%20Ids.pdf">https://www.deltamagnetsgroup.com/dml/downloads/policies/Terms%20of%20Appointment%20of%20Ids.pdf</a>
(h) Familiarization Program	Regulations 25(7) and 46 of the Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	<a href="https://www.deltamagnetsgroup.com/dml/downloads/policies/DML%20-%20Familiarisation%20Programme.pdf">https://www.deltamagnetsgroup.com/dml/downloads/policies/DML%20-%20Familiarisation%20Programme.pdf</a>
(i) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Schedule V (C) 10(l) of the Listing Regulations	The details are forming part of the Annual Report.	–
(j) Disclosure of commodity price risks and commodity hedging activities	Schedule V (C) 10(g) of the Listing Regulations	Not Applicable	—

Particulars	Regulations	Details	Website link of details/policy
(k) Skills/expertise/ competencies identified by the Board of Directors for the effective functioning of the Company which are currently available with the Board	Schedule V (C) 2 (h) (i) of the Listing Regulations	i) Knowledge - understand the Company's business, policies, culture, major risks, threats and potential opportunities ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members iii) Strategic thinking and decision making, iv) Financial /Professional skills to assist the ongoing aspects of the business. v) Legal and Regulatory compliances and Governance	—

In the table below, the specific areas of focus & expertise of individual Board members have been highlighted. However, the absence of mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name of Directors	Area of Expertise				
	Knowledge of Company's business, policies, culture, major risks, threats and potential opportunities	Behavioral Skills - attributes and competencies.	Strategic thinking and decision making	Financial / Professional skills to assist the ongoing aspects of the business.	Legal and Regulatory compliances and Governance
Mr. Jaydev Mody (Chairman)	✓	✓	✓	✓	✓
Dr. Ram H. Shroff (Managing Director)	✓	✓	✓	✓	✓
Mr. Darius Khambatta	✓	✓	—	✓	✓
Mr. Javed Tapia	✓	✓	✓	✓	✓
Mr. Rajesh Jaggi	✓	✓	—	✓	✓
Dr. Vrajesh Udani	✓	✓	—	✓	✓
Ms. Anjali Mody	✓	✓	✓	—	✓

(l) Certificate from Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority	Schedule V (C) 10(i) to the Listing Regulations	Certificate from Ashish Jain of M/s A. K. Jain & Co., Practicing Company Secretaries forms integral part of this report.	—
(m) Disclosure of non-acceptance of recommendation of any committee of the Board	Schedule V (C) 10(j) to the Listing Regulations	There was no such instance during financial year 2022-23 when the board had not accepted any recommendation of any committee of the board.	—

- i. The Company is in compliance with the requirements of Corporate Governance report as specified in sub para (2) to (10) of schedule V (C) of SEBI Listing Regulations.

- j. The Company has complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 of SEBI Listing Regulations details of which are as below:-

<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/ No/ NA)</b>
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1) & 17 (1A)	Yes
Meeting of Board of directors	17(2) & 17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/Compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of the Board	17(11)	Yes
Maximum number of directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination & Remuneration Committee	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19 (3A)	Yes
Composition of Stakeholders Relationship Committee	20(1) & (2)	Yes
Quorum of Stakeholders Relationship Committee	20 (2A)	Yes
Meeting of Stakeholders Relationship Committee	20 (3) & (3A)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	Yes
Meeting of Risk Management Committee	21(3A) & (3B)	NA
Vigil Mechanism	22	Yes
Policy for related party transaction	23(1),(1A), (5),(6),(7) & (8)	Yes
Prior or omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25 (1)	NA



<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/ No/ NA)</b>
Maximum Directorship & Tenure	25(2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Declarations from Independent Directors	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	NA
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and senior management personnel	26(3)	Yes
Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes
Website Upload	46(2)	Yes

## DECLARATION

I, Ram H. Shroff, Managing Director of **Delta Manufacturing Limited** hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2023.

**For Delta Manufacturing Limited**

**Dr. Ram H. Shroff**  
**Managing Director and Executive Vice Chairman**  
**DIN: 00004865**

**Place: Mumbai**  
**Date: 3<sup>rd</sup> August, 2023**

## Certificate of Compliance of Conditions of Corporate Governance

To,  
The Members of  
**Delta Manufacturing Limited**  
B-87, MIDC, Ambad,  
Nashik 422010

We have examined the compliance of conditions of corporate governance by **Delta Manufacturing Limited** (CIN:L32109MH1982PLC028280) (the Company) for the financial year ended March 31, 2023 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance under the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For A. K. Jain & Co.**  
**Company Secretaries**

**Ashish Kumar Jain**  
**Proprietor**  
**FCS: 6058. CP: 6124**  
**Peer Review Certificate No.1485/2021**  
**UDIN No. F006058E000735952**

**Place: Mumbai**  
**Date : 03<sup>rd</sup> August, 2023**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**Delta Manufacturing Limited**  
B-87, MIDC, Ambad  
Nashik - 422010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Delta Manufacturing Limited** (CIN: L32109MH1982PLC028280) and having Registered Office at B-87, MIDC, Ambad, Nashik - 422010, (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of appointment</b>
1	Mr. Jaydev Mukund Mody	00234797	14/03/2008
2	Ms. Anjali Jaydev Mody	02784924	13/02/2020
3	Dr. Ram Hemant Shroff	00004865	01/08/2011
4	Mr. Darius Khushroo Khambatta	00520338	01/10/2012
5	Mr. Javed Faizullah Tapia	00056420	14/03/2008
6	Dr. Vrajesh Prabhakar Udani	00021311	30/07/2010
7	Mr. Rajesh Satinderpal Jaggi	00046853	29/06/2009

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. Jain & Co.**  
**Company Secretaries**

**Ashish Kumar Jain**  
**Proprietor**  
**FCS: 6058. CP: 6124**  
**Peer Review Certificate No.1485/2021**  
**UDIN No. F006058E000735919**

**Place: Mumbai**  
**Date : 03<sup>rd</sup> August, 2023**

# Independent Auditor's Report

## To the Members of Delta Manufacturing Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Delta Manufacturing Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Revenue recognition</b></p> <p>(Refer note 2.8 for the accounting policy on revenue recognition, note 22 of the standalone financial statement for revenue recognized during the year and note 38 for disaggregate revenue information under Ind AS 115)</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p><b>Our audit procedures included, but were not limited, to the following:</b></p> <ul style="list-style-type: none"> <li>▪ Obtained and updated our understanding of the revenue business process.</li> <li>▪ Evaluated the design and tested the operating effectiveness of key controls over the recognition and measurement of revenue.</li> <li>▪ Around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.</li> <li>▪ Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable accounting standards.</li> </ul>

## Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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 specified under section 133 of the Act and other accounting principles generally accepted in India. 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.
8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. 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 Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. 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.
13. 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.
14. 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**

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 controls with reference to financial statements of the Company as on 31<sup>st</sup> March 2023 and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31<sup>st</sup> March 2023.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31<sup>st</sup> March 2023;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2023.
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(f) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(g) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Company has not declared or paid dividend during the year ended 31<sup>st</sup> March, 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1<sup>st</sup> April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm's Registration No.: 141079W

**(Mayur H. Shah)**  
Partner  
Membership No.: 147928  
UDIN: 23147928BGRYFF8974

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023



## Annexure A

### **To the Independent Auditor's Report of even date to the members of Delta Manufacturing Limited, on the standalone financial statements for the year ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments and right of use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipments, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipments and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipments (and right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted a physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
  - (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under section 185 and 186 of the Act during the year. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state Insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ In '000)	Amount paid under Protest (₹ In '000)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,373.94	474.79	F.Y. 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,091.64	618.33	F.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,175.84	635.17	F.Y. 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,244.43	448.89	F.Y. 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,300.50	260.23	F.Y. 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	442.98	Nil	F.Y. 1989-90	Mumbai High Court
Income Tax Act, 1961	Income Tax	4,941.02	2,345.67	F.Y. 2011-12	Rectification u/s. 154 is pending before the Assessing Officer
Income Tax Act, 1961	Income Tax	534.68	Nil	F.Y. 2017-18	Rectification u/s. 154 is pending before the Assessing Officer
Income Tax Act, 1961	Income Tax	466.40	Nil	F.Y. 2017-18	Rectification u/s. 154 is pending before the Assessing Officer
Income Tax Act, 1961	Income Tax	23,886.96	3,575.90	F.Y. 2021-22	Rectification u/s. 154 is pending before the Assessing Officer
The Foreign Trade (Development and Regulation) Act, 1992	Custom Duty on non-fulfilment of Export Obligations	36,668.07	Nil	F.Y.2003-04, F.Y. 2011-12 to F.Y. 2015-16	Director General of Foreign Trade and Assistant Commissioner of Customs
Goods and Service Tax Act, 2017	Goods and Service Tax	10,149.01	519.74	July 2017 to March 2018	Joint Commissioner of State Tax of State Tax (Appeals), Nashik.

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, 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 Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act 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. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has incurred cash loss of ₹ 19,484.08 ('000) in the current financial year. However, the company has not incurred cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (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 standalone financial statements, our knowledge of the plans of the Board of Directors and management 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), 2013 in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 39 to the standalone financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 39 to the standalone financial statements.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm's Registration No.: 141079W

**(Mayur H. Shah)**  
Partner  
Membership No.: 147928  
UDIN: 23147928BGRYFF8974

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

## Annexure B

**To the Independent Auditor's Report of even date to the members of Delta Manufacturing Limited on the standalone financial statements for the year ended 31<sup>st</sup> March 2023**

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Delta Manufacturing Limited ('the Company') as at and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements**

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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31<sup>st</sup> March 2023, based on the internal financial controls with reference to financial statements 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 **M H S & Associates**  
Chartered Accountants  
ICAI Firm's Registration No.: 141079W

**(Mayur H. Shah)**  
Partner  
Membership No.: 147928  
UDIN: 23147928BGRYFF8974

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

## Standalone Balance Sheet

AS AT MARCH 31, 2023

Particulars	Note No.	(₹ in '000)	
		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipments	5	497,838.62	436,544.49
Capital work-in-progress	41(c)	343.56	50,224.30
Other Intangible assets	6	165.08	338.49
Financial assets			
Investments	7	52.20	27,137.11
Other financial assets	8	36,612.71	29,615.06
Non-current tax assets (net)	9	15,849.32	15,188.00
Other non-current assets	10	1,996.17	35,618.89
<b>Total Non-Current Assets</b>		<b>552,857.66</b>	<b>594,666.34</b>
<b>Current Assets</b>			
Inventories	11	180,378.27	174,997.70
Financial assets			
Investments	7	56,605.03	26,595.06
Trade receivables	12	207,814.93	270,216.00
Cash and cash equivalents	13	672.09	28,893.05
Bank balances other than cash and cash equivalents	14	7,531.65	7,254.70
Other financial assets	8	1,577.72	1,451.29
Other current assets	10	41,100.19	50,020.12
<b>Total Current Assets</b>		<b>495,679.88</b>	<b>559,427.92</b>
<b>Total Assets</b>		<b>1,048,537.54</b>	<b>1,154,094.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	108,511.20	108,511.20
Other equity	16	232,787.37	318,417.83
<b>Total Equity</b>		<b>341,298.57</b>	<b>426,929.03</b>

# Standalone Balance Sheet

AS AT MARCH 31, 2023

Particulars	Note No.	(₹ in '000)	
		As at March 31, 2023	As at March 31, 2022
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
Borrowings	17	56,680.41	72,562.97
Lease liabilities	40	1,157.81	3,473.41
Deferred tax liabilities (net)	30	22,278.01	893.46
Provisions	18	24,735.11	14,032.97
Other non current liabilities	19	–	553.07
<b>Total Non-Current Liabilities</b>		<b>104,851.34</b>	<b>91,515.88</b>
<b>Current Liabilities</b>			
Financial liabilities			
Borrowings	17	343,843.66	395,948.75
Trade payables	20		
total outstanding dues of micro enterprises and small enterprises		11,889.39	12,524.97
total outstanding dues of creditors other than micro enterprises and small enterprises		120,262.34	124,663.09
Lease liabilities	40	191.02	1,931.11
Other financial liabilities	21	68,355.97	45,318.14
Provisions	18	15,517.31	14,047.13
Other current liabilities	19	42,327.94	41,216.16
<b>Total Current Liabilities</b>		<b>602,387.63</b>	<b>635,649.35</b>
<b>Total Liabilities</b>		<b>707,238.97</b>	<b>727,165.23</b>
<b>Total Equity And Liabilities</b>		<b>1,048,537.54</b>	<b>1,154,094.26</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
Partner  
Membership No: 147928

Place: Mumbai  
Date: May 26, 2023

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
Chairman  
DIN:00234797  
**Abhilash Sunny**  
Chief Financial Officer

Place: Mumbai  
Date: May 26, 2023

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865  
**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)



## Standalone Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>INCOME</b>			
Revenue from operations	22	796,344.19	889,390.48
Other income	23	16,913.80	9,178.98
<b>Total income</b>		<b>813,257.99</b>	<b>898,569.46</b>
<b>EXPENSES</b>			
Cost of material consumed	24	292,453.80	339,983.19
Purchase of stock-in-trade	25	8,716.73	10,687.90
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(17,258.82)	13,010.70
Employee benefits expense	27	297,770.57	262,930.35
Finance costs	28	37,940.33	44,481.24
Depreciation and amortization expense	5 & 6	48,463.05	42,218.87
Other expenses	29	272,706.43	298,171.61
<b>Total expenses</b>		<b>940,792.09</b>	<b>1,011,483.86</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>(127,534.10)</b>	<b>(112,914.40)</b>
Exceptional items	44	70,304.29	376,509.91
<b>Profit / (loss) before tax</b>		<b>(57,229.81)</b>	<b>263,595.51</b>
<b>Income tax expense</b>	30		
a) Current Tax			
– For the year		–	–
– For the prior period		–	–
b) Deferred tax		21,384.55	28,469.21
<b>Total income tax expense</b>		<b>21,384.55</b>	<b>28,469.21</b>
<b>Profit / (loss) for the year</b>		<b>(78,614.36)</b>	<b>235,126.30</b>

# Standalone Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Other comprehensive income</b>			
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(7,016.10)	(390.72)
Income tax effect on above		–	–
b) Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Foreign currency translation reserve		–	–
Income tax effect on above		–	–
<b>Other comprehensive income for the year</b>		<b>(7,016.10)</b>	<b>(390.72)</b>
<b>Total comprehensive income for the year</b>		<b>(85,630.46)</b>	<b>234,735.58</b>
<b>Earnings / (loss) per share (face value ₹ 10/- each)</b>	33		
Basic earnings / (loss) per share (₹)		(7.24)	21.67
Diluted earnings / (loss) per share (₹)		(7.24)	21.67
Summary of significant accounting policies	2		

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

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
Partner  
Membership No: 147928

Place: Mumbai  
Date: May 26, 2023

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
Chairman  
DIN:00234797  
**Abhilash Sunny**  
Chief Financial Officer

Place: Mumbai  
Date: May 26, 2023

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865

**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

## Standalone Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2023

### A. EQUITY SHARE CAPITAL

(₹ in '000)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10/- each				
Opening	10,851,120	108,511.20	10,851,120	108,511.20
Add: Issued during the year	–	–	–	–
Less: Buy-back during the year	–	–	–	–
<b>Equity share capital</b>	<b>10,851,120</b>	<b>108,511.20</b>	<b>10,851,120</b>	<b>108,511.20</b>

### B. OTHER EQUITY

(₹ in '000)

Particulars	Securities premium	Equity component on interest free loan	Capital reserve on business combination	Retained earnings	Total
<b>Balance as at April 01, 2021</b>	<b>107,126.58</b>	<b>74,836.91</b>	<b>208,486.14</b>	<b>(306,767.38)</b>	<b>83,682.25</b>
Profit / (Loss) for the year	–	–	–	235,126.30	<b>235,126.30</b>
Other comprehensive income / (loss)	–	–	–	(390.72)	<b>(390.72)</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>234,735.58</b>	<b>234,735.58</b>
Add : Addition during the year	–	–	–	–	–
Less : Utilisation during the year	–	–	–	–	–
<b>Balance as at March 31, 2022</b>	<b>107,126.58</b>	<b>74,836.91</b>	<b>208,486.14</b>	<b>(72,031.80)</b>	<b>318,417.83</b>
<b>Balance as at April 01, 2022</b>	<b>107,126.58</b>	<b>74,836.91</b>	<b>208,486.14</b>	<b>(72,031.80)</b>	<b>318,417.83</b>
Profit / (Loss) for the year	–	–	–	(78,614.36)	<b>(78,614.36)</b>
Other comprehensive income / (loss)	–	–	–	(7,016.10)	<b>(7,016.10)</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(85,630.46)</b>	<b>(85,630.46)</b>
Add : Addition during the year	–	–	–	–	–
Less : Utilisation during the year	–	–	–	–	–
<b>Balance as at March 31, 2023</b>	<b>107,126.58</b>	<b>74,836.91</b>	<b>208,486.14</b>	<b>(157,662.26)</b>	<b>232,787.37</b>

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

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
Partner  
Membership No: 147928

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
Chairman  
DIN:00234797  
**Abhilash Sunny**  
Chief Financial Officer

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865

**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

Place: Mumbai  
Date: May 26, 2023

Place: Mumbai  
Date: May 26, 2023

# Standalone Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax	(64,245.91)	263,204.79
Adjustments for:		
Depreciation and amortization expenses	48,463.05	42,218.87
Finance costs	37,940.33	44,481.24
Interest income	(1,910.81)	(815.36)
Gain on disinvestment in Subsidiary	(70,304.29)	(119,839.87)
Bad debts / Provision for expected credit loss	2,527.22	17,346.83
Sundry balances written back / (written off)	(6,742.72)	(1,666.80)
Provision for employee benefits	7,945.80	3,575.12
Unrealised foreign exchange translation (gain)/loss	11.47	136.69
Gain on mutual fund	(3,309.97)	(1,195.82)
Gain on sale of immovable property	-	(256,670.04)
Net Gain/(Loss) on Derecognition of Lease	(197.90)	-
Actuarial (Gain) / Loss on Gratuity	7,016.10	390.72
<b>Operating profit / (loss) before working capital changes</b>	<b>(42,807.63)</b>	<b>(8,833.63)</b>
<b>Changes in working capital</b>		
Inventories	(5,380.58)	(14,060.16)
Trade receivables	59,921.77	(25,826.33)
Other current assets	4,245.19	(1,096.16)
Other non - current assets	(642.99)	435.31
Other non - current financial assets	(6,997.65)	(19,121.91)
Other current financial assets	858.00	19,728.59
Other non - current liabilities	(553.07)	(833.28)
Other current liabilities	966.12	(8,696.77)
Other current financial liabilities	11,099.34	(117.46)
Trade payable	6,467.40	867.76
Provisions	(2,789.58)	(3,507.60)
<b>Cash generated from / (used in) operations</b>	<b>24,386.32</b>	<b>(61,061.64)</b>
Income tax paid (net)	(661.32)	(3,140.46)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>23,725.00</b>	<b>(64,202.10)</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipments & intangible assets	(27,363.99)	(102,607.04)
Proceeds from sale of property, plant and equipments & intangible assets	-	4,000.00
Net proceeds against sale of immovable property	-	286,391.81
Net proceeds from sale of Investments	70,689.20	136,861.44
Proceeds from / (Investments in) fixed deposits	(276.95)	(20,276.42)
Interest received	926.39	813.28
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>43,974.65</b>	<b>305,183.07</b>

## Standalone Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Cash flow from Financing activities</b>		
Proceeds / (Repayment) from non - current borrowings (net)	(15,882.56)	34,492.62
Proceeds / (Repayment) from current borrowings (net)	(52,105.09)	(176,380.08)
Repayment of lease liabilities	(2,407.73)	(2,407.73)
Dividend paid	(1.05)	(0.83)
Interest paid	(25,524.18)	(69,199.83)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>(95,920.61)</b>	<b>(213,495.85)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(28,220.96)</b>	<b>27,485.12</b>
Cash and cash equivalents at the beginning of the year	28,893.05	1,407.93
<b>Cash and cash equivalents at the end of the year</b>	<b>672.09</b>	<b>28,893.05</b>
<b>Cash and cash equivalents comprise (Refer note 13)</b>		
Balances with banks		
On current accounts	527.26	28,694.05
Cash on hand	144.83	199.00
<b>Total cash and cash equivalents at the end of the year</b>	<b>672.09</b>	<b>28,893.05</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- Reconciliation of financing activities

Particulars	(₹ in '000)			
	As at March 31, 2022	Cash flow	Non cash adjustment Accrual of interest / unrealised forex loss	As at March 31, 2023
Non-current borrowings	72,562.97	(15,882.56)	-	56,680.41
Current borrowings	395,948.75	(81,657.69)	29,552.60	343,843.66

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
Partner  
Membership No: 147928

Place: Mumbai  
Date: May 26, 2023

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
Chairman  
DIN:00234797  
**Abhilash Sunny**  
Chief Financial Officer

Place: Mumbai  
Date: May 26, 2023

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865

**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 1. GENERAL INFORMATION

Delta Manufacturing Limited ("the Company") is a Company incorporated on September 23, 1982 under the provision of the Companies Act applicable in India. The Company is incorporated and domiciled and having principal place of business in India. The registered office is at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010, India. The principal business of the company is manufacturing of hard ferrites, soft ferrites, textile woven labels, fabric printed labels and elastic / woven tape. The shares of the company is listed on the National Stock Exchange of India Limited (NSE) and on the BSE Limited (BSE).

These financial statements were authorised for issue by the Board of Directors on **May 26, 2023**.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

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

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

#### (c) Current / non current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current / non - current classification of its assets and liabilities. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note 3 for detailed discussion on estimates and judgments.)

