

## INDEPENDENT AUDITOR'S REPORT

To the Members of Memco Engineering Pvt Ltd

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Memco Engineering Pvt Ltd ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.



**Responsibility of Management for the Financial Statements**

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

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

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

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

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

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

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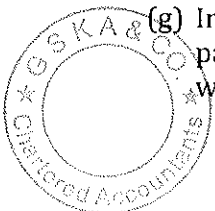
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;



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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.
  - iv. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **G S K A & CO**

Chartered Accountants

ICAI Firm Registration Number: 147093W

  
**per Ganesh Gaikwad**

Partner

Membership Number: 136512

UDIN: 23136512BGWITW5497

Place of Signature: Pune

Date: 25 May 2023

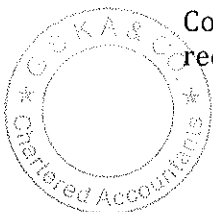


**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

**Re: Memco Engineering Pvt Ltd (the "Company")**

**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 state that:**

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- b. Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements included in property, plant and equipment are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2023.
- e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- b. The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, during the year, the Company has not granted any loans and advances in the nature of loans either secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3 (iii)(a),(b),(c),(d),(e),(f) of the Order are not applicable to the Company and hence not commented upon.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.



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- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company
  
- vii. a. The Company is regular in depositing with appropriate authorities 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 statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
b. There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
  
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
  
- ix. a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
  
b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
  
c. Term loans were applied for the purpose for which the loans were obtained.  
  
d. The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.  
  
e. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.  
  
f. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
  
- x. a. The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.  
  
b. The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
  
- xi. a. No fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.  
  
b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



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- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- xiv. a. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
  - b. The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
  - c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
  - d. There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year. [The Company has not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor



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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), 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 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 financial statements.
- xxi. The Company is not required to prepare consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

**For G S K A & CO**

Chartered Accountants

ICAI Firm Registration No:147093W

**per Ganesh Gaikwad**

Partner

Membership Number: 136512

UDIN: 23136512BGWITW5497

Place of Signature: Pune

Date: 25 May 2023





**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MEMCO ENGINEERING PVT LTD**

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

We have audited the internal financial controls with reference to financial statements of **Memco Engineering Pvt Ltd** ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



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

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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 control 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**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For G S K A & CO**

Chartered Accountants

ICAI Firm Registration Number: 147093W

**per Ganesh Gaikwad**

Partner

Membership Number: 136512

UDIN: 23136512BGWITW5497

Place of Signature: Pune

Date: 25 May 2023



MEMCO ENGINEERING PVT LTD  
Balance sheet as at 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3	1,035.17	937.82
Intangible assets	3A	15.05	18.00
<b>Financial assets</b>			
i. Investments	4A	6.16	6.16
ii. Other financial assets	4B	41.83	25.14
Deferred tax assets (net)	25	344.91	226.48
		<u>1,443.13</u>	<u>1,213.59</u>
<b>Current assets</b>			
Inventories	6	902.10	629.28
<b>Financial assets</b>			
i. Investments	4A	622.96	1,277.15
ii. Trade receivables	7	828.74	872.88
iii. Cash and cash equivalents	8	27.42	27.25
iv. Bank balances other than (iii) above	8	0.00	23.16
v. Others financial assets	4B	0.99	4.11
Other current assets	5	37.28	31.11
		<u>2,419.49</u>	<u>2,864.94</u>
<b>Total Assets</b>		<u><u>3,862.62</u></u>	<u><u>4,078.53</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share share capital	9	720.00	720.00
<b>Other equity</b>			
Retained earnings	10	1,896.52	1,900.05
		<u>2,616.52</u>	<u>2,620.05</u>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	11	93.38	193.34
ii. Lease Liabilities	12A	25.95	56.58
Provisions	15	110.76	249.97
		<u>230.09</u>	<u>499.90</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	11	374.99	260.22
ii. Trade payables			
a. total outstanding dues of micro and small enterprises	13	83.09	34.62
b. total outstanding dues other than (ii)(a) above	13	373.43	289.38
iii. Other financial liabilities	12	86.49	255.69
iv. Lease Liabilities	12A	30.44	26.42
Other current liabilities	14	45.79	54.94
Current tax liabilities		-	20.67
Provisions	15	21.80	16.65
		<u>1,016.01</u>	<u>958.59</u>
<b>Total liabilities</b>		<u><u>1,246.10</u></u>	<u><u>1,458.48</u></u>
<b>Total Equity and Liabilities</b>		<u><u>3,862.62</u></u>	<u><u>4,078.53</u></u>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For G S K A & Co.  
Chartered Accountants  
ICAI Firm Registration Number : 147093W

per Ganesh Gaikwad  
Partner  
Membership Number: 136512



Place