### (e) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

## 2.2 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

## 2.3 Property, plant and equipments

Freehold land is carried at historical cost. All other items of property, plant and equipments are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipments, otherwise, such items are classified as inventory.

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

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Advances paid towards the acquisition of property, plant and equipments outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

## Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipments over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipments	Estimated useful life (in years)
Leasehold improvement*	Lease period
Factory building	30
Carpeted roads - other than RCC	5
Plant and Machinery - General	15 (On single shift)
Plant and Machinery - Continuous process plant	25
Furniture and fixtures	10
Electrical installations and equipments	10
Computers and data processing units	3 - 6
Office equipments	3 - 5
Motor cars	8
Motor cycles	10

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipments (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.
- Tools are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.

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

The useful lives, residual values of each part of an item of property, plant and equipments and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

## Derecognition

The carrying amount of an item of property, plant and equipments is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipments is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.



## 2.4 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

### Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

<b>Intangible assets</b>	<b>Estimated useful life (in years)</b>
Computer Software	5

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

## 2.5 Impairment of non-financial assets

Property, plant and equipments and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

## 2.6 Foreign currency transactions

### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

## 2.7 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## 2.8 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

## Revenue from sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

## Revenue from sale of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from home solution operations/ painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

## Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

## Dividend income

Dividend income is recognised when the right to receive payment is established.

## 2.9 Taxes

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

### (a) Current income tax

Current tax is the amount of income taxes payable in respect of taxable profit for a 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 under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **2.10 Assets classified as held for sale**

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortized.

## **2.11 Leases Accounting**

### **Assets taken on lease:**

The Company mainly has lease arrangements for land and building for factory and plant & machinery.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipments. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

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

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## **2.12 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management’s estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

## **2.13 Provisions and contingent liabilities**

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

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 recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability.

The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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 or a reliable estimate of the amount cannot be made.

#### **2.14 Cash and cash equivalents**

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

#### **2.15 Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

#### **2.16 Financial instruments**

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

##### **(a) Financial assets**

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

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

###### **(ii) Subsequent measurement**

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

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

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

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

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

## (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

## (b) Financial liabilities

### (i) Initial recognition and measurement

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

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

### (ii) Subsequent measurement

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

#### **Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 recognized in the Statement of Profit and Loss.

#### **Loans and borrowings:**

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

### (iii) Derecognition

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



## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (c) Offsetting financial instruments

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

### 2.17 Employee benefits

#### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (b) Other long-term employee benefit obligations

##### (i) Defined contribution plan

Contribution towards the fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

##### (ii) Defined benefit plans

**Gratuity:** The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

### 2.18 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 2.19 Investment in Subsidiary & Associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 7.

Impairment policy applicable on such investments is explained in note 2.16 (a) (iii) above.

## 2.20 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 within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## 2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

## 2.23 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 3.1 Estimates and assumptions

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

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

**(a) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(b) Defined benefit plans and other long term benefits (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32.

#### 4. Recent accounting pronouncements

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statement.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of these amendments is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and the impact of the amendments are insignificant in the financial statements

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 5. PROPERTY, PLANT AND EQUIPMENTS

Particulars	Leasehold Land	Buildings	Plant and Machinery	Furniture & Fixtures	Electrical Installations	Vehicles	Computers	Right to Use	Total
(₹ in '000)									
<b>GROSS BLOCK</b>									
<b>As at April 01, 2021</b>	143,935.20	89,151.01	1,021,497.29	13,012.14	4,657.89	6,499.40	8,408.23	4,841.42	1,304,455.32
Additions during the year	-	-	9,029.38	36.45	-	4,842.80	339.55	5,341.04	20,159.91
Disposals during the year	-	-	(4,636.91)	-	-	(104.76)	(6.71)	(2,911.62)	(7,660.00)
Adjustments during the year	-	-	-	0.29	-	-	-	-	0.29
<b>As at March 31, 2022</b>	143,935.20	89,151.01	1,025,889.76	13,048.88	4,657.89	11,342.20	8,741.07	7,270.84	1,316,955.52
Additions during the year	-	2,422.72	106,327.30	1,333.36	667.18	400.00	328.64	-	111,646.70
Disposals during the year	-	-	(5,121.57)	-	-	-	(1.02)	(5,341.04)	(10,463.63)
Adjustments during the year	-	-	771.46	(630.20)	-	-	2,549.00	-	2,610.27
<b>As at March 31, 2023</b>	143,935.20	91,573.73	1,127,866.95	13,752.04	5,325.07	11,742.20	11,617.69	1,929.80	1,420,748.86
<b>ACCUMULATED DEPRECIATION</b>									
<b>As at April 01, 2021</b>	11,700.74	36,065.90	757,975.32	11,426.16	3,698.53	5,289.84	7,614.33	3,213.09	846,176.69
Charges for the year	2,303.04	2,579.02	31,662.08	365.87	236.45	1,208.76	498.07	1,941.90	41,635.94
Reverse charge on disposal	-	-	(4,396.86)	-	-	(100.30)	(6.37)	(2,911.62)	(7,415.15)
Adjustments during the year	-	-	-	-	-	-	13.55	-	13.55
<b>As at March 31, 2022</b>	14,003.78	38,644.92	785,240.54	11,792.03	3,934.98	6,498.60	8,119.58	2,243.37	880,411.03
Charges for the year	2,303.03	2,643.05	38,376.42	449.50	252.79	893.04	487.68	1,983.28	48,241.84
Reverse charge on disposal	-	-	(4,986.33)	-	-	-	-	(3,414.37)	(8,400.70)
Adjustments during the year	-	-	1,144.60	(630.17)	-	(173.31)	2,330.12	-	2,658.07
<b>As at March 31, 2023</b>	16,306.81	41,287.97	819,775.23	11,611.36	4,187.77	7,378.48	10,937.38	812.28	922,910.24
<b>Net block as at March 31, 2022</b>	129,931.42	50,506.09	240,649.22	1,256.85	722.91	4,843.60	621.49	5,027.47	436,544.49
<b>Net block as at March 31, 2023</b>	127,628.39	50,285.76	308,091.72	2,140.68	1,137.30	4,363.72	680.31	1,117.52	497,838.62

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 6. OTHER INTANGIBLE ASSETS

Particulars	(₹ in '000)	
	Software	Total
<b>GROSS BLOCK</b>		
<b>As at April 01, 2021</b>	<b>7,581.46</b>	<b>7,581.46</b>
Additions during the year	–	–
Disposals during the year	–	–
Adjustments during the year	(0.32)	(0.32)
<b>As at March 31, 2022</b>	<b>7,581.14</b>	<b>7,581.14</b>
Additions during the year	–	–
Disposals during the year	–	–
Adjustments during the year	(2,610.27)	(2,610.27)
<b>As at March 31, 2023</b>	<b>4,970.87</b>	<b>4,970.87</b>
<b>ACCUMULATED DEPRECIATION</b>		
<b>As at April 01, 2021</b>	<b>6,673.27</b>	<b>6,673.27</b>
Charges for the year	582.93	582.93
Reverse charge on disposal	–	–
Adjustments during the year	(13.55)	(13.55)
<b>As at March 31, 2022</b>	<b>7,242.65</b>	<b>7,242.65</b>
Charges for the year	221.21	221.21
Reverse Charge on Disposal	–	–
Adjustments during the year	(2,658.07)	(2,658.07)
<b>As at March 31, 2023</b>	<b>4,805.79</b>	<b>4,805.79</b>
<b>Net block as at March 31, 2022</b>	<b>338.49</b>	<b>338.49</b>
<b>Net block as at March 31, 2023</b>	<b>165.08</b>	<b>165.08</b>

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 7. FINANCIAL ASSETS - INVESTMENTS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non- current	Current	Non- current	Current
<b>Investment in equity instrument measured at cost</b>				
Unquoted equity shares				
– Rhine Estates Limited (Foreign Company)	52.20	–	27,137.11	–
[March 31, 2023 - 634 Equity Shares (March 31, 2022- 327107 Equity Shares) of Face Value of ₹ 1/- Each]				
[March 31, 2023 - NIL Deferred Shares (March 31, 2022- 2500 Deferred Shares) of Face Value of ₹ 1/- Each]				
<b>Investments measured at fair value through profit or loss</b>				
Investment in Mutual Funds				
– HDFC Liquid Fund - Growth Option	–	56,605.03	–	26,595.06
[Unit held as on March 31, 2023 - 12,797.302 (March 31, 2022 - 6,355.245)]				
<b>Total</b>	<b>52.20</b>	<b>56,605.03</b>	<b>27,137.11</b>	<b>26,595.06</b>

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>Aggregate book value of:</b>		
Quoted investments	56,605.03	26,595.06
Unquoted investments	52.20	27,137.11
<b>Aggregate market value of:</b>		
Quoted investments	56,605.03	26,595.06
<b>Aggregate amount of impairment in value of Investments</b>	<b>–</b>	<b>–</b>

## 8. OTHER FINANCIAL ASSETS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non- current	Current	Non- current	Current
<b>Unsecured, considered good</b>				
Security deposits	14,955.10	–	8,815.45	–
In fixed deposit with maturity for more than 12 months	20,700.00	–	20,700.00	–
Interest accrued on deposits	957.61	1,577.72	99.61	1,451.29
<b>Total</b>	<b>36,612.71</b>	<b>1,577.72</b>	<b>29,615.06</b>	<b>1,451.29</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 9. NON-CURRENT TAX ASSETS

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Income tax receivables	15,849.32	15,188.00
<b>Total</b>	<b>15,849.32</b>	<b>15,188.00</b>

### 10. OTHER ASSETS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
<b>Unsecured, Considered Good</b>				
Capital advances	840.27	–	35,105.98	–
Balance with government authorities (other than income tax)	–	34,255.89	–	38,960.33
Advance to creditors	–	2,277.17	–	6,951.91
Prepaid expenses	1,155.90	3,504.22	512.91	3,051.55
Advance to employees	–	1,062.91	–	1,056.33
<b>Total</b>	<b>1,996.17</b>	<b>41,100.19</b>	<b>35,618.89</b>	<b>50,020.12</b>

### 11. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Raw material	67,400.19	79,662.99
Work in progress	36,222.67	32,259.66
Finished goods	48,229.02	34,902.10
Stock in trade	1,782.95	1,814.06
Store and spares parts (including packing material & tools)	26,743.44	26,358.89
<b>Total</b>	<b>180,378.27</b>	<b>174,997.70</b>

### 12. TRADE RECEIVABLES

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>Unsecured</b>		
– Considered good*	207,814.93	270,216.00
– Considered doubtful	10,283.20	7,697.72
	<b>218,098.13</b>	<b>277,913.72</b>
Less: Allowance for expected credit loss	(10,283.20)	(7,697.72)
<b>Total</b>	<b>207,814.93</b>	<b>270,216.00</b>

For details (Refer note 41 (b))

\*Includes ₹ NIL ('000) [previous year ₹ NIL ('000)] receivable from related parties (refer note no. 35)

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 13. CASH AND CASH EQUIVALENTS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Cash and cash equivalents</b>		
Balances with banks		
– In current accounts	527.26	28,694.05
Cash on hand	144.83	199.00
<b>Total</b>	<b>672.09</b>	<b>28,893.05</b>

### 14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Unpaid Dividend Accounts	1,336.41	1,337.46
In fixed deposit with original maturity for more than 3 months but less than 12 months	6,195.24	5,917.24
<b>Total</b>	<b>7,531.65</b>	<b>7,254.70</b>

### 15. EQUITY SHARE CAPITAL

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized</b>				
Equity shares of ₹ 10/- each	46,000,000	46,000,000	46,000,000	46,000,000
	<b>46,000,000</b>	<b>46,000,000</b>	<b>46,000,000</b>	<b>46,000,000</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 10/- each	10,851,120	108,511.20	10,851,120	108,511.20
	<b>10,851,120</b>	<b>108,511.20</b>	<b>10,851,120</b>	<b>108,511.20</b>
<b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year</b>				
Outstanding at the beginning of the year	10,851,120	108,511.20	10,851,120	108,511.20
Add: Issued during the year	–	–	–	–
Less: Buy-back during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>10,851,120</b>	<b>108,511.20</b>	<b>10,851,120</b>	<b>108,511.20</b>

#### (b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2023, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2022: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Aarti Pandit Family Private Limited*	1,986,318	18.31%	1,986,318	18.31%
Aditi Mody Family Private Limited*	1,987,111	18.31%	1,987,111	18.31%
Anjali Mody Family Private Limited*	1,985,273	18.30%	1,985,273	18.30%
SSI Trading Private Limited	1,615,153	14.88%	1,615,153	14.88%

\* Aarti Pandit Family Private Limited, Aditi Mody Family Private Limited, Anjali Mody Family Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.

**(d) Equity Shares issued by the Company without payment being received in cash during the five years immediately preceding March 31<sup>st</sup>.**

Particulars	Aggregate No. of Shares				
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Fully paid up equity shares issued as per the scheme of Business Combination approved by NCLT.	–	–	–	43,80,106	–

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**(f) Shares held by Promoter's Group at the end of the year**

Name of promoter group	March 31, 2023				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% changes during the year
Aditi Mody Family Private Limited	1,987,111	–	1,987,111	18.31%	0.00%
Aarti Pandit Family Private Limited	1,986,318	–	1,986,318	18.31%	0.00%
Anjali Mody Family Private Limited	1,985,273	–	1,985,273	18.30%	0.00%
SSI Trading Private Limited	1,615,153	–	1,615,153	14.88%	0.00%
Miranda Tools Private Limited*	8,512	137,360	145,872	1.34%	1.27%
Highland Resorts LLP	1,862	–	1,862	0.02%	0.00%
Ram Hemant Shroff	58,811	(45,507)	13,304	0.12%	-0.42%
Kalpana Singhania	39,362	–	39,362	0.36%	0.00%

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Name of promoter group	March 31, 2023				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% changes during the year
Urvi Piramal A	36,900	–	36,900	0.34%	0.00%
Ambika Singhania	4,672	–	4,672	0.04%	0.00%
Gopika Singhania	4,321	–	4,321	0.04%	0.00%
Ziabai Jaydev Mody	1,125	–	1,125	0.01%	0.00%
Jaydev Mukund Mody	64	–	64	0.00%	0.00%
<b>Total</b>	<b>7,729,484</b>	<b>91,853</b>	<b>7,821,337</b>	<b>72.08%</b>	<b>1.19%</b>

\*Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), had vide its Order dated November 11, 2021 approved the Scheme of Amalgamation of Newdeal Multitrade Private Limited ("Transferor Company") with Miranda Tools Private Limited ("Transferee Company"). The Transferor Company was holding 137,360 Shares of Delta Manufacturing Limited which got transferred to Transferee Company during the year.

Name of promoter group	March 31, 2022				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% changes during the year
Aditi Mody Family Private Limited	1,987,111	–	1,987,111	18.31%	0.00%
Aarti Pandit Family Private Limited	1,986,318	–	1,986,318	18.31%	0.00%
Anjali Mody Family Private Limited	1,985,273	–	1,985,273	18.30%	0.00%
SSI Trading Private Limited	1,615,153	–	1,615,153	14.88%	0.00%
Miranda Tools Private Limited	8,512	–	8,512	0.08%	0.00%
Highland Resorts LLP	1,862	–	1,862	0.02%	0.00%
Ram Hemant Shroff	58,811	–	58,811	0.54%	0.00%
Kalpana Singhania	39,362	–	39,362	0.36%	0.00%
Urvi Piramal A	36,900	–	36,900	0.34%	0.00%
Ambika Singhania	4,672	–	4,672	0.04%	0.00%
Gopika Singhania	4,321	–	4,321	0.04%	0.00%
Ziabai Jaydev Mody	1,125	–	1,125	0.01%	0.00%
Jaydev Mukund Mody	64	–	64	0.00%	0.00%
<b>Total</b>	<b>7,729,484</b>	<b>–</b>	<b>7,729,484</b>	<b>71.23%</b>	<b>0.00%</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 16. OTHER EQUITY

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Securities premium	107,126.58	107,126.58
Equity component on interest free loan	74,836.91	74,836.91
Capital reserve on business combination	208,486.14	208,486.14
Retained earnings	(157,662.26)	(72,031.80)
<b>Total</b>	<b>232,787.37</b>	<b>318,417.83</b>

#### Nature and purpose of other reserves

Securities premium	Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
Equity component on interest free loan	Deemed equity contribution represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Capital reserve on business combination	<ol style="list-style-type: none"> <li>1) Capital Reserve of ₹ 61,847.81 ('000) was created on merger of MMG India Private Limited, wholly owned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal.</li> <li>2) Capital Reserve of ₹ 146,538.33 ('000) was created on merger of Arrow Textiles Limited, with the Company as per the order passed by the National Company Law Tribunal.</li> </ol>
Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(a) Securities premium</b>		
Opening balance	1,07,126.58	1,07,126.58
Add: Securities premium credited during the year on share issue	–	–
Less: Securities premium utilised during the year	–	–
<b>Closing balance</b>	<b>1,07,126.58</b>	<b>1,07,126.58</b>
<b>(b) Deemed equity contribution</b>		
Opening balance	74,836.91	74,836.91
Add: Addition during the year	–	–
Less: Utilisation during the year	–	–
<b>Closing balance</b>	<b>74,836.91</b>	<b>74,836.91</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
<b>(c) Capital reserve on business combination</b>				
Opening balance		2,08,486.14		2,08,486.14
Add : Addition during the year		–		–
Less : Utilisation during the year		–		–
<b>Closing balance</b>		<b>2,08,486.14</b>		<b>2,08,486.14</b>
<b>(d) Retained earnings</b>				
Opening balance		(72,031.80)		(306,767.38)
Net profit / (loss) for the current year		(78,614.36)		235,126.30
Item of OCI for the year, net of tax		(7,016.10)		(390.72)
<b>Closing balance</b>		<b>(157,662.26)</b>		<b>(72,031.80)</b>
<b>Total other equity</b>		<b>232,787.37</b>		<b>318,417.83</b>

### 17. BORROWINGS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
<b>Secured</b>				
Borrowings from banks	54,774.99	1,58,740.53	69,890.54	1,60,909.26
<b>Non-Current Borrowings</b>				
[Term loan 1 - outstanding balance as at balance sheet date carry interest @ 11.50% p.a. (floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment started from January, 2020. (refer below for detail of securities)]				
[Term loan 2 - outstanding balance as at balance sheet date carry interest @ 9.25% p.a. (floating) is repayable in 48 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment starting from October, 2021. (refer below for detail of securities)]				
[Term loan 3 - outstanding balance as at balance sheet date carry interest @ 11.50% p.a. (floating) is repayable in 60 months as per ballooning repayment schedule. Installment started from April, 2022. (refer below for detail of securities)]				

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
[Term loan 4 - outstanding balance as at balance sheet date carry interest @ 9.25% p.a. (floating) is repayable in 59 months (including moratorium period of 24 months) as per ballooning repayment schedule. Installment starting from April, 2024. (refer below for detail of securities)]				
<b>Current Borrowings</b>				
[Repayable on demand and carry interest @ 10.20% p.a. floating (refer below for detail of securities)]				
[Securities - Above borrowings are secured by way of hypothecation on entire movable fixed assets & current assets of the Company, present and future. Further, secured by way of equitable mortgage of land & building owned by the Company].				
Borrowings from Financial Institutions (The above borrowing carry interest @ 8.70% p.a. is repayable in 60 months secured by way of hypothecation on Toyota car against which this loan was taken, Installment started from June, 2021)	1,905.42	767.00	2,672.43	703.36
<b>Unsecured</b>				
Borrowings from related parties (Current borrowing - repayable on demand and interest @ 8.15% p.a.)	–	184,336.13	–	234,336.13
<b>Total</b>	<b>56,680.41</b>	<b>343,843.66</b>	<b>72,562.97</b>	<b>395,948.75</b>

### 18. PROVISIONS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 32)				
– Gratuity (funded)	24,735.11	–	14,032.97	–
– Leave encashment (unfunded)	–	15,517.31	–	12,998.13
Provision for CSR (refer note 39)	–	–	–	1,049.00
<b>Total</b>	<b>24,735.11</b>	<b>15,517.31</b>	<b>14,032.97</b>	<b>14,047.13</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 19. OTHER LIABILITIES

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Statutory dues payable	–	8,714.88	–	9,000.48
Advance received from customers	–	555.73	–	31,373.92
Deferred Government Grant	–	2,085.01	553.07	833.29
Payable to Shareholders on account of merger	–	8.47	–	8.47
Other payables	–	30,963.85	–	–
<b>Total</b>	<b>–</b>	<b>42,327.94</b>	<b>553.07</b>	<b>41,216.16</b>

### 20. TRADE PAYABLES

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	11,889.39	12,524.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	120,262.34	124,663.09
	<b>132,151.73</b>	<b>137,188.06</b>
For details (Refer note 41 (a))		
The principal amount remaining unpaid at the end of the year	7,096.73	8,683.69
The Interest amount remaining unpaid at the end of the year	4,792.66	3,841.28
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year	4,792.66	3,841.28
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	–	–

### 21. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Accrued interest on loans	29,552.60	17,613.06
Employee related payable	37,294.23	26,194.89
Unclaimed Dividend	1,336.41	1,337.46
Other financial liabilities	172.73	172.73
<b>Total</b>	<b>68,355.97</b>	<b>45,318.14</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 22. REVENUE FROM OPERATIONS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Sale of products</b>		
– Finished goods	783,650.95	864,026.86
– Traded goods	11,534.20	18,346.54
Other operating revenue	1,159.04	7,017.08
<b>Total</b>	<b>796,344.19</b>	<b>889,390.48</b>

### 23. OTHER INCOME

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Interest income	1,910.81	815.36
Sundry balances written back	6,742.72	1,666.80
Gain on Investment carried at FVTPL	3,309.97	1,195.82
Amortisation of Government Grant	3,301.34	833.29
Insurance claim received	179.79	64.09
Net Gain on Disposal of Property, Plant and Equipments	245.27	3,755.12
Net Gain/(Loss) on Derecognition of Lease	197.90	–
Other non - operating income	1,026.00	848.50
<b>Total</b>	<b>16,913.80</b>	<b>9,178.98</b>

### 24. COST OF MATERIAL CONSUMED

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Cost of Raw material consumed</b>		
Inventory at the beginning of the year	79,662.99	50,924.90
Add: Purchases	280,191.00	368,721.28
Less: Inventory at the end of the year	(67,400.19)	(79,662.99)
<b>Total</b>	<b>292,453.80</b>	<b>339,983.19</b>

### 25. PURCHASE OF STOCK-IN-TRADE

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Purchase of stock-in-trade	8,716.73	10,687.90
<b>Total</b>	<b>8,716.73</b>	<b>10,687.90</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Inventories at the beginning of the year</b>		
– Finished goods	34,902.10	44,950.39
– Stock in trade	1,814.06	1,636.52
– Work-in-progress	32,259.66	35,399.61
	<b>68,975.82</b>	<b>81,986.52</b>
<b>Inventories at the end of the year</b>		
– Finished goods	(48,229.02)	(34,902.10)
– Stock in trade	(1,782.95)	(1,814.06)
– Work-in-progress	(36,222.67)	(32,259.66)
	<b>(86,234.64)</b>	<b>(68,975.82)</b>
<b>Net decrease / (increase)</b>	<b>(17,258.82)</b>	<b>13,010.70</b>

### 27. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Salaries, wages, bonus and other allowances	2,71,606.34	2,42,277.22
Contribution to provident & other funds (refer note 32)	12,687.19	11,765.67
Contribution to gratuity fund & leave encashment expense (refer note 32)	7,945.80	3,575.12
Staff welfare expenses	5,531.24	5,312.34
<b>Total</b>	<b>2,97,770.57</b>	<b>2,62,930.35</b>

### 28. FINANCE COSTS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Interest Expenses	35,846.26	40,560.28
Other borrowing costs	2,094.07	3,920.96
<b>Total</b>	<b>37,940.33</b>	<b>44,481.24</b>



## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 29. OTHER EXPENSES

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Consumption of Stores & Spares, Consumables and Packing Materials etc.	65,193.59	70,853.75
Repairs & maintenance		
– Plant & Machinery	898.92	1,280.77
– Building	2,696.61	1,570.03
– Others	9,512.42	7,872.83
Job work expenses	2,267.54	3,316.08
Power and Fuel	1,23,134.19	1,11,250.96
Insurance	1,892.11	1,731.50
Audit expenses (refer details below)	290.84	260.32
Rates and taxes	3,577.35	28,099.84
Carriage and freight	19,093.21	20,386.49
Travel and conveyance	11,609.07	8,661.17
Director sitting fees	60.00	64.00
Legal & professional charges	12,393.67	10,763.63
Foreign exchange fluctuation (net)	2,349.13	435.67
Rent	759.59	1,025.73
Commission on Sales	6,993.42	6,235.04
Selling & distribution cost	2,203.49	1,950.17
Provision for expected credit loss / doubtful advances	2,527.22	17,346.83
Miscellaneous expenses	5,254.06	5,066.80
<b>Total</b>	<b>2,72,706.43</b>	<b>2,98,171.61</b>
<b>Payments to Auditors</b>		
Audit fees	290.84	260.32
<b>Total</b>	<b>290.84</b>	<b>260.32</b>

### 30 INCOME TAXES

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(a) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
On unabsorbed depreciation and losses	–	20,134.40
<b>Total</b>	<b>–</b>	<b>20,134.40</b>
<b>Deferred tax liabilities</b>		
On property, plant and equipments	21,553.82	20,963.26
Fair value of mutual funds	724.19	64.60
<b>Total</b>	<b>22,278.01</b>	<b>21,027.86</b>
<b>Deferred tax (liabilities) / assets, net</b>	<b>(22,278.01)</b>	<b>(893.46)</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(b) Deferred tax assets / (liabilities) to be recognized in Statement of Profit and Loss</b>		
Deferred tax assets / (liabilities) net	(22,278.01)	(893.46)
Less: Opening deferred tax assets / (liabilities)	(893.46)	27,575.75
<b>Deferred tax assets / (liabilities) for the year</b>	<b>(21,384.55)</b>	<b>(28,469.21)</b>
Tax liability recognized in Statement of Profit and Loss	21,384.55	28,469.21
Tax liability recognized in OCI		
– On re-measurements gain/(losses) of post-employment benefit obligations	–	–
<b>Total deferred tax expenses recognised in the statement of profit and loss</b>	<b>21,384.55</b>	<b>28,469.21</b>
<b>(c) Income tax expense</b>		
<b>Amount recognised in the statement of profit or loss</b>		
a) Current tax		
– For the year	–	–
– For the prior period	–	–
b) Deferred tax	21,384.55	28,469.21
<b>Total</b>	<b>21,384.55</b>	<b>28,469.21</b>
<b>Amount recognised in other comprehensive income</b>		
Arising on income and expenses recognised in other comprehensive income:		
– Remeasurement of defined benefit obligation	–	–
<b>Total</b>	<b>–</b>	<b>–</b>
<b>(d) Reconciliation of tax charge</b>		
Profit / (loss) before tax	(64,245.91)	263,204.79
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Income tax expense at tax rates applicable	(16,169.41)	66,243.38
<b>Tax effects of:</b>		
On account indexation benefit on computation of capital gains.	(6,694.27)	(22,536.41)
On account deferred asset not created in earlier years but utilised during the year.	–	(18,898.78)
On account deferred asset not created on current year loss	46,076.24	–
On account non deductible expenses and non taxable income	(1,828.01)	3,661.02
<b>Total</b>	<b>21,384.55</b>	<b>28,469.21</b>
<b>Effective tax rate (%)</b>	<b>-33.29%</b>	<b>10.82%</b>

(e) The Group have not recognised deferred assets on business loss and unabsorbed depreciation amounting to ₹ 115,267.75 ('000).

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 31 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(a) Contingent liabilities (excluding interest and penalty on the respective amount, if any arrived upon the final outcome)</b>		
TDS as per traces	1,573.30	904.84
Disputed Income tax demands	12,629.33	16,225.76
Disputed Customs and DGFT demands	36,668.07	20,845.60
Goods & Service Tax (GST)	10,149.01	–
Outstanding letters of credit	5,746.58	4,725.59
<b>Total</b>	<b>66,766.29</b>	<b>42,701.79</b>
<b>(b) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
– Towards Property, Plant and Equipments	–	3,813.00
<b>Total</b>	<b>–</b>	<b>3,813.00</b>

### 32. EMPLOYEE BENEFITS

#### Brief description of the plans:

The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

#### (a) Define benefit plans:

The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)	7.39% - 7.50%	6.82% - 7.25%
Salary escalation rate	5%	5%
Rate of employee turnover	2% - 5%	2% - 5%
Mortality rate during Employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Expected rate of return on plan assets (per annum)	7.39% - 7.50%	6.82% - 7.25%
<b>ii) Expense recognized in the Statement of Profit and Loss</b>		
Current service cost	3,065.72	3,063.90
Past service cost	–	–
Interest cost	990.18	778.09
<b>Total*</b>	<b>4,055.90</b>	<b>3,841.99</b>

\* The total expenses for the year are included in the 'Employee benefits expense' line item in the Statement of Profit & Loss.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>iii) Expense recognized in the Statement of Other Comprehensive income</b>		
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	(534.56)	(1,370.44)
Actuarial (gains)/losses on obligation - due to experience adjustment	7,479.70	2,057.18
Actuarial (gains)/losses on obligation - due to change in demographic assumptions	-	(19.40)
Return on plan assets, excluding interest income	70.96	(276.62)
<b>Total*</b>	<b>7,016.10</b>	<b>390.72</b>
* The remeasurement of the net defined benefit liability is included in other comprehensive income.		
<b>iv) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	58,571.63	55,851.89
Interest cost	4,176.67	3,725.51
Current service cost	3,065.72	3,063.90
Past service cost	-	-
Benefit paid directly by the employer	(369.85)	(1,833.43)
Benefit paid directly from the fund	(3,565.93)	(2,903.58)
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	(534.56)	(1,370.44)
Actuarial (gains)/losses on obligation - due to experience adjustment	7,479.70	2,057.18
Actuarial (gains)/losses on obligation - due to change in demographic assumptions	-	(19.40)
<b>Present value of obligation at the end of the year</b>	<b>68,823.38</b>	<b>58,571.63</b>
<b>(v) Change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	44,538.66	44,218.20
Interest income	3,186.50	2,947.42
Benefit paid directly from the fund	(3,565.93)	(2,903.58)
Contributions by the Employer	-	-
Return on plan assets, excluding interest income	(70.96)	276.62
<b>Fair value of plan assets at the end of the year</b>	<b>44,088.27</b>	<b>44,538.66</b>
<b>vi) Assets and liabilities recognized in the Balance Sheet</b>		
Present value of funded obligation	68,823.38	58,571.63
Less: Fair Value of plan assets	44,088.27	44,538.66
<b>Net (asset) / liability recognized in Balance Sheet*</b>	<b>24,735.11</b>	<b>14,032.97</b>
*Included in provision for employee benefits (refer note 18)		

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>vii) Maturity analysis of the benefit payments: from the fund</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	14,856.57	5,539.94
2 <sup>nd</sup> Following Year	9,627.09	7,736.87
3 <sup>rd</sup> Following Year	10,233.66	11,787.82
4 <sup>th</sup> Following Year	5,724.06	8,518.61
5 <sup>th</sup> Following Year	8,102.83	4,600.03
Sum of Years 6 To 10	21,575.36	22,679.21
Sum of Years 11 and above	45,029.89	39,233.26

The Plan typically to expose the Company to actuarial risk such as Interest Risk, Longevity Risk and Salary Risk;

- a) **Interest Risk:** A decrease in the bond interest rate will increase the plan liability.
- b) **Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- c) **Salary Risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan's participants will increase the plan's liability.

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>viii) A quantitative sensitivity analysis for significant assumption is as shown below</b>		
<b>Impact on defined benefit obligation</b>		
– <b>Discount rate</b>		
1% increase	(3,142.50)	(3,017.47)
1% decrease	3,581.62	3,434.71
– <b>Rate of increase in salary</b>		
1% increase	3,537.84	3,376.34
1% decrease	(3,155.65)	(3,021.29)
– <b>Withdrawal rate</b>		
1% increase	667.23	541.76
1% decrease	(747.62)	(609.55)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (b) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of ₹ 15,517.31 [March 31, 2022 ₹ 12,998.13] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Current service cost	3,889.90	(266.87)
<b>Total expenses/(income) recognised in the Statement of Profit and Loss</b>	<b>3,889.90</b>	<b>(266.87)</b>

### (c) Defined contribution plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employee State Insurance Corporation and Labour Welfare Fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plans are as follows:

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>Charge to the Statement of Profit and Loss based on contributions</b>		
Employer's contribution to Regional Provident Fund Office	11,863.78	10,864.16
Employer's contribution to Employees' State Insurance	797.47	877.03
Employer's contribution to Labour Welfare Fund	25.94	24.48
<b>Total</b>	<b>12,687.19</b>	<b>11,765.67</b>

## 33. EARNINGS / (LOSS) PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Profit attributable to equity holders	(78,614.36)	235,126.30
Add: Impact of dilutive potential equity shares	–	–
Profit attributable to equity holders adjusted for the effect of dilution	<b>(78,614.36)</b>	<b>235,126.30</b>
Weighted average number of equity shares for basic and diluted EPS	10,851,120	10,851,120
Basic earnings / (loss) per share (₹)	(7.24)	21.67
Diluted earnings / (loss) per share (₹)	(7.24)	21.67

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 34. SEGMENT REPORTING

In accordance with Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements and therefore, no separate disclosure on segment information is given in these financial statements.

### 35. RELATED PARTY DISCLOSURES

#### (a) List of related parties

##### (i) Subsidiary Companies

Rhine Estates Limited (Rhine)

##### (ii) Step down subsidiary

Pilamec Limited (Pilamec) (upto 11.10.2021)

##### (iii) Key management personnel's (KMP's)

Mr. Jaydev Mody (JM) - Chairman

Dr. Ram H. Shroff (RHS) - Executive Vice Chairman & Managing Director

Mr. Javed Tapia (JT) - Independent Director

Dr. Vrajesh Udani (VU) - Independent Director

Mr. Rajesh Jaggi (RJ) - Independent Director

Mr. Darius Khambatta (DK) - Non-executive Director

Ms. Anjali Modi (ANJ) - Non-executive Director

Mr. Abhilash Sunny (AS) - Chief Financial Officer

Mrs. Anannya Godbole (AG) - Company Secretary (upto 25.01.2022)

Ms. Madhuri Deokar (MD) - Company Secretary (w.e.f. 09.02.2022)

##### (iv) Relatives of KMP's

Mrs. Zia Mody (ZM) - Wife of the Chairman

Mrs. Steena Sunny (SS) - Wife of the CFO

##### (v) Enterprises over which persons mentioned in (iii) and (iv) above exercise significant influence/control

AZB & Partners (AZB)

Freedom Registry Limited (FRL)

Aarti Management Consultancy Private Limited (AAMPL)

Aditi Management Consultancy Private Limited (ADMPL)

Anjoss Trading Private Limited (ATCPL)

AAA Holding Trust (AAAHT)

Myra Mall Management Company Private Limited (MMMCPL)

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

**(b) Details of transaction carried out with related parties in the ordinary course of business for the year ended**

(₹ in '000)

Particulars	Subsidiary		KMP's		Relatives of KMP's or Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Remuneration Paid</b>								
RHS	–	–	6,326.92	6,326.92	–	–	6,326.92	6,326.92
AS	–	–	7,478.85	6,478.85	–	–	7,478.85	6,478.85
AG	–	–	–	624.93	–	–	–	624.93
MD	–	–	585.58	115.12	–	–	585.58	115.12
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>14,391.35</b>	<b>13,545.82</b>	<b>–</b>	<b>–</b>	<b>14,391.35</b>	<b>13,545.82</b>
<b>Reimbursement of Expenses paid</b>								
RHS	–	–	5,146.87	4,500.17	–	–	5,146.87	4,500.17
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>5,146.87</b>	<b>4,500.17</b>	<b>–</b>	<b>–</b>	<b>5,146.87</b>	<b>4,500.17</b>
<b>Director Sitting Fees</b>								
JM	–	–	8.00	4.00	–	–	8.00	4.00
DK	–	–	8.00	8.00	–	–	8.00	8.00
JT	–	–	4.00	10.00	–	–	4.00	10.00
RJ	–	–	16.00	18.00	–	–	16.00	18.00
ANJ	–	–	8.00	6.00	–	–	8.00	6.00
VU	–	–	16.00	18.00	–	–	16.00	18.00
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>60.00</b>	<b>64.00</b>	<b>–</b>	<b>–</b>	<b>60.00</b>	<b>64.00</b>
<b>Rent Paid</b>								
AAAHT	–	–	–	–	448.38	433.00	448.38	433.00
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>448.38</b>	<b>433.00</b>	<b>448.38</b>	<b>433.00</b>
<b>Interest Expenses</b>								
MMMCPL	–	–	–	–	15,804.90	21,198.45	15,804.90	21,198.45
RHS	–	–	–	690.38	–	–	–	690.38
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>690.38</b>	<b>15,804.90</b>	<b>21,198.45</b>	<b>15,804.90</b>	<b>21,888.83</b>
<b>Professional Fees Paid</b>								
AZB	–	–	–	–	953.66	1,718.77	953.66	1,718.77
SS	–	–	–	–	1,500.00	1,500.00	1,500.00	1,500.00
FRL	–	–	–	–	88.31	150.07	88.31	150.07
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,541.97</b>	<b>3,368.84</b>	<b>2,541.97</b>	<b>3,368.84</b>
<b>Loan Taken</b>								
MMMCPL	–	–	–	–	–	63,000.00	–	63,000.00
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>63,000.00</b>	<b>–</b>	<b>63,000.00</b>



## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Subsidiary		KMP's		Relatives of KMP's or Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Sale of Goods</b>								
Rhine	–	9,710.08	–	–	–	–	–	9,710.08
<b>Sub Total</b>	<b>–</b>	<b>9,710.08</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,710.08</b>
<b>Loan Repaid</b>								
AAMPL	–	–	–	–	–	7,000.00	–	7,000.00
ADMPL	–	–	–	–	–	43,000.00	–	43,000.00
ATCPL	–	–	–	–	–	43,000.00	–	43,000.00
RHS	–	–	–	36,375.00	–	–	–	36,375.00
MMMCPL	–	–	–	–	50,000.00	126,013.88	50,000.00	126,013.88
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36,375.00</b>	<b>50,000.00</b>	<b>219,013.88</b>	<b>50,000.00</b>	<b>255,388.88</b>
<b>Interest on Loan Repaid</b>								
MMMCPL	–	–	–	–	–	35,986.13	–	35,986.13
RHS	–	–	–	8,510.22	–	–	–	8,510.22
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,510.22</b>	<b>–</b>	<b>35,986.13</b>	<b>–</b>	<b>44,496.35</b>
<b>Profit on disinvestment in Subsidiary</b>								
Rhine	70,304.29	119,839.87	–	–	–	–	70,304.29	119,839.87
<b>Sub Total</b>	<b>70,304.29</b>	<b>119,839.87</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>70,304.29</b>	<b>119,839.87</b>

**(c) Outstanding balance as at March 31, 2023**

(₹ in '000)

Particulars	Subsidiary		KMP's		Enterprises Over which KMP's / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Loan Payable</b>								
MMMCPL	–	–	–	–	184,336.13	234,336.13	184,336.13	234,336.13
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>184,336.13</b>	<b>234,336.13</b>	<b>184,336.13</b>	<b>234,336.13</b>
<b>Trade Payables</b>								
AZB	–	–	–	–	135.32	–	135.32	–
FRL	–	–	–	–	65.08	99.20	65.08	99.20
SS	–	–	–	–	–	1,350.00	–	1,350.00
AAAHT	–	–	–	–	366.77	4,972.59	366.77	4,972.59
<b>Sub Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>567.17</b>	<b>6,421.79</b>	<b>567.17</b>	<b>6,421.79</b>

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Subsidiary		KMP's		Enterprises Over which KMP's / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Interest Payable</b>								
MMMCPL	-	-	-	-	28,263.09	14,038.68	28,263.09	14,038.68
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,263.09</b>	<b>14,038.68</b>	<b>28,263.09</b>	<b>14,038.68</b>
<b>Advances Received</b>								
Rhine	30,963.85	30,963.85	-	-	-	-	30,963.85	30,963.85
<b>Sub Total</b>	<b>30,963.85</b>	<b>30,963.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,963.85</b>	<b>30,963.85</b>
<b>Remuneration Payable</b>								
RHS	-	-	1,772.92	1,105.79	-	-	1,772.92	1,105.79
AS	-	-	1,435.19	324.58	-	-	1,435.19	324.58
MD	-	-	65.82	39.80	-	-	65.82	39.80
AG	-	-	-	166.50	-	-	-	166.50
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>3,273.93</b>	<b>1,636.67</b>	<b>-</b>	<b>-</b>	<b>3,273.93</b>	<b>1,636.67</b>

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorized into credit risk, capital risk, liquidity risk, and market risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

### (a) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### Trade receivables:

- (i) The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
0-180 days	197,071.02	256,377.76
More than 180 days	10,743.91	13,838.24
<b>Total</b>	<b>207,814.93</b>	<b>270,216.00</b>

- (ii) The expected credit loss analysis on these receivables is given in below table:

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
Opening provision for the year	7,697.72	14,865.41
Add: Provision for expected credit loss	2,585.48	17,928.97
Add: Reversal of Bad debts	58.26	–
Less: Bad debts	–	(24,015.89)
Less: Reversal of expected credit loss	(58.26)	(1,080.77)
<b>Closing provision for the year</b>	<b>10,283.20</b>	<b>7,697.72</b>

### (b) Capital risk

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 17, and offset by investments and cash & bank balances as detailed in notes 7, 13 & 14) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

### The capital components of the Company are as given below:

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
<b>Total Equity</b>	<b>341,298.57</b>	<b>426,929.03</b>
Current borrowings	343,843.66	395,948.75
Non-current borrowings	56,680.41	72,562.97
<b>Total debt</b>	<b>400,524.07</b>	<b>468,511.72</b>
Current Investments	56,605.03	26,595.06
Cash and Cash Equivalents	672.09	28,893.05
Other Bank Balances	7,531.65	7,254.70
<b>Net debt</b>	<b>335,715.30</b>	<b>405,768.91</b>
<b>Net Debt equity ratio</b>	<b>0.98</b>	<b>0.95</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

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

Particulars	Carrying Value	(₹ in '000)		
		Upto 1 year	1 to 5 years	5 years & above
<b>Maturities of Financial Liabilities as at March 31, 2023</b>				
Borrowings	400,524.07	343,843.66	56,680.41	–
Trade payables	132,151.73	132,151.73	–	–
Lease liabilities	1,348.83	191.02	1,157.81	–
Other financial liabilities	68,355.97	68,355.97	–	–
	<b>602,380.60</b>	<b>544,542.37</b>	<b>57,838.22</b>	<b>–</b>
<b>Maturities of Financial Liabilities as at March 31, 2022</b>				
Borrowings	468,511.72	395,948.75	72,562.97	–
Trade payables	137,188.06	137,188.06	–	–
Lease liabilities	5,404.52	1,931.11	3,473.41	–
Other financial liabilities	45,318.14	45,318.14	–	–
	<b>656,422.44</b>	<b>580,386.06</b>	<b>76,036.38</b>	<b>–</b>

### (d) Market risk

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

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

#### Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year would decrease / increase by amount as stated below:

(₹ in '000)

Particulars	Financial Liabilities	Change in Interest rate	Impact on Profit or Loss	
			Increase by 1%	decrease by 1%
March 31, 2023	400,524.07	1%	(4,005.24)	4,005.24
March 31, 2022	468,511.72	1%	(4,685.12)	4,685.12

### (ii) Other price risks

The Company is not significantly exposed to equity price risks / other price risks.

### 37. UNHEDGED FOREIGN CURRENCY (FC) EXPOSURE

The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year end are given below:

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Foreign currency	Amount (₹)	Foreign currency	Amount (₹)
<b>Trade receivable</b>				
– Hedged	–	–	–	–
– Unhedged				
– USD	11,266.22	925.10	108,421.85	8,229.27
– GBP	94,731.59	9,620.85	53,875.55	5,378.25
– EURO	–	–	15,714.33	1,323.40
<b>Total</b>	<b>105,997.81</b>	<b>10,545.95</b>	<b>178,011.73</b>	<b>14,930.92</b>
<b>Trade payable</b>				
– Hedged	–	–	–	–
– Unhedged				
– USD	319,643.56	26,246.83	179,616.20	13,632.94
– JPY	–	–	2,261.40	233.39
<b>Total</b>	<b>319,643.56</b>	<b>26,246.83</b>	<b>181,877.60</b>	<b>13,866.33</b>

Of the above, the Company is exposed to USD, GBP, EURO & JPY. Hence the following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against ₹.

Particulars	Foreign exposure (net)	Change in Exchange rate	Impact on Profit or Loss	
			Increase by 5%	decrease by 5%
March 31, 2023	(15,700.88)	5%	(785.04)	785.04
March 31, 2022	1,064.60	5%	53.23	(53.23)

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

The Company is exposed to currency risk arising from its trade exposures and capital receipt / payments denominated, in other than the functional currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

### 38. DISCLOSURE UNDER IND AS - 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregate revenue information

Set out below is the disaggregation of the Company revenue from contracts with customers and reconciliation to the statement of profit and loss:

		(₹ in '000)	
Sr. No.	Particulars	March 31, 2023	March 31, 2022
<b>(a)</b>	<b>Type of product</b>		
	Sale of Magnets	3,38,249.20	4,03,572.30
	Sale of coil windings	21,670.27	17,071.54
	Sale of Powder	15,764.45	16,423.86
	Sale of Woven Tape	63,759.35	86,452.51
	Sale of Woven Label	1,80,094.00	1,83,058.67
	Sale of Fabric Printed Label	1,55,905.60	1,64,667.33
	Sale of Heat Transfer Labels	9,751.46	–
	Sale of Crochet Tape (Trading)	2,466.15	1,932.68
	Sale of Heat Transfer Labels (Trading)	4,464.85	2,940.07
	Sale of Tags & Stickers (Trading)	3,069.42	9,276.17
	Others	1,149.44	3,995.35
	<b>Total</b>	<b>7,96,344.19</b>	<b>8,89,390.48</b>
<b>(b)</b>	<b>Geographical Market</b>		
	India	7,45,086.18	8,48,532.47
	Outside India	51,258.01	40,858.01
	<b>Total</b>	<b>7,96,344.19</b>	<b>8,89,390.48</b>
<b>(c)</b>	<b>Timing of revenue recognition</b>		
	Performance obligation satisfied at a point in time	7,96,344.19	8,89,390.48
	Performance obligation satisfied over time	–	–
	<b>Total</b>	<b>7,96,344.19</b>	<b>8,89,390.48</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

		(₹ in '000)	
Sr. No.	Particulars	March 31, 2023	March 31, 2022
<b>(d)</b>	<b>Contract balances</b>		
	Trade receivables	207,814.93	270,216.00
	Contract assets	–	–
	Contract liabilities	555.73	31,373.92
<b>(e)</b>	Trade receivable are presented net of impairment in the balance sheet. In 2023, provision for expected credit loss recognised on trade receivable was ₹ 10,283.20 ('000) and [previous year ₹ 7,697.72 ('000)]		
<b>(f)</b>	<b>Significant changes in contract liability during the year are as follows:</b>		
	<b>Movement in contract liabilities</b>		
	Contract liabilities at the beginning of the year	31,373.92	32,603.24
	Increase due to cash received and decrease as a result of changes in the measure of progress, change in estimate	555.73	9,437.62
	Changes due to reclassification contract liabilities to other payables	(30,963.85)	–
	Changes due to reclassification from deferred income	(410.07)	(10,666.94)
	<b>Contract liabilities at the end of the year</b>	<b>555.73</b>	<b>31,373.92</b>

### 39. CORPORATE SOCIAL RESPONSIBILITY (CSR) RXPENDITURE

(a) Gross amount required to be spent by the Company during the year ended March 31, 2023 ₹ NIL ('000) [Previous year ended March 31, 2022 ₹ NIL ('000)]

(b) Amount spent during the year ended

		(₹ in '000)			
Particulars	March 31, 2023		March 31, 2022		
	In Cash*	Yet to be paid in Cash	In Cash*	Yet to be paid in Cash	
i) Construction / Acquisition of any assets	–	–	–	–	
ii) Purposes other than (i) above	–	–	–	–	
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	

\*Represents actual outflow during the year

(c) Related party transactions in relation to Corporate Social Responsibility: ₹ NIL ('000)

(d) Provision movement during the year

		(₹ in '000)	
Particulars	March 31, 2023	March 31, 2022	
Opening Provision	1,049.00	1,049.00	
Addition during the year	–	–	
Utilised / Reversal during the year	(1,049.00)	–	
<b>Closing provision / Shortfall</b>	<b>–</b>	<b>1,049.00</b>	

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 40. LEASES

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

The movement in Right-of-use assets has been disclosed in Note 5

**(b) Lease Liabilities**

**Movement in Lease Liabilities as from April 01, 2021:**

	(₹ in '000)	
Particulars	March 31, 2023	March 31, 2022
<b>Opening Balance as at April 01</b>	<b>5,404.52</b>	<b>1,848.61</b>
Additions on account of New Leases	–	5,341.04
Accretion of Interest	476.61	622.60
Payments made	(2,407.73)	(2,407.73)
Early Termination of Lease	(2,124.57)	–
Change on account of Remeasurement	–	–
<b>Closing Balance as at March 31</b>	<b>1,348.83</b>	<b>5,404.52</b>
Current	191.02	1,931.11
Non-current	1,157.81	3,473.41
<b>Closing Balance as at March 31</b>	<b>1,348.83</b>	<b>5,404.52</b>

- (c)** Rent expenses recorded for short term leases was ₹ 759.59 ('000) [March 31, 2022 ₹ 1,025.73 ('000)] for the year ended March 31, 2023.
- (d)** The total cash out flows for leases are ₹ 3,167.32 ('000) [March 31, 2022 ₹ 3,433.46 ('000)] in the year, including the payments relating to short term and low value leases.
- (e)** The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

	(₹ in '000)	
Particulars	March 31, 2023	March 31, 2022
Less than one year	324.00	2,407.73
One to five years	1,296.00	3,553.37
More than five years	162.00	513.00

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 41. AGEING SCHEDULE

#### (a) Ageing Schedule for Trade Payable

The ageing Schedule for Trade Payables as at March 31, 2023 is as follows:

(₹ in '000)

Particulars	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	
i) MSME	2,491.29	8,775.81	622.29	–	–	<b>11,889.39</b>
ii) Others	39,046.28	74,987.36	1,597.26	630.36	4,001.08	<b>120,262.34</b>
iii) Disputed due - MSME	–	–	–	–	–	–
iv) Disputed due - Others	–	–	–	–	–	–
<b>Total</b>	<b>41,537.57</b>	<b>83,763.17</b>	<b>2,219.55</b>	<b>630.36</b>	<b>4,001.08</b>	<b>132,151.73</b>

The ageing Schedule for Trade Payables as at March 31, 2022 is as follows:

(₹ in '000)

Particulars	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	
i) MSME	5,105.29	6,354.06	1,065.62	–	–	<b>12,524.97</b>
ii) Others	40,590.32	74,371.10	2,882.41	1,965.05	4,854.21	<b>124,663.09</b>
iii) Disputed due - MSME	–	–	–	–	–	–
iv) Disputed due - Others	–	–	–	–	–	–
<b>Total</b>	<b>45,695.61</b>	<b>80,725.16</b>	<b>3,948.03</b>	<b>1,965.05</b>	<b>4,854.21</b>	<b>137,188.06</b>

#### (b) Ageing Schedule for Trade Receivable

The ageing Schedule for Trade Receivable as at March 31, 2023 is as follows:

(₹ in '000)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		less than 180 days	180 days- 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
– Consider Good	1,18,649.40	78,421.63	1,220.20	6,577.90	644.81	2,300.99	<b>2,07,814.93</b>
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	1,396.57	2,307.17	509.09	2,393.59	<b>6,606.42</b>
<b>Disputed</b>							
– Consider Good	–	–	–	–	–	–	–
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	–	–	2,710.96	965.82	<b>3,676.78</b>
<b>Total</b>	<b>1,18,649.40</b>	<b>78,421.63</b>	<b>2,616.77</b>	<b>8,885.07</b>	<b>3,864.86</b>	<b>5,660.40</b>	<b>2,18,098.13</b>

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

The ageing Schedule for Trade Receivable as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total	
		less than 180 days	180 days - 1 year	1-2 years	2-3 years		
				More than 3 years			
<b>Undisputed</b>							
– Consider Good	132,792.14	123,585.62	10,227.45	920.98	1,464.47	1,225.34	270,216.00
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	807.05	707.26	1,309.86	1,196.78	4,020.95
<b>Disputed</b>							
– Consider Good	–	–	–	–	–	–	–
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	–	2,693.65	983.12	–	3,676.77
<b>Total</b>	<b>132,792.14</b>	<b>123,585.62</b>	<b>11,034.50</b>	<b>4,321.89</b>	<b>3,757.45</b>	<b>2,422.12</b>	<b>277,913.72</b>

### (c) Ageing Schedule for Capital Work In Progress

The ageing Schedule for Capital Work In Progress ageing schedule as at March 31, 2023 is as follows:

Particulars	CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	343.56	–	–	–	<b>343.56</b>
Projects temporarily suspended	–	–	–	–	–

The ageing Schedule for Capital Work In Progress ageing schedule as at March 31, 2022 is as follows:

Particulars	CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	50,224.30	–	–	–	<b>50,224.30</b>
Projects temporarily suspended	–	–	–	–	–

### (d) Ageing Schedule for Intangible Assets Under Development

There are no projects in progress or temporary suspended.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 42. Ratios

Ratios	Unit	Basis (Restated Numbers)	Explanation	March 31, 2023	March 31, 2022	Variance
Current Ratio	Times	Current Assets Current Liabilities	Current ratio has been computed as current assets divided by current liabilities.	0.82	0.88	-7%
Debt – Equity Ratio	Times	Debts Shareholder's equity	Debt - equity ratio has been computed as total debt divided by shareholder's equity. Total debt is defined as current and non current borrowings and lease liabilities. Shareholder's equity includes equity share capital and other equity.	1.18	1.11	6%
Debt Service Coverage Ratio	Times	Earning of debts service Debts Service	Debt service coverage ratio has been computed as earning for debt service divided by debt service. Earning for debt service represents net profit after tax after adjusting certain non cash items and interest expense. Debt service includes interest expense and repayment of debt.	0.23	1.96	-88%
Return on Equity Ratio (ROE)	Percentage	Profit after tax Shareholder's equity	ROE has been computed as net profits after tax divided by average shareholder's equity.	-23%	55%	-142%
Trade Payables turnover ratio	Times	Net Credit Purchase Average Trade Payables	Trade payables turnover ratio has been computed as net purchases divided by average trade payables. Net purchases represents all the purchases for goods and services except employee costs, finance costs, depreciation and non-cash expense.	4.11	4.52	-9%
Trade Receivable turnover ratio	Times	Revenue from Operation Average Trade Receivable	Trade receivables turnover ratio has been computed as revenue from operation divided by average trade receivables	3.33	3.34	0%
Net Capital turnover ratio	Times	Revenue from Operation Working Capital	Net capital turnover ratio has been computed as revenue from operation divided by working capital. Working capital is calculated as current assets minus current liabilities.	(7.46)	(11.67)	36%
Inventory Turnover Ratio	Times	Cost of Goods Sold Average of Inventories	Inventory turnover ratio has been computed as cost of goods sold divided by average of opening and closing inventory.	1.60	2.17	-26%
Net profit ratio	Percentage	Net profit Revenue from Operation	Net profit ratio has been computed as net profit divided by revenue from operation.	-10%	26%	-137%
Return on Capital Employed Ratio (ROCE)	Percentage	Earnings before Interest and Tax Capital Employed	ROCE has been computed as earnings before interest and taxes divided by capital employed where capital employed represents net worth, total debt, lease liability and deferred tax liability.	-3%	34%	-110%

# Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Ratios	Unit	Basis (Restated Numbers)	Explanation	March 31, 2023	March 31, 2022	Variance
Return on investment Ratio	Percentage	Finance Income Investments	Return on investment has been computed as Finance Income divided by Investments. Finance income represents Interest income from bank deposits, Net gain on sale of current investments and Marked to market gain on current investments. Investments includes Investments in mutual funds, Bank deposits, Cash and cash equivalents and Bank balances.	8%	6%	26%

### Reasons for more than 25% variance

- Debt Service Coverage Ratio:** The debt service coverage ratio is fallen down due to decrease in profit, during the previous year the Company sold its property land situated at Chennai which resulting in gain of ₹ 256,670.04 ('000) and also, the Company disinvested its share holding in subsidiary which resulting in gain of ₹ 119,839.87 ('000).
- Return on Equity Ratio:** The Return on Equity Ratio is fallen down by 133% compared to March 2022, during the previous year the Company sold its property land situated at Chennai which resulting in gain of ₹ 256,670.04 ('000) and also, the Company disinvested its share holding in subsidiary which resulting in gain of ₹ 119,839.87 ('000), due to which return on equity ratio was at higher previous year.
- Net Capital turnover ratio:** During the financial year 2022-23, Sales turnover of the Company decreased as compared to previous year and also during the current year the repaid the short term loan, which resulted in to increase in net capital turnover ratio.
- Inventory Turnover Ratio:** Decrease in Inventory turnover in the financial year 2022-23, The cost of goods solds increase as compared to previous year. Hence Inventory turnover ratio decreased as compared to previous year.
- Net profit ratio:** The net profit Ratio is fallen down by 141% compared to March 2022, during the previous year the Company sold its property land situated at Chennai which resulting in gain of ₹ 256,670.04 ('000) and also, the Company disinvested its share holding in subsidiary which resulting in gain of ₹ 119,839.87 ('000), due to which net profit ratio is decreased.
- Return on Capital Employed Ratio:** The return on capital employed ratio fallen down due to decrease in profit, during the previous year the Company sold its property land situated at Chennai which resulting in gain of ₹ 256,670.04 ('000) and also, the Company disinvested its share holding in subsidiary which resulting in gain of ₹ 119,839.87 ('000).

### 43. OTHER STATUTORY INFORMATION:

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transaction with any parties having status as struck off companies.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- No funds have been advanced or loaned or invested by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- (g) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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.
- (h) The quarterly statements filed by the Company with bank are in agreement with the books of accounts.
- (i) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- 44.** During the financial year, Rhine Estates Limited (formerly known as MagDev Limited) ("Magdev"), a wholly owned material subsidiary of the Company, incorporated in England, has approved reduction of its share capital from £329,607 to £634 by cancelling and extinguishing 326,473 ordinary shares of £1.00 each and 2,500 deferred shares of £ 1.00 each. The Company have received consideration of ₹ 97,389.20 ('000) for the reduction in share capital, resulting in net gain of ₹ 70,304.29 ('000).

### 45. FAIR VALUE DISCLOSURES

**a) Categories of financial instruments:**

(₹ in '000)

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
Other financial assets - non current	-	-	36,612.71	-	-	29,615.06
Investments*	56,605.03	-	-	26,595.06	-	-
Trade receivables	-	-	207,814.93	-	-	270,216.00
Cash and cash equivalents	-	-	672.09	-	-	28,893.05
Bank balances other than cash and cash equivalent	-	-	7,531.65	-	-	7,254.70
Other financial assets - current	-	-	1,577.72	-	-	1,451.29
<b>Total</b>	<b>56,605.03</b>	<b>-</b>	<b>254,209.10</b>	<b>26,595.06</b>	<b>-</b>	<b>337,430.10</b>
<b>Financial liabilities</b>						
Borrowings - non current	-	-	56,680.41	-	-	72,562.97
Borrowings - current	-	-	343,843.66	-	-	395,948.75
Trade payables	-	-	132,151.73	-	-	137,188.06
Lease liabilities	-	-	1,348.83	-	-	5,404.52
Other financial liabilities	-	-	68,355.97	-	-	45,318.14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>602,380.60</b>	<b>-</b>	<b>-</b>	<b>656,422.44</b>

\*Investments excludes Investment in Subsidiary

## Notes to the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (b) Fair value hierarchy and method of valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of other financials assets and financial liabilities are approximate to their carrying values.

The following table presents fair value of assets and liabilities measured at fair value on recurring basis of March 31, 2023 and March 31, 2022.

Financial Assets	March 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
– Investment in Mutual Fund	56,605.03	56,605.03	–	–	56,605.03

(₹ in '000)

Financial Assets	March 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
– Investment in Mutual Fund	26,595.06	26,595.06	–	–	26,595.06

(₹ in '000)

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
Partner  
Membership No: 147928

Place: Mumbai  
Date: May 26, 2023

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
Chairman  
DIN:00234797  
**Abhilash Sunny**  
Chief Financial Officer

Place: Mumbai  
Date: May 26, 2023

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865

**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

# Independent Auditor's Report

**To the Members of  
Delta Manufacturing Limited**

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

1. We have audited the accompanying consolidated financial statements of Delta Manufacturing Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2023, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Revenue recognition</b></p> <p>(Refer note 2.10 for the accounting policy on revenue recognition, note 23 of the consolidated financial statements for revenue recognized during the year and note 39 for disaggregate revenue information under Ind AS 115)</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p><b>Our audit procedures included, but were not limited, to the following:</b></p> <ul style="list-style-type: none"> <li>▪ Obtained and updated our understanding of the revenue business process.</li> <li>▪ Evaluated the design and tested the operating effectiveness of key controls over the recognition and measurement of revenue.</li> <li>▪ Around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.</li> <li>▪ Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable accounting standards.</li> </ul>

**Information other than the Consolidated Financial Statements and Auditor’s Report thereon**

6. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company’s Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.



8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information / financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. 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.
13. 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.

14. 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.

### **Other Matter**

15. We did not audit the annual financial statement of one foreign subsidiary included in the statement whose financial information reflects total assets of ₹ 41,808.22 ('000) as at 31<sup>st</sup> March, 2023, total revenues of ₹ Nil , total net profit after tax of ₹ 2,444.49 ('000) and total comprehensive loss of ₹ 24,811.97('000), and cash flows (net) of ₹ 1,41,735.40 ('000) for the year ended on that date, as considered in the consolidated financial statements. These annual financial statement have been audited by other auditors whose audit report have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 11 above.
16. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

17. As required by section 197(16) of the Act based on our audit we report that the holding company have paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company since subsidiary company is not incorporated in India.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the other auditors reports as mentioned in paragraph 16 above, the subsidiary company is not incorporated in India hence reporting under this clause is not applicable.
19. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of section 164(2) of the Act. Further since the subsidiary company is not incorporated in India, reporting so far in respect of directors of such subsidiary company is not applicable.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; Further since the subsidiary company is not incorporated in India, reporting so far in respect the internal financial controls with reference to financial statements of the such subsidiary company is not applicable.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 32 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses as at 31<sup>st</sup> March, 2023.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31<sup>st</sup> March, 2023. Further there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company cover under Act ,during the year ended 31<sup>st</sup> March, 2023 as the subsidiary company is not incorporated in India;
  - iv.
    - a. The managements of the Holding Company have represented to us that, to the best of their knowledge and belief, as disclosed in note 45(f) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The managements of the Holding Company have represented to us that, to the best of their knowledge and belief, as disclosed in the note 45(g) to the accompanying consolidated financial statements, no funds have been received by the Holding Company, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
    - d. The subsidiary company is not incorporated in India hence reporting under this clause is not applicable in respect of such subsidiary company.
  - v. The Holding Company has not declared or paid dividend during the year ended 31<sup>st</sup> March, 2023. Since the subsidiary company is not incorporated in India hence reporting under this clause is not applicable in respect of such subsidiary company.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1<sup>st</sup> April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm's Registration No.: 141079W

**(Mayur H. Shah)**  
Partner  
Membership No.: 147928  
UDIN: 23147928BGRYFG1793

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

# Annexure 1

## List of entity included in the Statement

Sr. No.	Particulars
	Subsidiary
1	Rhine Estates Limited, UK (formerly known as Magdev Limited, UK)

This space has been intentionally left blank.

## Annexure A

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Delta Manufacturing Limited ('the Holding Company') as at and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the "Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements**

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

### **Opinion**

8. In our opinion, the Holding Company, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31<sup>st</sup> March 2023, based on the internal financial controls with reference to financial statements 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 **M H S & Associates**  
Chartered Accountants  
ICAI Firm's Registration No.: 141079W

**(Mayur H. Shah)**  
Partner  
Membership No.: 147928  
UDIN: 23147928BGRYFG1793

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

## Consolidated Balance Sheet

AS AT MARCH 31, 2023

Particulars	Note No.	(₹ in '000)	
		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipments	5	497,838.62	436,544.49
Capital work-in-progress	43(c)	343.56	50,224.30
Goodwill on consolidation	6	–	20,905.35
Other Intangible assets	6	165.08	338.49
Financial Assets			
Other financial assets	7	36,612.71	29,615.08
Non-current tax assets (net)	8	15,849.32	15,188.00
Other non-current assets	9	1,996.17	35,618.89
<b>Total Non-Current Assets</b>		<b>552,805.46</b>	<b>588,434.60</b>
<b>Current Assets</b>			
Inventories	10	180,378.27	174,997.70
Financial Assets			
Investments	11	56,605.03	26,595.06
Trade receivables	12	208,118.47	272,969.87
Cash and cash equivalents	13	5,260.72	175,217.07
Bank balances other than cash and cash equivalents	14	7,531.65	7,254.70
Other financial assets	7	1,577.72	1,451.29
Other current assets	9	41,100.19	50,020.12
<b>Total Current Assets</b>		<b>500,572.05</b>	<b>708,505.81</b>
<b>Total Assets</b>		<b>1,053,377.51</b>	<b>1,296,940.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	108,511.20	108,511.20
Other equity	16	266,867.71	443,668.38
<b>Total equity</b>		<b>375,378.91</b>	<b>552,179.58</b>

# Consolidated Balance Sheet

AS AT MARCH 31, 2023

Particulars	Note No.	(₹ in '000)	
		As at March 31, 2023	As at March 31, 2022
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	17	56,680.41	72,562.97
Lease liabilities	41	1,157.81	3,473.41
Deferred tax liabilities (net)	31	22,278.01	893.46
Provisions	18	24,735.11	14,032.97
Other non-current liabilities	19	-	553.07
<b>Total non-current liabilities</b>		<b>104,851.34</b>	<b>91,515.88</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	343,843.66	395,948.74
Trade payables	20		
– total outstanding dues of micro enterprises and small enterprises; and		11,889.39	12,524.97
– total outstanding dues of creditors other than micro enterprises and small enterprises		121,985.82	129,381.50
Lease liabilities	41	191.02	1,931.12
Other financial liabilities	21	68,355.97	45,695.09
Provisions	18	15,517.31	14,047.13
Other current liabilities	19	11,364.09	32,253.51
Current income tax liabilities (net)	22	-	21,462.89
<b>Total current liabilities</b>		<b>573,147.26</b>	<b>653,244.95</b>
<b>Total liabilities</b>		<b>677,998.60</b>	<b>744,760.83</b>
<b>Total equity and liabilities</b>		<b>1,053,377.51</b>	<b>1,296,940.41</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For **M H S & Associates**  
 Chartered Accountants  
 ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
 Partner  
 Membership No: 147928

Place: Mumbai  
 Date: May 26, 2023

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
 (CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
 Chairman  
 DIN:00234797  
**Abhilash Sunny**  
 Chief Financial Officer

Place: Mumbai  
 Date: May 26, 2023

**Dr. Ram H. Shroff**  
 Managing Director  
 DIN:00004865

**Madhuri Deokar**  
 Company Secretary  
 (ACS No.: 54631)



## Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Continuing Operations</b>			
<b>INCOME</b>			
Revenue from operations	23	796,344.19	879,680.40
Other income	24	16,913.80	9,178.98
<b>Total income</b>		<b>813,257.99</b>	<b>888,859.38</b>
<b>EXPENSES</b>			
Cost of material consumed	25	292,453.80	330,481.83
Purchase of stock-in-trade	26	8,716.73	10,687.90
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(17,258.82)	12,248.71
Employee benefits expense	28	297,770.57	262,930.35
Finance costs	29	37,940.33	44,481.24
Depreciation and amortization expense	5 & 6	48,463.05	42,218.87
Other expenses	30	272,706.43	298,171.60
<b>Total expenses</b>		<b>940,792.09</b>	<b>1,001,220.50</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>(127,534.10)</b>	<b>(112,361.12)</b>
Exceptional items	46	(20,905.35)	256,670.04
<b>Profit / (loss) before tax</b>		<b>(148,439.45)</b>	<b>144,308.92</b>
<b>Income tax expense</b>	31		
a) Current Tax			
– For the year		–	–
– For the prior period		–	–
b) Deferred tax		21,384.55	28,469.21
<b>Total income tax expense</b>		<b>21,384.55</b>	<b>28,469.21</b>
<b>Profit / (loss) for the year from continuing operation</b>		<b>(169,824.00)</b>	<b>115,839.71</b>
<b>Discontinued Operations</b>			
Profit/ (loss) before tax from discontinued operation		(1,066.88)	97,287.71
Tax expenses/ (Credit) on discontinued operation		(3,511.37)	20,391.36
<b>Profit/ (loss) after tax from discontinued operation</b>		<b>2,444.49</b>	<b>76,896.35</b>
<b>Profit / (loss) for the year</b>		<b>(167,379.51)</b>	<b>192,736.06</b>
<b>Other comprehensive income</b>			
<b>i) In respect of Continuing operations</b>			
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
– Re-measurement gains/ (losses) on defined benefit plans		(7,016.10)	(390.72)
b) Other comprehensive income to be reclassified to profit or loss in subsequent periods			
– Foreign currency translation reserve		–	–
c) Income tax effect on above		–	–
		<b>(7,016.10)</b>	<b>(390.72)</b>

# Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>ii) In respect of Discontinued operations</b>			
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
– Re-measurement gains/ (losses) on defined benefit plans		–	–
b) Other comprehensive income to be reclassified to profit or loss in subsequent periods			
– Foreign currency translation reserve		(2,405.06)	(8,059.22)
c) Income tax effect on above		–	–
		<b>(2,405.06)</b>	<b>(8,059.22)</b>
<b>Other comprehensive income for the year</b>		<b>(9,421.16)</b>	<b>(8,449.94)</b>
<b>Total comprehensive income for the year</b>		<b>(1,76,800.67)</b>	<b>1,84,286.12</b>
<b>Earnings / (loss) per equity share of face value of ₹ 10 /- each (for continuing operations)</b>			
Basic Earning / (loss) Per Share (₹)		(15.65)	10.68
Diluted Earning / (loss) Per Share (₹)		(15.65)	10.68
<b>Earnings / (loss) per equity share of face value of ₹ 10 /- each (for discontinued operations)</b>			
Basic Earning / (loss) Per Share (₹)		0.23	7.09
Diluted Earning / (loss) Per Share (₹)		0.23	7.09
<b>Earnings / (loss) per equity share of face value of ₹ 10 /- each (for total operations)</b>			
Basic Earning / (loss) Per Share (₹)		(15.43)	17.76
Diluted Earning / (loss) Per Share (₹)		(15.43)	17.76
Summary of significant accounting policies	2		

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

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Mayur H. Shah**  
Partner  
Membership No: 147928

**Jaydev Mody**  
Chairman  
DIN:00234797

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865

**Abhilash Sunny**  
Chief Financial Officer

**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

Place: Mumbai  
Date: May 26, 2023

Place: Mumbai  
Date: May 26, 2023

## Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2023

**A. EQUITY SHARE CAPITAL**

(₹ in '000)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10/- each				
Opening	10,851,120	108,511.20	10,851,120	108,511.20
Add: Issued during the year	–	–	–	–
Less: Buy-back during the year	–	–	–	–
<b>Equity share capital</b>	<b>10,851,120</b>	<b>108,511.20</b>	<b>10,851,120</b>	<b>108,511.20</b>

**B. OTHER EQUITY**

(₹ in '000)

Particulars	Reserves and surplus					Total
	Securities premium	Capital reserve on business combination	Equity component on interest free loan	Retained earnings	Other comprehensive income	
<b>Balance as at April 01, 2021</b>	<b>107,126.58</b>	<b>208,486.14</b>	<b>74,836.91</b>	<b>(144,875.52)</b>	<b>13,808.15</b>	<b>259,382.26</b>
Profit / (loss) for the year	–	–	–	192,736.06	–	<b>192,736.06</b>
Other comprehensive income / (loss)	–	–	–	(390.72)	(8,059.22)	<b>(8,449.94)</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192,345.34</b>	<b>(8,059.22)</b>	<b>184,286.12</b>
Add : Addition during the year	–	–	–	–	–	–
Less : Utilisation during the year	–	–	–	–	–	–
<b>Balance as at March 31, 2022</b>	<b>107,126.58</b>	<b>208,486.14</b>	<b>74,836.91</b>	<b>47,469.82</b>	<b>5,748.93</b>	<b>443,668.38</b>
<b>Balance as at April 01, 2022</b>	<b>107,126.58</b>	<b>208,486.14</b>	<b>74,836.91</b>	<b>47,469.82</b>	<b>5,748.93</b>	<b>443,668.38</b>
Profit / (loss) for the year	–	–	–	(167,379.51)	–	<b>(167,379.51)</b>
Other comprehensive income / (loss)	–	–	–	(7,016.10)	(2,405.06)	<b>(9,421.16)</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(174,395.61)</b>	<b>(2,405.06)</b>	<b>(176,800.67)</b>
Add : Addition during the year	–	–	–	–	–	–
Less : Utilisation during the year	–	–	–	–	–	–
<b>Balance as at March 31, 2023</b>	<b>107,126.58</b>	<b>208,486.14</b>	<b>74,836.91</b>	<b>(126,925.79)</b>	<b>3,343.87</b>	<b>266,867.71</b>

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

As per our report of even date

 For **M H S & Associates**  
 Chartered Accountants  
 ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
 Partner  
 Membership No: 147928

 Place: Mumbai  
 Date: May 26, 2023

 For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
 (CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
 Chairman  
 DIN:00234797

**Abhilash Sunny**  
 Chief Financial Officer

 Place: Mumbai  
 Date: May 26, 2023

**Dr. Ram H. Shroff**  
 Managing Director  
 DIN:00004865

**Madhuri Deokar**  
 Company Secretary  
 (ACS No.: 54631)

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax continued operations	(148,439.45)	144,308.92
Profit / (loss) before tax discontinued operations	(1,066.88)	97,287.71
Adjustments for:		
Depreciation and amortization expenses	48,463.05	46,116.79
Finance cost	37,961.67	46,069.14
Interest income	(1,910.81)	(1,873.29)
Bad debts / Provision for expected credit loss	2,527.22	17,409.63
Sundry balances written back / (written off)	(6,742.72)	(1,666.80)
Gain on mutual fund	(3,309.97)	(1,195.82)
Provision for employee benefits	7,945.80	3,575.12
Unrealised foreign exchange translation (gain)/loss	11.47	136.69
Gain on transfer of business	-	(35,408.49)
Gain on sale of immovable property	-	(290,933.48)
Foreign currency translation reserve	(2,405.06)	(11,037.09)
Net Gain/(Loss) on Derecognition of Lease	(197.90)	-
Actuarial (Gain) / Loss on Gratuity	(7,016.10)	(390.72)
<b>Operating profit / (loss) before working capital changes</b>	<b>(74,179.68)</b>	<b>12,398.31</b>
<b>Changes in working capital</b>		
Inventories	(5,380.58)	(45,880.89)
Trade receivables	62,469.84	(57,187.91)
Other current assets	4,245.19	(4,473.95)
Other non - current assets	(642.99)	435.31
Other non - current financial assets	(6,997.65)	84.03
Other current financial assets	858.00	522.65
Other non - current liabilities	(553.07)	9,368.08
Other current liabilities	(21,035.07)	11,055.64
Other current financial liabilities	10,722.38	(15,246.66)
Trade payable	3,374.73	67,341.59
Provisions	4,226.52	(3,116.88)
<b>Cash generated from / (used in) operations</b>	<b>(22,892.38)</b>	<b>(24,700.68)</b>
Income tax paid (Net)	(18,612.84)	(6,954.22)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>(41,505.22)</b>	<b>(31,654.90)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipments and intangible assets	(6,458.62)	(95,976.87)
Proceeds from sale of property, plant and equipments & intangible assets	-	4,000.00
Net proceeds against sale of immovable property	-	396,945.06
Proceeds from sale of business transfer	-	163,086.06
Proceeds from sale of investment (net)	(26,700.00)	(18,825.08)
Proceeds from / (Investments in) fixed deposits	(276.95)	(22,751.71)
Interest received	926.39	1,871.20
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>(32,509.18)</b>	<b>428,348.66</b>

## Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Cash flow from Financing activities</b>		
Proceeds / (Repayment) from non - current borrowings (net)	(15,882.56)	(725.40)
Proceeds / (Repayment) from current borrowings (net)	(52,105.09)	(179,853.76)
Repayment of lease liabilities	(2,407.73)	(5,019.28)
Dividend paid	(1.05)	(0.83)
Interest paid	(25,545.52)	(70,443.14)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>(95,941.95)</b>	<b>(256,042.41)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(169,956.35)</b>	<b>140,651.35</b>
Cash and cash equivalents at the beginning of the year	175,217.07	34,565.72
<b>Cash and cash equivalents at the end of the year</b>	<b>5,260.72</b>	<b>175,217.07</b>
<b>Cash and cash equivalents comprise (Refer note 13)</b>		
Balances with banks		
On current accounts	5,057.20	174,956.25
Cash on hand	203.52	260.82
<b>Total cash and cash equivalents at the end of the year</b>	<b>5,260.72</b>	<b>175,217.07</b>

### Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- Reconciliation of financing activities

(₹ in '000)

Particulars	As at March 31, 2022	Cash flow	Non cash adjustment Accrual of interest / unrealised forex loss	As at
				March 31, 2023
Non - current borrowings	72,562.97	(15,882.56)	-	56,680.41
Current borrowings	395,948.74	(81,657.68)	29,552.60	343,843.66

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

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Mayur H. Shah**  
Partner  
Membership No: 147928

**Jaydev Mody**  
Chairman  
DIN:00234797

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865

**Abhilash Sunny**  
Chief Financial Officer

**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

Place: Mumbai  
Date: May 26, 2023

Place: Mumbai  
Date: May 26, 2023

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 1. GENERAL INFORMATION

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') ("the Company") is a Company incorporated on September 23, 1982 under the provision of the Companies Act applicable in India. The Company is incorporated and domiciled and having principal place of business in India. The registered office is at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010, India. The principal business of the company is manufacturing of hard ferrites, soft ferrites, textile woven labels, fabric printed labels and elastic/ woven tape. The shares of the company is listed on the National Stock Exchange of India Limited (NSE) and on the BSE Limited (BSE).

These financial statements were authorised for issue by the Board of Directors on **May 26, 2023**.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

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

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

#### (c) Current / non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## **(d) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note 3 for detailed discussion on estimates and judgments).

## **(e) Rounding off of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

## **2.2 Principle of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has:

- power over the investee
- is exposed, or has rights, to variables, returns from its involvements with the investee, and
- has the ability to use its power over the investee to affect its returns

The consolidated financial statements have been prepared on the following basis:

- (a) Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.
- (b) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.
- (c) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31<sup>st</sup>.
- (d) The financial statements of the Parent and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (e) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidated financial statements.
- (f) Non controlling interests in the net assets of subsidiaries consists of:
  - The amount of equity attributable to the minorities at the date on which investment in subsidiary is made and;
  - The minorities share of movements in equity since the date the parent-subsidiary relationship came into existence.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- (g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

## 2.3 Business combination

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

## 2.4 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.



# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 2.5 Property, plant and equipments

Freehold land is carried at historical cost. All other items of property, plant and equipments are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipments, otherwise, such items are classified as inventory.

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

Advances paid towards the acquisition of property, plant and equipments outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

### Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipments over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

<b>Property, plant and equipments</b>	<b>Estimated useful life (in years)</b>
Leasehold improvement*	Lease period
Factory building	30
Carpeted roads - other than RCC	5
Plant and Machinery - General	15 (On single shift)
Plant and Machinery - Continuous process plant	25
Furniture and fixtures	10
Electrical installations and equipments	10
Computers and data processing units	3 - 6
Office equipments	3 - 5
Motor cars	8
Motor cycles	10

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipments (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.
- Tools are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.

Depreciation on addition to property plant and equipments is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipments is provided up to the date preceding the date of sale,

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' or 'Other Expenses'.

The useful lives, residual values of each part of an item of property, plant and equipments and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

## Derecognition

The carrying amount of an item of property, plant and equipments is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipments is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

## 2.6 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

## Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

<b>Intangible assets</b>	<b>Estimated useful life (in years)</b>
Computer Software	5

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

## 2.7 Impairment of non-financial assets

Property, plant and equipments and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

### 2.8 Foreign currency transactions

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

### 2.9 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## 2.10 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Revenue from sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

### Revenue from sale of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from home solution operations/ painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

### Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

### Dividend income

Dividend income on investments is recognised when the right to receive dividend is established.

## 2.11 Taxes

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

### (a) Current income tax

Current tax is the amount of income taxes payable in respect of taxable profit for a 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 under the Income Tax Act, 1961.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

### **(b) Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **2.12 Assets classified as held for sale**

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortized.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 2.13 Leases Accounting

### Assets taken on lease:

The Company mainly has lease arrangements for land and building for factory and plant & machinery.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipments. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

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

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 2.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

## **2.15 Provisions and contingent liabilities**

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

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 recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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 or a reliable estimate of the amount cannot be made.

## **2.16 Cash and cash equivalents**

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

## **2.17 Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

## 2.18 Financial instruments

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

### (a) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (ii) Subsequent measurement

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

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

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

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

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.



## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### **(iii) Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **(iv) Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## (b) Financial liabilities

### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

### (ii) Subsequent measurement

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

#### **Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 recognized in the Statement of Profit and Loss.

#### **Loans and borrowings:**

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

### (iii) Derecognition

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

## (c) Offsetting financial instruments

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

## 2.19 Employee benefits

### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (b) Other long-term employee benefit obligations

#### (i) Defined contribution plan

Contribution towards the fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

#### (ii) Defined benefit plans

**Gratuity:** The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

### 2.20 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.21 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 within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 2.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

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

## 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Parent Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

## 2.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 3.1 Estimates and assumptions

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

#### (a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### (b) Defined benefit plans and other long term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 33.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 4. Recent accounting pronouncements

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statement.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1** - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

**Ind AS 8** - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

**Ind AS 12** - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of these amendments is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and the impact of the amendments are insignificant in the financial statements.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 5. PROPERTY, PLANT AND EQUIPMENTS

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Electrical Installations	Equipments	Vehicles	Computers	Right to Use	Total
(₹ in '000)											
<b>GROSS BLOCK</b>											
<b>As at April 01, 2021</b>	<b>36,786.66</b>	<b>143,935.20</b>	<b>139,134.38</b>	<b>1,070,080.97</b>	<b>17,050.14</b>	<b>4,657.89</b>	<b>13,274.21</b>	<b>7,609.92</b>	<b>12,247.07</b>	<b>32,455.77</b>	<b>1,477,234.21</b>
Additions during the year	-	-	-	9,029.38	36.45	-	570.69	4,842.80	339.55	5,341.04	20,159.91
Disposals during the year	(36,582.87)	-	(49,703.78)	(53,039.17)	(4,015.46)	-	(921.67)	-	(3,824.06)	(31,475.78)	(179,562.79)
Adjustment during the year	-	-	-	-	0.29	-	-	(1,110.52)	-	1,110.52	0.29
Foreign currency translation reserve	(205.79)	-	(279.59)	(181.42)	(22.54)	-	(4.56)	-	(21.49)	(160.71)	(876.10)
<b>As at March 31, 2022</b>	<b>-</b>	<b>143,935.20</b>	<b>89,151.01</b>	<b>1,025,889.76</b>	<b>13,048.88</b>	<b>4,657.89</b>	<b>12,918.67</b>	<b>11,342.20</b>	<b>8,741.07</b>	<b>7,270.84</b>	<b>1,316,955.52</b>
Additions during the year	-	-	2,482.72	106,327.30	1,333.36	667.18	167.50	400.00	328.64	-	111,646.70
Disposals during the year	-	-	-	(5,121.57)	-	-	-	-	(1.02)	(5,341.04)	(10,463.63)
Adjustment during the year	-	-	-	771.46	(630.20)	-	(79.99)	-	2,549.00	-	2,610.27
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>143,935.20</b>	<b>91,573.73</b>	<b>1,127,866.95</b>	<b>13,752.04</b>	<b>5,325.07</b>	<b>13,006.18</b>	<b>11,742.20</b>	<b>11,617.69</b>	<b>1,929.80</b>	<b>1,420,748.86</b>
<b>ACCUMULATED DEPRECIATION</b>											
<b>As at April 01, 2021</b>	<b>-</b>	<b>11,700.74</b>	<b>43,983.49</b>	<b>799,245.59</b>	<b>15,083.34</b>	<b>3,698.53</b>	<b>9,942.94</b>	<b>6,400.37</b>	<b>10,938.65</b>	<b>17,143.55</b>	<b>918,137.19</b>
Charges for the year	-	2,303.04	3,189.40	32,348.07	416.68	236.45	784.23	1,208.76	666.64	4,239.68	45,392.95
Reverse charge on disposal	-	-	(8,483.70)	(46,124.45)	(3,687.56)	-	(789.75)	-	(3,478.46)	(20,166.26)	(82,730.17)
Adjustment during the year	-	-	-	-	-	-	-	(1,110.53)	13.55	1,110.53	13.55
Foreign currency translation reserve	-	-	(44.27)	(228.67)	(20.43)	-	(4.20)	-	(20.80)	(84.13)	(402.50)
<b>As at March 31, 2022</b>	<b>-</b>	<b>14,003.78</b>	<b>38,644.92</b>	<b>785,240.54</b>	<b>11,792.03</b>	<b>3,934.98</b>	<b>9,933.22</b>	<b>6,498.60</b>	<b>8,119.58</b>	<b>2,243.37</b>	<b>880,411.03</b>
Charges for the year	-	2,303.03	2,643.05	38,376.42	449.50	252.79	853.05	893.04	487.68	1,983.28	48,241.84
Reverse charge on disposal	-	-	-	(4,986.33)	-	-	-	-	-	(3,414.37)	(8,400.70)
Adjustment during the year	-	-	-	1,144.60	(630.17)	-	(173.31)	(13.16)	2,330.12	-	2,658.07
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>16,306.81</b>	<b>41,287.97</b>	<b>819,775.23</b>	<b>11,611.36</b>	<b>4,187.77</b>	<b>10,612.96</b>	<b>7,378.48</b>	<b>10,937.38</b>	<b>812.28</b>	<b>922,910.24</b>
<b>Net block as at March 31, 2022</b>	<b>-</b>	<b>129,931.42</b>	<b>50,506.09</b>	<b>240,649.22</b>	<b>1,256.85</b>	<b>722.91</b>	<b>2,985.45</b>	<b>4,843.60</b>	<b>621.49</b>	<b>5,027.47</b>	<b>436,544.49</b>
<b>Net block as at March 31, 2023</b>	<b>-</b>	<b>127,628.39</b>	<b>50,285.76</b>	<b>308,091.72</b>	<b>2,140.68</b>	<b>1,137.30</b>	<b>2,393.22</b>	<b>4,363.72</b>	<b>680.31</b>	<b>1,117.52</b>	<b>497,838.62</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 6. INTANGIBLE ASSETS

Particulars	Software	Total	(₹ in '000)
			Goodwill (on Consolidation) Refer note 2.4
<b>GROSS BLOCK</b>			
<b>As at April 01, 2021</b>	<b>11,718.94</b>	<b>11,718.94</b>	<b>37,257.01</b>
Additions during the year	–	–	–
Disposals during the year	(4,836.26)	(4,836.26)	(16,351.66)
Adjustment during the year	725.46	725.46	–
Foreign currency translation reserve	(27.00)	(27.00)	–
<b>As at March 31, 2022</b>	<b>7,581.14</b>	<b>7,581.14</b>	<b>20,905.35</b>
Additions during the year	–	–	–
Disposals during the year	–	–	–
Adjustment during the year	(2,610.27)	(2,610.27)	–
Foreign currency translation reserve	–	–	–
<b>As at March 31, 2023</b>	<b>4,970.87</b>	<b>4,970.87</b>	<b>20,905.35</b>
<b>ACCUMULATED DEPRECIATION</b>			
<b>As at April 01, 2021</b>	<b>10,351.37</b>	<b>10,351.37</b>	<b>–</b>
Charges / Impairment for the year	723.84	723.84	–
Reverse charge on disposal	(4,512.01)	(4,512.01)	–
Adjustment during the year	712.45	712.45	–
Foreign currency translation reserve	(33.00)	(33.00)	–
<b>As at March 31, 2022</b>	<b>7,242.65</b>	<b>7,242.65</b>	<b>–</b>
Charges / Impairment for the year	221.21	221.21	20,905.35
Reverse charge on disposal	–	–	–
Adjustment during the year	(2,658.07)	(2,658.07)	–
Foreign currency translation reserve	–	–	–
<b>As at March 31, 2023</b>	<b>4,805.79</b>	<b>4,805.79</b>	<b>20,905.35</b>
<b>Net block as at March 31, 2022</b>	<b>338.49</b>	<b>338.49</b>	<b>20,905.35</b>
<b>Net block as at March 31, 2023</b>	<b>165.08</b>	<b>165.08</b>	<b>–</b>

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 7. OTHER FINANCIAL ASSETS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non- current	Current	Non- current	Current
<b>Unsecured, considered good</b>				
Security deposits	14,955.10	–	8,815.45	–
In fixed deposit with maturity for more than 12 months	20,700.00	–	20,700.00	–
Interest accrued on deposits	957.61	1,577.72	99.63	1,451.29
<b>Total</b>	<b>36,612.71</b>	<b>1,577.72</b>	<b>29,615.08</b>	<b>1,451.29</b>

## 8. NON-CURRENT TAX ASSETS

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Income tax receivables	15,849.32	15,188.00
<b>Total</b>	<b>15,849.32</b>	<b>15,188.00</b>

## 9. OTHER ASSETS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non- current	Current
<b>Unsecured, considered good</b>				
Capital advances	840.27	–	35,105.98	–
Balance with government authorities (other than income tax)	–	34,255.89	–	38,960.33
Advance to creditors	–	2,277.17	–	6,951.91
Prepaid expenses	1,155.90	3,504.22	512.91	3,051.55
Advance to employees	–	1,062.91	–	1,056.33
<b>Total</b>	<b>1,996.17</b>	<b>41,100.19</b>	<b>35,618.89</b>	<b>50,020.12</b>

## 10. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Raw material	67,400.19	79,662.99
Work in progress	36,222.67	32,259.66
Finished goods	48,229.02	34,902.10
Stock in trade	1,782.95	1,814.06
Store and spares parts (including packing material & tools)	26,743.44	26,358.89
<b>Total</b>	<b>180,378.27</b>	<b>174,997.70</b>



## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 11. INVESTMENTS - CURRENT

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
<b>Investments measured at fair value through profit or loss</b>		
HDFC Liquid Fund - Growth Option	56,605.03	26,595.06
[Units held as on March 31, 2023 - 12,797.302 (March 31, 2022 - 6,355.245)]		
	<b>56,605.03</b>	<b>26,595.06</b>
<b>Aggregate book value of:</b>		
Quoted investments	56,605.03	26,595.06
Unquoted investments	-	-
<b>Aggregate market value of:</b>		
Quoted investments	56,605.03	26,595.06
Unquoted investments	-	-
<b>Aggregate amount of impairment in value of Investments</b>	<b>-</b>	<b>-</b>

### 12. TRADE RECEIVABLES

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
<b>Unsecured</b>		
- Considered good	208,118.47	272,969.87
- Considered doubtful	10,283.20	7,697.72
	<b>218,401.67</b>	<b>280,667.59</b>
Less: Allowance for expected credit loss	(10,283.20)	(7,697.72)
<b>Total</b>	<b>208,118.47</b>	<b>272,969.87</b>

For details (Refer note 43(b))

\* Includes ₹ NIL ('000) [previous year ₹ NIL ('000)] receivable from related parties (refer note no.36)

### 13. CASH AND CASH EQUIVALENTS

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
<b>Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	5,057.20	174,956.25
Cash on hand	203.52	260.82
<b>Total</b>	<b>5,260.72</b>	<b>175,217.07</b>

### 14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
Unpaid Dividend Accounts	1,336.41	1,337.46
In fixed deposit with original maturity for more than 3 months but less than 12 months	6,195.24	5,917.24
<b>Total</b>	<b>7,531.65</b>	<b>7,254.70</b>

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 15. EQUITY SHARE CAPITAL

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized</b>				
Equity shares of ₹ 10/- each	46,000,000	460,000.00	46,000,000	460,000.00
	<b>46,000,000</b>	<b>460,000.00</b>	<b>46,000,000</b>	<b>460,000.00</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 10/- each	10,851,120	108,511.20	10,851,120	108,511.20
	<b>10,851,120</b>	<b>108,511.20</b>	<b>10,851,120</b>	<b>108,511.20</b>
<b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year</b>				
Outstanding at the beginning of the year	10,851,120	108,511.20	10,851,120	108,511.20
Add: Issued during the year	–	–	–	–
Less: Buy-back during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>10,851,120</b>	<b>108,511.20</b>	<b>10,851,120</b>	<b>108,511.20</b>

### (b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2023, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (March 31, 2022: ₹ Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Aarti Pandit Family Private Limited*	19,86,318	18.31%	19,86,318	18.31%
Aditi Mody Family Private Limited*	19,87,111	18.31%	19,87,111	18.31%
Anjali Mody Family Private Limited*	19,85,273	18.30%	19,85,273	18.30%
SSI Trading Private Limited	16,15,153	14.88%	16,15,153	14.88%

\* Aarti Pandit Family Private Limited, Aditi Mody Family Private Limited, Anjali Mody Family Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- (d) **Equity Shares issued by the Company without payment being received in cash during the five years immediately preceding March 31<sup>st</sup>.**

Particulars	Aggregate No. of Shares				
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Fully paid up equity shares issued as per the scheme of Business Combination approved by NCLT.	–	–	–	43,80,106	–

- (e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

- (f) **Shares held by Promoter's Group at the end of the year**

Name of promoter group	March 31, 2023				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% changes during the year
Aditi Mody Family Private Limited	19,87,111	–	19,87,111	18.31%	0.00%
Aarti Pandit Family Private Limited	19,86,318	–	19,86,318	18.31%	0.00%
Anjali Mody Family Private Limited	19,85,273	–	19,85,273	18.30%	0.00%
SSI Trading Private Limited	16,15,153	–	16,15,153	14.88%	0.00%
Miranda Tools Private Limited*	8,512	137,360	1,45,872	1.34%	1.27%
Highland Resorts LLP	1,862	–	1,862	0.02%	0.00%
Ram Hemant Shroff	58,811	(45,507)	13,304	0.12%	-0.42%
Kalpana Singhania	39,362	–	39,362	0.36%	0.00%
Urvi Piramal A	36,900	–	36,900	0.34%	0.00%
Ambika Singhania	4,672	–	4,672	0.04%	0.00%
Gopika Singhania	4,321	–	4,321	0.04%	0.00%
Ziabai Jaydev Mody	1,125	–	1,125	0.01%	0.00%
Jaydev Mukund Mody	64	–	64	0.00%	0.00%
<b>Total</b>	<b>77,29,484</b>	<b>91,853</b>	<b>78,21,337</b>	<b>72.08%</b>	<b>1.19%</b>

\* Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), had vide its Order dated November 11, 2021 approved the Scheme of Amalgamation of Newdeal Multitrade Private Limited ("Transferor Company") with Miranda Tools Private Limited ("Transferee Company"). The Transferor Company was holding 137,360 Shares of Delta Manufacturing Limited which got transferred to Transferee Company during the year.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Name of promoter group	March 31, 2022				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% changes during the year
Aditi Mody Family Private Limited	19,87,111	–	19,87,111	18.31%	0.00%
Aarti Pandit Family Private Limited	19,86,318	–	19,86,318	18.31%	0.00%
Anjali Mody Family Private Limited	19,85,273	–	19,85,273	18.30%	0.00%
SSI Trading Private Limited	16,15,153	–	16,15,153	14.88%	0.00%
Miranda Tools Private Limited	8,512	–	8,512	0.08%	0.00%
Highland Resorts LLP	1,862	–	1,862	0.02%	0.00%
Ram Hemant Shroff	58,811	–	58,811	0.54%	0.00%
Kalpana Singhania	39,362	–	39,362	0.36%	0.00%
Urvi Piramal A	36,900	–	36,900	0.34%	0.00%
Ambika Singhania	4,672	–	4,672	0.04%	0.00%
Gopika Singhania	4,321	–	4,321	0.04%	0.00%
Ziabai Jaydev Mody	1,125	–	1,125	0.01%	0.00%
Jaydev Mukund Mody	64	–	64	0.00%	0.00%
	<b>77,29,484</b>	<b>–</b>	<b>77,29,484</b>	<b>71.23%</b>	<b>0.00%</b>

## 16. OTHER EQUITY

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Securities premium	1,07,126.58	1,07,126.58
Equity component on interest free loan	74,836.91	74,836.91
Capital reserve on business combination	2,08,486.14	2,08,486.14
Retained earnings	(1,23,581.92)	53,218.75
<b>Total</b>	<b>2,66,867.71</b>	<b>4,43,668.38</b>

### Nature and purpose of other reserves

Securities premium	Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
Equity component on interest free loan	Deemed equity contribution represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Capital reserve on business combination	<ol style="list-style-type: none"> <li>Capital Reserve of ₹ 61,847.81 ('000) was created on merger of MMG India Privated Limited, whollyowned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal.</li> <li>Capital Reserve of ₹ 146,538.33 ('000) was created on merger of Arrow Textiles Limited, with the Company as per the order passed by the National Company Law Tribunal.</li> </ol>
Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(a) Securities premium</b>		
Opening balance	1,07,126.58	1,07,126.58
Add : Securities premium credited during the year on share issue	–	–
Less : Securities premium utilised during the year	–	–
<b>Closing balance</b>	<b>1,07,126.58</b>	<b>1,07,126.58</b>
<b>(b) Equity component on interest free loan</b>		
Opening balance	74,836.91	74,836.91
Add : Addition during the year	–	–
Less : Utilisation during the year	–	–
<b>Closing balance</b>	<b>74,836.91</b>	<b>74,836.91</b>
<b>(c) Capital reserve on business combination</b>		
Opening balance	2,08,486.14	2,08,486.14
Add : Addition during the year on account of Business Combination	–	–
Less : Utilisation during the year	–	–
<b>Closing balance</b>	<b>2,08,486.14</b>	<b>2,08,486.14</b>
<b>(d) Retained earnings</b>		
Opening balance	53,218.75	(1,31,067.37)
Net profit / (loss) for the current year	(1,67,379.51)	1,92,736.06
Item of OCI for the year, net of tax	(9,421.16)	(8,449.94)
Less: Utilisation during the year	–	–
<b>Closing balance</b>	<b>(1,23,581.92)</b>	<b>53,218.75</b>
<b>Total other equity</b>	<b>2,66,867.71</b>	<b>4,43,668.38</b>

### 17. BORROWINGS

Particulars	(₹ in '000)			
	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
<b>Secured</b>				
Borrowings from banks	54,774.99	1,58,740.53	69,890.54	1,60,909.26
<b>Non - Current Borrowings</b>				
[Term loan 1 - outstanding balance as at balance sheet date carry interest @ 11.50 % p.a. (floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment started from January, 2020. (refer below for detail of securities)]				

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
[Term loan 2 - outstanding balance as at balance sheet date carry interest @ 9.25 % p.a. (floating) is repayable in 48 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment starting from October, 2021. (refer below for detail of securities)]				
[Term loan 3 - outstanding balance as at balance sheet date carry interest @ 11.50 % p.a. (floating) is repayable in 60 months as per ballooning repayment schedule. Installment started from April, 2022. (refer below for detail of securities)]				
[Term loan 4 - outstanding balance as at balance sheet date carry interest @ 9.25 % p.a. (floating) is repayable in 59 months (including moratorium period of 24 months) as per ballooning repayment schedule. Installment starting from April, 2024. (refer below for detail of securities)]				
<b>Current Borrowings</b>				
[Repayable on demand and carry interest @ 10.20% p.a. floating (refer below for detail of securities)]				
[Securities - Above borrowings are secured by way of hypothecation on entire movable fixed assets & current assets of the Company, present and future. Further, secured by way of equitable mortgage of land & building owned by the Company].				
Borrowings from Financial Institutions (The above borrowing carry interest @ 8.70 % p.a. is repayable in 60 months secured by way of hypothecation on Toyota car against which this loan was taken, Installment starting from June, 2021)	1,905.42	767.00	2,672.43	703.36
<b>Unsecured</b>				
Borrowings from related party (Current borrowing - repayable on demand and interest @ 8.15 % p.a.)	–	1,84,336.13	–	2,34,336.13
<b>Total</b>	<b>56,680.41</b>	<b>3,43,843.66</b>	<b>72,562.97</b>	<b>3,95,948.75</b>

### 18. PROVISIONS

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 33)				
– Gratuity (funded)	24,735.11	–	14,032.97	–
– Leave encashment (unfunded)	–	15,517.31	–	12,998.13
Provision for CSR (refer note 40)	–	–	–	1,049.00
<b>Total</b>	<b>24,735.11</b>	<b>15,517.31</b>	<b>14,032.97</b>	<b>14,047.13</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 19. OTHER LIABILITIES

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Statutory due payable	–	8,714.88	–	31,001.67
Advance received from customers	–	555.73	–	410.08
Deferred Government Grant	–	2,085.01	553.07	833.29
Payable to Shareholders on account of merger	–	8.47	–	8.47
<b>Total</b>	<b>–</b>	<b>11,364.09</b>	<b>553.07</b>	<b>32,253.51</b>

### 20. TRADE PAYABLES

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	11,889.39	12,524.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,21,985.82	1,29,381.50
	<b>1,33,875.21</b>	<b>1,41,906.47</b>
For details (Refer note 44 (a))		
The principal amount remaining unpaid at the end of the year	7,096.73	8,683.69
The Interest amount remaining unpaid at the end of the year	4,792.66	3,841.28
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year	4,792.66	3,841.28
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	–	–

### 21. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Accrued interest on loans	29,552.60	17,613.06
Employee related payable	37,294.23	26,571.84
Unclaimed Dividend	1,336.41	1,337.46
Other financial liabilities	172.73	172.73
<b>Total</b>	<b>68,355.97</b>	<b>45,695.09</b>

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 22. CURRENT INCOME TAX LIABILITIES (NET)

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Current tax payable (Net of advance taxes)	–	21,462.89
<b>Total</b>	<b>–</b>	<b>21,462.89</b>

## 23. REVENUE FROM OPERATIONS

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>Sale of products</b>		
– Finished goods	7,83,650.95	8,55,091.31
– Traded goods	11,534.20	17,572.02
Other operating revenue	1,159.04	7,017.07
<b>Total</b>	<b>7,96,344.19</b>	<b>8,79,680.40</b>

## 24. OTHER INCOME

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Interest income	1,910.81	815.36
Sundry balances written back	6,742.72	1,666.80
Amortisation of Government Grant	3,301.34	833.29
Insurance claim received	179.79	64.09
Gain on Investment carried at FVTPL	3,309.97	1,195.82
Net Gain/(Loss) on Derecognition of Lease	197.90	–
Net Gain on Disposal of Property, Plant and Equipments	245.27	3,755.12
Other non - operating income	1,026.00	848.50
<b>Total</b>	<b>16,913.80</b>	<b>9,178.98</b>

## 25. COST OF MATERIAL CONSUMED

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>Cost of raw material consumed</b>		
Inventory at the beginning of the year	79,662.99	50,924.90
Add: Purchases	280,191.00	359,219.92
Less: Inventory at the end of the year	(67,400.19)	(79,662.99)
<b>Total</b>	<b>292,453.80</b>	<b>330,481.83</b>

## 26. PURCHASE OF STOCK-IN-TRADE

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Purchase of stock-in-trade	8,716.73	10,687.90
<b>Total</b>	<b>8,716.73</b>	<b>10,687.90</b>



## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Inventories at the beginning of the year</b>		
– Finished goods	34,902.10	44,188.40
– Stock in trade	1,814.06	1,636.52
– Work-in-progress	32,259.66	35,399.61
	<b>68,975.82</b>	<b>81,224.53</b>
<b>Inventories at the end of the year</b>		
– Finished goods	(48,229.02)	(34,902.10)
– Stock in trade	(1,782.95)	(1,814.06)
– Work-in-progress	(36,222.67)	(32,259.66)
	<b>(86,234.64)</b>	<b>(68,975.82)</b>
<b>Net decrease / (increase)</b>	<b>(17,258.82)</b>	<b>12,248.71</b>

### 28. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Salaries, wages, bonus and other allowances	2,71,606.34	2,42,277.22
Contribution to provident & other funds (refer note 33)	12,687.19	11,765.67
Contribution to gratuity fund & leave encashment expense (refer note 33)	7,945.80	3,575.12
Staff welfare expenses	5,531.24	5,312.34
<b>Total</b>	<b>2,97,770.57</b>	<b>2,62,930.35</b>

### 29. FINANCE COSTS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Interest Expenses	35,846.26	40,560.28
Other borrowing costs	2,094.07	3,920.96
<b>Total</b>	<b>37,940.33</b>	<b>44,481.24</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 30. OTHER EXPENSES

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
Consumption of stores & spares, Consumables and packing materials etc.	65,193.59	70,853.75
Repairs & maintenance		
– Plant & Machinery	898.92	1,280.77
– Building	2,696.61	1,570.03
– Others	9,512.42	7,872.83
Job work expenses	2,267.54	3,316.08
Power and Fuel	1,23,134.19	1,11,250.96
Insurance	1,892.11	1,731.50
Audit expenses (refer details below)	290.84	260.32
Rates and taxes	3,577.35	28,099.84
Carriage and freight	19,093.21	20,386.49
Travel and conveyance	11,609.07	8,661.17
Director sitting fees	60.00	64.00
Legal & professional charges	12,393.67	10,763.63
Foreign exchange fluctuation (net)	2,349.13	-
Rent	759.59	1,025.73
Commission on Sales	6,993.42	6,235.04
Selling & distribution cost	2,203.49	1,950.17
Miscellaneous expenses	5,254.06	5,502.46
Provision for expected credit loss / doubtful advances	2,527.22	17,346.83
<b>Total</b>	<b>2,72,706.43</b>	<b>2,98,171.60</b>
<b>Payments to Auditors</b>		
– Audit fees	290.84	260.32
<b>Total</b>	<b>290.84</b>	<b>260.32</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 31. INCOME TAXES

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(a) Deferred tax relates to the following:</b>		
<b>Deferred tax assets (A)</b>		
On unabsorbed depreciation and losses	–	20,134.40
	<b>–</b>	<b>20,134.40</b>
<b>Deferred tax liabilities (B)</b>		
On property, plant and equipments	21,553.82	20,963.26
Fair value of mutual funds	724.19	64.60
	<b>22,278.01</b>	<b>21,027.86</b>
<b>Deferred tax (liabilities) / assets, net (A-B)</b>	<b>(22,278.01)</b>	<b>(893.46)</b>
<b>(b) Deferred tax assets / (liabilities) to be recognized in Statement of Profit and Loss</b>		
Deferred tax assets / (liabilities) net	(22,278.01)	(893.46)
Less: Opening deferred tax assets/(liabilities) taken over from discontinued operation	–	1,109.97
Less: Opening deferred tax assets / (liabilities)	(893.46)	25,291.24
<b>Deferred tax income / (expense) for the year</b>	<b>(21,384.55)</b>	<b>(27,294.67)</b>
Deferred Tax liability recognized in Statement of Profit and Loss from continuing operation	21,384.55	28,469.21
Deferred Tax liability recognized in Statement of Profit and Loss from discontinued operation	–	(1,161.76)
Tax liability recognized in OCI		
– On account of change in foreign currency rate of foreign subsidiary (FCTR)	–	(12.78)
<b>Total deferred tax expenses recognised in the statement of profit and loss</b>	<b>21,384.55</b>	<b>27,294.67</b>
<b>(c) Income tax expense</b>		
Amount recognised in the statement of profit or loss from continuing operation	21,384.55	28,469.21
Amount recognised in the statement of profit or loss from discontinued operation	(3,511.37)	20,391.36
<b>Amount recognised in other comprehensive income</b>		
Arising on income and expenses recognised in other comprehensive income:		
– On account of change in foreign currency rate of foreign subsidiary (FCTR)	–	–
<b>Amount recognised in the statement of profit or loss from total operation</b>	<b>17,873.18</b>	<b>48,860.57</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(d) Reconciliation of tax charge</b>		
<b>Profit / (loss) before tax</b>	(149,506.33)	241,596.63
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Income tax expense at tax rates applicable	<b>(37,627.75)</b>	<b>60,805.04</b>
<b>Tax effects of:</b>		
On account of earlier year current tax adjustment	(3,511.37)	–
On account indexation benefit on computation of capital gains.	(6,694.27)	(22,536.41)
On account deferred asset not created in earlier years but utilised during the year.	–	(18,898.78)
On account deferred assets not created on current year loss	46,344.74	–
On account non deductible expenses and non taxable income	(1,828.01)	3,661.02
On account of elimination on inter group company transaction	21,189.84	30,161.30
On account of different tax rate between holding Company and subsidiaries	–	(6,000.70)
On account of FCTR	–	1,669.10
<b>Total</b>	<b>17,873.18</b>	<b>48,860.57</b>
<b>Effective tax rate (%)</b>	<b>-11.95%</b>	<b>20.22%</b>

(e) The Group have not recognised deferred assets on business loss and unabsorbed depreciation amounting to ₹ 115,267.75 ('000).

### 32. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>(a) Contingent liabilities</b>		
TDS as per traces	1,573.30	904.84
Disputed Income tax demands	12,629.33	16,225.76
Disputed Customs and DGFT demands	36,668.07	20,845.60
Goods & Service Tax (GST)	10,149.01	–
Outstanding letters of credit	5,746.58	4,725.59
<b>Total</b>	<b>66,766.29</b>	<b>42,701.79</b>
<b>(b) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
– Towards Property, Plant and Equipment	–	3,813.00
<b>Total</b>	<b>–</b>	<b>3,813.00</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 33. EMPLOYEE BENEFITS

#### Brief description of the plans:

The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

#### (a) Define benefit plans:

The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)	7.39% - 7.50%	6.82% - 7.25%
Salary escalation rate	5%	5%
Rate of employee turnover	2% - 5%	2% - 5%
Mortality rate during Employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Expected rate of return on plan assets (per annum)	7.39% - 7.50%	6.82% - 7.25%
<b>ii) Expense recognized in the Statement of Profit and Loss</b>		
Current service cost	3,065.72	3,063.90
Past service cost	-	-
Interest cost	990.18	778.09
<b>Total*</b>	<b>4,055.90</b>	<b>3,841.99</b>
* The total expenses for the year are included in the 'Employee benefits expense' line item in the Statement of Profit & Loss.		
<b>iii) Expense recognized in the Statement of Other Comprehensive income</b>		
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	(534.56)	(1,370.44)
Actuarial (gains)/losses on obligation - due to experience adjustment	7,479.70	2,057.18
Actuarial (gains)/losses on obligation - due to change in demographic assumptions	-	(19.40)
Return on plan assets, excluding interest income	70.96	(276.62)
<b>Total*</b>	<b>7,016.10</b>	<b>390.72</b>
* The remeasurement of the net defined benefit liability is included in other comprehensive income.		

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>iv) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	58,571.63	55,851.89
Interest cost	4,176.67	3,725.51
Current service cost	3,065.72	3,063.90
Past service cost	-	-
Benefit paid directly by the employer	(369.85)	(1,833.43)
Benefit paid directly from the fund	(3,565.93)	(2,903.58)
Actuarial (gains) / losses on obligation - due to changes in financial assumptions	(534.56)	(1,370.44)
Actuarial (gains) / losses on obligation - due to experience adjustment	7,479.70	2,057.18
Actuarial (gains) / losses on obligation - due to change in demographic assumptions	-	(19.40)
<b>Present value of obligation at the end of the year</b>	<b>68,823.38</b>	<b>58,571.63</b>
<b>(v) Change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	44,538.66	44,218.20
Interest income	3,186.50	2,947.42
Benefit paid directly from the fund	(3,565.93)	(2,903.58)
Contributions by the Employer	-	-
Return on plan assets, excluding interest income	(70.96)	276.62
<b>Fair value of plan assets at the end of the year</b>	<b>44,088.27</b>	<b>44,538.66</b>
<b>vi) Assets and liabilities recognized in the Balance Sheet</b>		
Present value of funded obligation	(68,823.38)	(58,571.63)
Less: Fair Value of plan assets	44,088.27	44,538.66
<b>Net asset / (liability) recognized in Balance Sheet*</b>	<b>(24,735.11)</b>	<b>(14,032.97)</b>
*Included in provision for employee benefits (refer note 18)		
<b>vii) Maturity analysis of the benefit payments: from the fund</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	14,856.57	5,539.94
2 <sup>nd</sup> Following Year	9,627.09	7,736.87
3 <sup>rd</sup> Following Year	10,233.66	11,787.82
4 <sup>th</sup> Following Year	5,724.06	8,518.61
5 <sup>th</sup> Following Year	8,102.83	4,600.03
Sum of Years 6 To 10	21,575.36	22,679.21
Sum of Years 11 and above	45,029.89	39,233.26

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

The Plan typically to expose the Company to actuarial risk such as Interest Risk, Longevity Risk and Salary Risk;

- a) **Interest Risk:** A decrease in the bond interest rate will increase the plan liability.
- b) **Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- c) **Salary Risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan's participants will increase the plan's liability.

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>viii) A quantitative sensitivity analysis for significant assumption is as shown below</b>		
<b>Impact on defined benefit obligation</b>		
– <b>Discount rate</b>		
1% increase	(3,142.50)	(3,017.47)
1% decrease	3,581.62	3,434.71
– <b>Rate of increase in salary</b>		
1% increase	3,537.84	3,376.34
1% decrease	(3,155.65)	(3,021.29)
– <b>Withdrawal rate</b>		
1% increase	667.23	541.76
1% decrease	(747.62)	(609.55)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### (b) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of ₹ 15,517.31 [March 31, 2022 ₹ 12,998.13] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Current service cost	3,889.90	(266.87)
<b>Total expenses/(income) recognised in the Statement of Profit and Loss</b>	<b>3,889.90</b>	<b>(266.87)</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (c) Defined contribution plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employee State Insurance Corporation and Labour Welfare Fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2023	March 31, 2022
<b>Charge to the Statement of Profit and Loss based on contributions</b>		
Employer's contribution to regional provident fund office	11,863.78	16,545.33
Employer's contribution to employees' state insurance	797.47	877.03
Employer's contribution to labour welfare fund	25.94	24.48
Employer's contribution to employee pension	–	2,012.13
<b>Total</b>	<b>12,687.19</b>	<b>19,458.97</b>

### 34. EARNINGS / (LOSS) PER SHARE

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit / (loss) attributable to equity holders adjusted for the effect of dilution for Continuing operations	(1,69,824.00)	1,15,839.71
Profit / (loss) attributable to equity holders adjusted for the effect of dilution for Discontinued operations	2,444.49	76,896.35
<b>Profit/(loss) attributable to equity holders adjusted for the effect of dilution for Total operations</b>	<b>(1,67,379.51)</b>	<b>1,92,736.06</b>
No. of Shares for basic earnings per share	1,08,51,120	1,08,51,120
Add: Potential dilutive effects of stock options	–	–
<b>No. of Shares for diluted earnings per share</b>	<b>10,851,120</b>	<b>10,851,120</b>
<b>Earnings / (loss) per equity share of face value of ₹ 10 /- each for continuing operations</b>		
Basic earnings / (loss) per share (₹)	(15.65)	10.68
Diluted earnings / (loss) per share (₹)	(15.65)	10.68
<b>Earnings / (loss) per equity share of face value of ₹ 10 /- each for discontinued operations</b>		
Basic earnings / (loss) per share (₹)	0.23	7.09
Diluted earnings / (loss) per share (₹)	0.23	7.09
<b>Earnings / (loss) per equity share of face value of ₹ 10 /- each for total operations</b>		
Basic earnings / (loss) per share (₹)	(15.43)	17.76
Diluted earnings / (loss) per share (₹)	(15.43)	17.76



## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 35. SEGMENT REPORTING

#### Business Segments:

Based on the “management approach” as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with Business Segments. The Accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

	(₹ in '000)	
Particulars	March 31, 2023	March 31, 2022
<b>(a) Segment revenue</b>		
Hard ferrites	1,96,585.38	1,76,029.28
Soft ferrites	1,79,098.55	2,61,815.59
Textiles	4,20,660.26	4,51,545.81
Rhine*	–	2,76,465.29
<b>Total</b>	<b>7,96,344.19</b>	<b>11,65,855.97</b>
Less : Inter segment revenue	–	(9,710.28)
<b>Revenue from operations</b>	<b>7,96,344.19</b>	<b>11,56,145.69</b>
<b>(b) Segment results</b>		
Hard ferrites	(60,516.03)	(52,464.28)
Soft ferrites	(17,512.93)	(46,641.48)
Textile	(14,662.73)	35,166.95
Rhine*	(1,066.88)	25,194.49
<b>Total</b>	<b>(93,758.57)</b>	<b>(38,744.32)</b>
Unallocable expenses (net)	13,816.23	13,120.50
Exceptional items (refer notes 46)	(20,905.00)	326,341.97
Other income (net)	16,913.99	13,188.49
Finance costs	37,940.52	46,069.01
<b>Profit / (loss) before tax</b>	<b>(149,506.33)</b>	<b>241,596.63</b>
<b>(c) Capital employed</b>		
<b>Segment assets</b>		
Hard ferrites	420,327.83	397,653.46
Soft ferrites	214,118.49	303,674.97
Textile	398,189.74	431,346.09
Rhine*	4,892.18	149,077.89
Unallocable Assets (Net)	15,849.27	15,188.00
<b>Total assets</b>	<b>10,53,377.51</b>	<b>12,96,940.41</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Segment liabilities</b>		
Hard ferrites	1,62,963.90	1,41,931.40
Soft ferrites	3,23,664.81	3,79,394.34
Textile	1,67,368.39	1,73,982.08
Rhine*	1,723.46	27,096.51
Unallocable Liabilities (Net)	22,278.04	22,356.50
<b>Total liabilities</b>	<b>6,77,998.60</b>	<b>7,44,760.83</b>
<b>(d) Segment - capital expenditure</b>		
Hard ferrites	15,911.42	2,409.15
Soft ferrites	627.69	7,721.60
Textile	45,226.85	60,248.46
Rhine*	-	-
Unallocable capital expenditure	-	-
<b>Total capital expenditure</b>	<b>61,765.96</b>	<b>70,379.21</b>
<b>(e) Segment - depreciation and amortisation expense</b>		
Hard ferrites	6,983.98	7,348.53
Soft ferrites	14,662.95	15,765.63
Textile	26,816.12	19,104.71
Rhine*	-	3,897.92
Unallocable capital expenditure	-	-
<b>Total depreciation and amortisation expense</b>	<b>48,463.05</b>	<b>46,116.79</b>
<b>(f) Non cash expenditure other than depreciation and amortisation</b>		
Hard ferrites	(386.50)	3,191.96
Soft ferrites	2,684.12	15,235.64
Textile	2,578.72	(1,080.77)
Rhine*	-	245.28
Unallocable non cash expenditure other than depreciation and amortisation	-	-
<b>Total non cash expenditure other than depreciation and amortisation</b>	<b>4,876.34</b>	<b>17,592.11</b>

\* Rhine Estates Limited (formerly known as MagDev Limited ('Rhine')) (suppliers of permanent magnets and ferrite cores and processing and supply of ceramic powder). This segment is discontinued with effect from October 11, 2021

### Notes:

- Operating segment:** Segment identified by the Company comprises of manufacturer of hard ferrite, soft ferrites, textiles and Rhine (suppliers of permanent magnets and ferrite cores and processing and supply of ceramic powder).

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- 2. Segment revenue and expenses:** Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.  
  
Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".
- 3. Segment assets and liabilities:** Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- 4. Inter segment transfers:** Segment revenue, segment expenses and segment results include transfer between business segments, such transfers are eliminated in consolidation.
- 5. Accounting policies:** The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to item of revenue and expenditure in individual segments."

### 36. RELATED PARTY DISCLOSURES

#### (a) List of related parties

##### (i) Key management personnel's (KMP's)

Mr. Jaydev Mody (JM) - Chairman

Dr. Ram H. Shroff (RHS) - Executive Vice Chairman & Managing Director

Mr. Javed Tapia (JT) - Independent Director

Dr. Vrajesh Udani (VU) - Independent Director

Mr. Rajesh Jaggi (RJ) - Independent Director

Mr. Darius Khambatta (DK) - Non-executive Director

Ms. Anjali Modi (ANJ) - Non-executive Director

Mr. Abhilash Sunny (AS) - Chief Financial Officer

Mrs. Anannya Godbole (AG) - Company Secretary (upto 25.01.2022)

Ms. Madhuri Deokar (MD) - Company Secretary (w.e.f. 09.02.2022)

##### (ii) Relatives of KMP's

Mrs. Zia Mody (ZM) - Wife of the Chairman

Mrs. Steena Sunny (SS) - Wife of the CFO

##### (iii) Enterprises over which persons mentioned in (i) and (ii) above exercise significant influence/control

AZB & Partners (AZB)

Freedom Registry Limited (FRL)

Aarti Management Consultancy Private Limited (AAMPL)

Aditi Management Consultancy Private Limited (ADMPL)

Anjoss Trading Private Limited (ATCPL)

AAA Holding Trust (AAAHT)

Myra Mall Management Company Private Limited (MMMCPL)

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

**(b) Details of transaction carried out with related parties in the ordinary course of business for the year ended:**

(₹ in '000)

Particulars	KMP's		Relatives of KMP's or Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Remuneration paid</b>						
RHS	6,326.92	6,326.92	–	–	6,326.92	6,326.92
AS	7,478.85	6,478.85	–	–	7,478.85	6,478.85
AG	–	624.93	–	–	–	624.93
MD	585.58	115.12	–	–	585.58	115.12
<b>Total</b>	<b>14,391.35</b>	<b>13,545.82</b>	<b>–</b>	<b>–</b>	<b>14,391.35</b>	<b>13,545.82</b>
<b>Reimbursement of expenses paid</b>						
RHS	5,146.87	4,500.17	–	–	5,146.87	4,500.17
<b>Total</b>	<b>5,146.87</b>	<b>4,500.17</b>	<b>–</b>	<b>–</b>	<b>5,146.87</b>	<b>4,500.17</b>
<b>Director sitting fees</b>						
JM	8.00	4.00	–	–	8.00	4.00
DK	8.00	8.00	–	–	8.00	8.00
JT	4.00	10.00	–	–	4.00	10.00
RJ	16.00	18.00	–	–	16.00	18.00
ANJ	8.00	6.00	–	–	8.00	6.00
VU	16.00	18.00	–	–	16.00	18.00
<b>Total</b>	<b>60.00</b>	<b>64.00</b>	<b>–</b>	<b>–</b>	<b>60.00</b>	<b>64.00</b>
<b>Rent paid</b>						
AAAHT	–	–	448.38	433.00	448.38	433.00
<b>Total</b>	<b>–</b>	<b>–</b>	<b>448.38</b>	<b>433.00</b>	<b>448.38</b>	<b>433.00</b>
<b>Interest expenses</b>						
MMMCPPL	–	–	15,804.90	21,198.45	15,804.90	21,198.45
RHS	–	690.38	–	–	–	690.38
<b>Total</b>	<b>–</b>	<b>690.38</b>	<b>15,804.90</b>	<b>21,198.45</b>	<b>15,804.90</b>	<b>21,888.83</b>
<b>Professional fees paid</b>						
AZB	–	–	953.66	1,718.77	953.66	1,718.77
SS	–	–	1,500.00	1,500.00	1,500.00	1,500.00
FRL	–	–	88.31	150.07	88.31	150.07
<b>Total</b>	<b>–</b>	<b>–</b>	<b>2,541.97</b>	<b>3,368.84</b>	<b>2,541.97</b>	<b>3,368.84</b>
<b>Loan taken</b>						
MMMCPPL	–	–	–	63,000.00	–	63,000.00
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>63,000.00</b>	<b>–</b>	<b>63,000.00</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	KMP's		Relatives of KMP's or Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	<b>Loan repaid</b>					
AAMPL	–	–	–	7,000.00	–	7,000.00
ADMPL	–	–	–	43,000.00	–	43,000.00
ATCPL	–	–	–	43,000.00	–	43,000.00
RHS	–	36,375.00	–	–	–	36,375.00
MMMCPL	–	–	50,000.00	126,013.88	50,000.00	126,013.88
<b>Total</b>	<b>–</b>	<b>36,375.00</b>	<b>50,000.00</b>	<b>219,013.88</b>	<b>50,000.00</b>	<b>255,388.88</b>
<b>Interest on loan repaid</b>						
MMMCPL	–	–	–	35,986.13	–	35,986.13
RHS	–	8,510.22	–	–	–	8,510.22
<b>Total</b>	<b>–</b>	<b>8,510.22</b>	<b>–</b>	<b>35,986.13</b>	<b>–</b>	<b>44,496.35</b>

**(c) Outstanding balance as at March 31, 2023**

(₹ in '000)

Particulars	KMP's		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	<b>Loan payable</b>					
MMMCPL	–	–	184,336.13	234,336.13	184,336.13	234,336.13
<b>Total</b>	<b>–</b>	<b>–</b>	<b>184,336.13</b>	<b>234,336.13</b>	<b>184,336.13</b>	<b>234,336.13</b>
<b>Trade payables</b>						
AZB	–	–	135.32	–	135.32	–
FRL	–	–	65.08	99.20	65.08	99.20
SS	–	–	–	1,350.00	–	1,350.00
AAAHT	–	–	366.77	4,972.59	366.77	4,972.59
<b>Total</b>	<b>–</b>	<b>–</b>	<b>567.17</b>	<b>6,421.79</b>	<b>567.17</b>	<b>6,421.79</b>
<b>Interest payable</b>						
MMMCPL	–	–	28,263.09	14,038.68	28,263.09	14,038.68
<b>Total</b>	<b>–</b>	<b>–</b>	<b>28,263.09</b>	<b>14,038.68</b>	<b>28,263.09</b>	<b>14,038.68</b>
<b>Remuneration payable</b>						
RHS	1,772.92	1,105.79	–	–	1,772.92	1,105.79
AS	1,435.19	324.58	–	–	1,435.19	324.58
MD	65.82	39.80	–	–	65.82	39.80
AG	–	166.50	–	–	–	166.50
<b>Total</b>	<b>3,273.93</b>	<b>1,636.67</b>	<b>–</b>	<b>–</b>	<b>3,273.93</b>	<b>1,636.67</b>

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorized into credit risk, capital risk, liquidity risk, and market risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

### (a) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

### Trade receivables:

- (i) **The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:**

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
0-180 days	197,374.56	259,131.63
More than 180 days	10,743.91	13,838.24
<b>Total</b>	<b>208,118.47</b>	<b>272,969.87</b>

- (ii) **The expected credit loss analysis on these receivables is given in below table:**

(₹ in '000)		
Particulars	March 31, 2023	March 31, 2022
Opening provision for the year	7,697.72	14,865.41
Add: Provision for expected credit loss	2,585.48	17,928.97
Less: Bad debts	-	(24,015.89)
Add: Reversal of Bad debts	58.26	-
Less: Reversal of expected credit loss	(58.26)	(1,080.77)
Less / Add : Foreign currency translation reserve	-	-
<b>Closing provision for the year</b>	<b>10,283.20</b>	<b>7,697.72</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (b) Capital risk

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 17, and offset by investments and cash & bank balances as detailed in notes 11, 13 and 14) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

Particulars	(₹ in '000)	
	March 31, 2023	March 31, 2022
<b>Total Equity</b>	<b>375,378.91</b>	<b>552,179.58</b>
Current borrowings	343,843.66	395,948.74
Non-current borrowings	56,680.41	72,562.97
<b>Total debt</b>	<b>400,524.07</b>	<b>468,511.71</b>
Current Investments	56,605.03	26,595.06
Cash and cash equivalents	5,260.72	175,217.07
Other bank balances	7,531.65	7,254.70
<b>Net debt</b>	<b>331,126.67</b>	<b>259,444.88</b>
<b>Debt equity ratio</b>	<b>0.88</b>	<b>0.47</b>

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

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

Particulars	(₹ in '000)			
	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
<b>Maturities of Financial Liabilities as at March 31, 2023</b>				
Borrowings	4,00,524.07	3,43,843.66	56,680.41	-
Trade payables	1,33,875.21	1,33,875.21	-	-
Lease liabilities	1,348.83	191.02	1,157.81	-
Other financial liabilities	68,355.97	68,355.97	-	-
	<b>6,04,104.07</b>	<b>5,46,265.85</b>	<b>57,838.22</b>	-

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Carrying Value	(₹ in '000)		
		Upto 1 year	1 to 5 years	5 years & above
<b>Maturities of Financial Liabilities as at March 31, 2022</b>				
Borrowings	4,68,511.71	3,95,948.74	72,562.97	–
Trade payables	1,41,906.47	1,41,906.47	–	–
Lease liabilities	5,404.53	1,931.12	3,473.41	–
Other financial liabilities	45,695.09	45,695.09	–	–
	<b>6,61,517.80</b>	<b>5,85,481.42</b>	<b>76,036.38</b>	<b>–</b>

**(d) Market risk**

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Interest rate sensitivity**

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year would decrease / increase by amount as stated below.

Particulars	Financial Liabilities	Change in Interest rate	(₹ in '000)	
			Increase by 1%	decrease by 1%
March 31, 2023	4,00,524.07	1%	(4,005.24)	4,005.24
March 31, 2022	4,68,511.72	1%	(4,685.12)	4,685.12

**(ii) Other price risks**

The Company is not significantly exposed to equity price risks / other price risks.



## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 38. UNHEDGED FOREIGN CURRENCY (FC) EXPOSURE

The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year end are given below:

Particulars	(₹ in '000)			
	March 31, 2023		March 31, 2022	
	Foreign currency	Amount (₹)	Foreign currency	Amount (₹)
<b>Trade receivable</b>				
– Hedged	–	–	–	–
– Unhedged				
– USD	11,266.22	925.10	108,421.85	8,229.27
– GBP	94,731.59	9,620.85	53,875.55	5,378.25
– EURO	–	–	15,714.33	1,323.40
<b>Total</b>	<b>105,997.81</b>	<b>10,545.95</b>	<b>178,011.73</b>	<b>14,930.92</b>
<b>Trade payable</b>				
– Hedged	–	–	–	–
– Unhedged				
– USD	319,643.56	26,246.83	179,616.20	13,632.94
– JPY	–	–	2,261.40	233.39
<b>Total</b>	<b>319,643.56</b>	<b>26,246.83</b>	<b>181,877.60</b>	<b>13,866.33</b>

Of the above, the Company is exposed to USD, GBP, JPY & EURO. Hence the following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against ₹.

Particulars	Foreign exposure (net)	Change in Exchange rate	Impact on Profit or Loss	
			Increase by 5%	decrease by 5%
March 31, 2023	(15,700.88)	5%	(785.04)	785.04
March 31, 2022	1,064.60	5%	53.23	(53.23)

The Company is exposed to currency risk arising from its trade exposures and capital receipt / payments denominated, in other than the functional currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 39. DISCLOSURE UNDER IND AS - 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

### Disaggregate revenue information

Set out below is the disaggregation of the Company revenue from contracts with customers and reconciliation to the statement of profit and loss:

		(₹ in '000)	
Sr. No.	Particulars	March 31, 2023	March 31, 2022
<b>(a)</b>	<b>Type of product</b>		
	Sale of Magnets	3,38,249.20	3,93,862.22
	Sale of coil windings	21,670.27	17,071.54
	Sale of Powder	15,764.45	16,423.86
	Sale of Woven Tape	63,759.35	86,452.51
	Sale of Woven Label	1,80,094.00	1,83,058.67
	Sale of Fabric Printed Label	1,55,905.60	1,64,667.33
	Sale of Heat Transfer Labels	9,751.46	-
	Sale of Crochet Tape (Trading)	2,466.15	1,932.68
	Sale of Heat Transfer Labels (Trading)	4,464.85	2,940.07
	Sale of Tags & Stickers (Trading)	3,069.42	9,276.17
	Others	1,149.44	3,995.35
	<b>Total</b>	<b>7,96,344.19</b>	<b>8,79,680.40</b>
<b>(b)</b>	<b>Geographical Market</b>		
	India	7,45,086.18	8,48,532.47
	Outside India	51,258.01	31,147.93
	<b>Total</b>	<b>7,96,344.19</b>	<b>8,79,680.40</b>
<b>(c)</b>	<b>Timing of revenue recognition</b>		
	Performance obligation satisfied at a point in time	7,96,344.19	8,79,680.40
	Performance obligation satisfied over time	-	-
	<b>Total</b>	<b>7,96,344.19</b>	<b>8,79,680.40</b>
<b>(d)</b>	<b>Contract balances</b>		
	Trade receivables	208,118.47	272,969.87
	Contract assets	-	-
	Contract liabilities	555.73	410.08
<b>(e)</b>	Trade receivable are presented net of impairment in the balance sheet. In 2023, provision for expected credit loss recognised on trade receivable was ₹ 10,283.20 ('000) and [previous year ₹ 7,697.72 ('000)]		
<b>(f)</b>	<b>Significant changes in contract liability during the year are as follows:</b>		
	<b>Movement in contract liabilities</b>		
	Contract liabilities at the beginning of the year	410.08	1,342.83
	Increase due to cash received and decrease as a result of changes in the measure of progress, change in estimate	555.73	410.08
	Changes due to reclassification from deferred income	(410.08)	(1,342.83)
	<b>Contract liabilities at the end of the year</b>	<b>555.73</b>	<b>410.08</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 40. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(a) Gross amount required to be spent by the Company during the year ended March 31, 2023 ₹ NIL ('000) [Previous year ended March 31, 2022 ₹ NIL ('000)]

(b) Amount spent during the year ended

(₹ in '000)

Particulars	March 31, 2023		March 31, 2022	
	In Cash*	Yet to be paid in Cash	In Cash*	Yet to be paid in Cash
i) Construction / Acquisition of any assets	–	–	–	–
ii) Purposes other than (i) above	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

\*Represents actual outflow during the year

(c) Related party transactions in relation to Corporate Social Responsibility: ₹ NIL ('000)

(d) Provision movement during the year

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Opening Provision	1,049.00	1,049.00
Addition during the year	–	–
Utilised / Reversal during the year	(1,049.00)	–
<b>Closing provision</b>	<b>–</b>	<b>1,049.00</b>

### 41. LEASES

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

The movement in Right-of-use assets has been disclosed in Note 5

(b) **Lease Liabilities**

Movement in Lease Liabilities as from April 01, 2021:

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
<b>Opening Balance as at April 01</b>	<b>5,404.53</b>	<b>16,393.15</b>
Additions on account of New Leases	–	5,341.04
Accretion of Interest	476.60	967.20
Payments made	(2,407.73)	(5,019.28)
Early Termination of Lease	(2,124.57)	(9,799.99)
Change on account of Remeasurement	–	–
On account of change in foreign currency rate of foreign subsidiary (FCTR)	–	(2,477.59)
<b>Closing Balance as at March 31</b>	<b>1,348.83</b>	<b>5,404.53</b>
Current	191.02	1,931.12
Non-current	1,157.81	3,473.41
<b>Closing Balance as at March 31</b>	<b>1,348.83</b>	<b>5,404.53</b>

(c) Rent expenses recorded for short term leases was ₹ 759.59 ('000) [March 31, 2022 ₹ 1,155.35 ('000)] for the year ended March 31, 2023.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- (d) The total cash out flows for leases are ₹ 3,167.32 ('000) [March 31, 2022 ₹ 6,174.63 ('000)] in the year, including the payments relating to short term and low value leases.
- (e) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

	(₹ in '000)	
Particulars	March 31, 2023	March 31, 2022
Less than one year	324.00	2,407.73
One to five years	1,296.00	3,553.37
More than five years	162.00	513.00

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### 42. DISCONTINUED OPERATION

- (a) The consolidated results of the business classified as discontinued operations are under:

	(₹ in '000)	
Particulars	March 31, 2023	March 31, 2022
<b>Income</b>		
Revenue from operations	–	276,465.29
Other income	–	4,009.36
<b>Total Income</b>	<b>–</b>	<b>280,474.65</b>
<b>Expenses</b>		
Purchase of stock-in-trade	–	100,842.67
Changes in inventories of stock-in-trade	–	65,438.31
Employee benefits expense	27.38	52,584.75
Finance costs	21.34	1,587.90
Depreciation and amortization expense	–	3,897.92
Other expenses	1,018.16	28,507.32
<b>Total expenses</b>	<b>1,066.88</b>	<b>252,858.87</b>
<b>Profit / (loss) before exceptional items and tax</b>	<b>(1,066.88)</b>	<b>27,615.78</b>
Exceptional items	–	69,671.93
<b>Profit / (loss) before tax</b>	<b>(1,066.88)</b>	<b>97,287.71</b>
<b>Income tax expense</b>		
a) Current Tax	(3,511.37)	21,553.12
b) Deferred tax	–	(1,161.76)
<b>Total income tax expense</b>	<b>(3,511.37)</b>	<b>20,391.36</b>
<b>Profit / (loss) for the year</b>	<b>2,444.49</b>	<b>76,896.35</b>
<b>Other comprehensive income</b>		
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods	–	–
– Re-measurement gains/ (losses) on defined benefit plans	–	–
b) Other comprehensive income to be reclassified to profit or loss in subsequent periods	(2,405.06)	(8,059.22)
– Foreign currency translation reserve	–	–
c) Income tax effect on above	–	–
<b>Other comprehensive income for the year</b>	<b>(2,405.06)</b>	<b>(8,059.22)</b>
<b>Total comprehensive income for the year</b>	<b>39.43</b>	<b>68,837.13</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

**b) The net cash flows attributable to the discontinued operations are as follows:**

(₹ in '000)

Particulars	March 31, 2023	March 31, 2022
Net cash generated from/(used in) operating activities	(69,805.72)	(11,971.76)
Net cash generated from/(used in) investing activities	–	279,194.90
Net cash generated from/(used in) financing activities	(71,929.68)	(154,056.90)
<b>Net increase in cash and cash equivalents</b>	<b>(141,735.40)</b>	<b>113,166.24</b>

- c) The figures for the current year and previous year are not comparable, since the consolidated financial statement include figures of Rhine Estates Limited business upto October 11, 2021.

### 43. AGEING SCHEDULE

**(a) Ageing Schedule for Trade Payable**

The ageing Schedule for Trade Payables as at March 31, 2023 is as follows:

(₹ in '000)

Particulars	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	
i) MSME	2,491.29	8,775.81	622.29	-	-	<b>11,889.39</b>
ii) Others	39,046.28	76,710.84	1,597.26	630.36	4,001.08	<b>121,985.82</b>
iii) Disputed due - MSME	–	–	–	–	–	–
iv) Disputed due - Others	–	–	–	–	–	–
<b>Total</b>	<b>41,537.57</b>	<b>85,486.65</b>	<b>2,219.55</b>	<b>630.36</b>	<b>4,001.08</b>	<b>133,875.21</b>

The ageing Schedule for Trade Payables as at March 31, 2022 is as follows:

(₹ in '000)

Particulars	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	
i) MSME	5,105.29	6,354.06	1,065.62	-	-	<b>12,524.97</b>
ii) Others	40,590.32	79,089.51	2,882.41	1,965.05	4,854.21	<b>129,381.50</b>
iii) Disputed due - MSME	–	–	–	–	–	–
iv) Disputed due - Others	–	–	–	–	–	–
<b>Total</b>	<b>45,695.61</b>	<b>85,443.57</b>	<b>3,948.03</b>	<b>1,965.05</b>	<b>4,854.21</b>	<b>141,906.47</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### (b) Ageing Schedule for Trade Receivable

The ageing Schedule for Trade Receivable as at March 31, 2023 is as follows:

(₹ in '000)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		less than 180 days	180 days - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
– Consider Good	118,649.40	78,725.17	1,220.20	6,577.90	644.81	2,300.99	<b>208,118.47</b>
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	1,396.57	–	2,307.17	509.09	2,393.59	<b>6,606.42</b>
<b>Disputed</b>							
– Consider Good	–	–	–	–	–	–	–
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	–	–	2,710.96	965.82	<b>3,676.78</b>
<b>Total</b>	<b>118,649.40</b>	<b>80,121.74</b>	<b>1,220.20</b>	<b>8,885.07</b>	<b>3,864.86</b>	<b>5,660.40</b>	<b>218,401.67</b>

The ageing Schedule for Trade Receivable as at March 31, 2022 is as follows:

(₹ in '000)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		less than 180 days	180 days - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
– Consider Good	132,792.14	126,339.49	10,227.45	920.98	1,464.47	1,225.34	<b>272,969.87</b>
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	807.05	707.26	1,309.86	1,196.77	<b>4,020.94</b>
<b>Disputed</b>							
– Consider Good	–	–	–	–	–	–	–
– Which significant increase in credit risk	–	–	–	–	–	–	–
– Credit impaired	–	–	–	2,693.65	983.13	–	<b>3,676.78</b>
<b>Total</b>	<b>132,792.14</b>	<b>126,339.49</b>	<b>11,034.50</b>	<b>4,321.89</b>	<b>3,757.46</b>	<b>2,422.11</b>	<b>280,667.59</b>

### (c) Ageing Schedule for Capital Work In Progress

The ageing Schedule for Capital Work In Progress ageing schedule as at March 31, 2023 is as follows:

(₹ in '000)

Particulars	CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	343.56	–	–	–	<b>343.56</b>
Projects temporarily suspended	–	–	–	–	–

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

The ageing Schedule for Capital Work In Progress ageing schedule as at March 31, 2022 is as follows:

Particulars	CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	50,224.30	–	–	
Projects temporarily suspended	–	–	–	–	–

(₹ in '000)

### (d) Ageing Schedule for Intangible Assets Under Development

There are no projects in progress or temporary suspended.

### 44. Ratios

Ratios	Unit	Basis (Restated Numbers)	Explanation	March 31, 2023	March 31, 2022	Variance
Current Ratio	Times	Current Assets Current Liabilities	Current ratio has been computed as current assets divided by current liabilities.	0.96	0.90	7%
Debt-Equity Ratio	Times	Debts Shareholder's equity	Debt - equity ratio has been computed as total debt divided by shareholder's equity. Total debt is defined as current and non current borrowings and lease liabilities. Shareholder's equity includes equity share capital and other equity.	1.07	0.86	25%
Debt Service Coverage Ratio	Times	Earning of debts service Debts Service	Debt service coverage ratio has been computed as earning for debt service divided by debt service. Earning for debt service represents net profit after tax after adjusting certain non cash items and interest expense. Debt service includes interest expense and repayment of debt.	(0.66)	1.09	-160%
Return on Equity Ratio (ROE)	Percentage	Profit after tax Shareholder's equity	ROE has been computed as net profits after tax divided by average shareholder's equity.	-157%	107%	247%
Trade Payables turnover ratio	Times	Net Credit Purchase Average Trade Payables	Trade payables turnover ratio has been computed as net purchases divided by average trade payables. Net purchases represents all the purchases for goods and services except employee costs, finance costs, depreciation and non-cash expense.	4.03	3.70	9%
Trade Receivable turnover ratio	Times	Revenue from Operation Average Trade Receivable	Trade receivables turnover ratio has been computed as revenue from operation divided by average trade receivables.	3.31	2.85	16%

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Ratios	Unit	Basis (Restated Numbers)	Explanation	March 31, 2023	March 31, 2022	Variance
Net Capital turnover ratio	Times	Revenue from Operation	Net capital turnover ratio has been computed as revenue from operation divided by working capital. Working capital is calculated as current assets minus current liabilities.	(39.15)	(13.57)	188%
		Working Capital				
Inventory Turnover Ratio	Times	Cost of Goods Sold	Inventory turnover ratio has been computed as cost of goods sold divided by average of opening and closing inventory.	1.60	1.73	-7%
		Average of Inventories				
Net profit ratio	Percentage	Net profit	Net profit ratio has been computed as net profit divided by revenue from operation.	-21%	13%	262%
		Revenue from Operation				
Return on Capital Employed Ratio (ROCE)	Percentage	Earnings before Interest and Tax	ROCE has been computed as earnings before interest and taxes divided by capital employed where capital employed represents net worth, total debt, lease liability and deferred tax liability.	-14%	18%	175%
		Capital Employed				
Return on investment Ratio	Percentage	Finance Income	Return on investment has been computed as Finance Income divided by Investments. Finance income represents Interest income from bank deposits, Net gain on sale of current investments and Marked to market gain on current investments. Investments includes Investments in mutual funds, Bank deposits, Cash and cash equivalents and Bank balances.	13%	12%	3%
		Investments				

## Reasons for more than 25% variance

- Debt – Equity Ratio:** There is fall in debt - equity ratio compared to March 2022, this is due to loss incurred in current year which results in decrease in shareholder equity by ₹ 176,801 ('000).
- Debt Service Coverage Ratio:** The debt service coverage ratio falls due to loss incurred in current year. Also, in the previous year the Group sold its property land situated at Chennai and recognised gain of ₹ 256,670.04 ('000) which resulted in higher profits last year.
- Return on Equity Ratio:** The Return on Equity Ratio falls due to loss incurred in current year. Also, in the previous year the Group sold its property land situated at Chennai and recognised gain of ₹ 256,670.04 ('000), which resulted in higher returns on equity last year.
- Net Capital turnover ratio:** During the financial year 2022-23, Sales turnover of the Group decreased as compared to previous year and also during the current year there is reduction in working capital, resulting in to decrease in net capital turnover ratio.
- Net profit ratio:** The Net Profit Ratio falls compared to March 2022, due to loss in current year and higher profits from sale of property land in previous year.
- Return on Capital Employed Ratio:** The return on capital employed ratio decreased due to loss in current year as compared to higher profits in previous year.



## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 45. OTHER STATUTORY INFORMATION:

- (a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
  - (b) The Group does not have any transaction with any parties having status as struck off companies.
  - (c) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - (d) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - (e) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - (f) No funds have been advanced or loaned or invested by the Group to or in any person(s) or entity(ies), including foreign entities ('the 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 Group ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
  - (g) No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group 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.
  - (h) The quarterly statements filed by the Group with bank are in agreement with the books of accounts.
  - (i) The Group is not declared as wilful defaulter by any bank or financial Institution or other lender.
46. During the first quarter of the current financial year, the Company reported exceptional loss of ₹ 20,905.35 ('000) on account of goodwill impairment in respect of its wholly owned subsidiary Rhine Estates Limited (formerly known as MagDev Limited).

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

## 47. STATEMENT OF NET ASSETS, PROFIT OR (LOSS), OTHER COMPREHENSIVE INCOME AND TOTAL COMPREHENSIVE INCOME AND NON CONTROLLING INTEREST CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in '000)

Name of the Company	Net Assets		Share in Profit / (Loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TOCI)	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit / (loss)	Amount	% of Consolidated OCI	Amount	% of Consolidated Profit / (loss)	Amount
<b>Parent</b>								
Delta Manufacturing Limited	99.54%	10,48,537.54	46.97%	(78,614.36)	74.47%	(7,016.10)	48.43%	(85,630.46)
<b>Subsidiary</b>								
Rhine Estates Limited (Foreign)	3.97%	41,808.22	-1.46%	2,444.49	0.00%	-	-1.38%	2,444.49
<b>Consolidation adjustment</b>								
Add / (less): Adjustment arising out of consolidation	-3.51%	(36,968.25)	54.49%	(91,209.64)	25.53%	(2,405.06)	52.95%	(93,614.70)
<b>CONSOLIDATED NET ASSETS / PROFIT &amp; (LOSS)</b>	<b>100.00%</b>	<b>10,53,377.51</b>	<b>100.00%</b>	<b>(1,67,379.51)</b>	<b>100.00%</b>	<b>(9,421.16)</b>	<b>100.00%</b>	<b>(1,76,800.67)</b>

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

### 48. FAIR VALUE DISCLOSURES

a) Categories of financial instruments:

(₹ in '000)

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
Other financial assets - non current	–	–	36,612.71	–	–	29,615.08
Investments	56,605.03	–	–	26,595.06	–	–
Trade receivables	–	–	208,118.47	–	–	272,969.87
Cash and cash equivalents	–	–	5,260.72	–	–	175,217.07
Bank balances other than cash and cash equivalent	–	–	7,531.65	–	–	7,254.70
Other financial assets - current	–	–	1,577.72	–	–	1,451.29
<b>Total</b>	<b>56,605.03</b>	<b>–</b>	<b>259,101.27</b>	<b>26,595.06</b>	<b>–</b>	<b>486,508.01</b>
<b>Financial liabilities</b>						
Borrowings - non current	–	–	56,680.41	–	–	72,562.97
Borrowings - current	–	–	343,843.66	–	–	395,948.74
Trade payables	–	–	133,875.21	–	–	141,906.47
Lease liabilities	–	–	1,348.83	–	–	5,404.53
Other financial liabilities	–	–	68,355.97	–	–	45,695.09
<b>Total</b>	<b>–</b>	<b>–</b>	<b>604,104.08</b>	<b>–</b>	<b>–</b>	<b>661,517.80</b>

(b) Fair value hierarchy and method of valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of other financials assets and financial liabilities are approximate to their carrying values.

## Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

The following table presents fair value of assets and liabilities measured at fair value on recurring basis of March 31, 2023 and March 31, 2022.

(₹ in '000)

Financial Assets	March 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
– Investment in Mutual Fund	56,605.03	56,605.03	–	–	56,605.03

(₹ in '000)

Financial Assets	March 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
– Investment in Mutual Fund	26,595.06	26,595.06	–	–	26,595.06

As per our report of even date

For **M H S & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 141079W

**Mayur H. Shah**  
Partner  
Membership No: 147928

Place: Mumbai  
Date: May 26, 2023

For and on behalf of the Board of Directors of  
**Delta Manufacturing Limited**  
(CIN: L32109MH1982PLC028280)

**Jaydev Mody**  
Chairman  
DIN:00234797  
**Abhilash Sunny**  
Chief Financial Officer

Place: Mumbai  
Date: May 26, 2023

**Dr. Ram H. Shroff**  
Managing Director  
DIN:00004865  
**Madhuri Deokar**  
Company Secretary  
(ACS No.: 54631)

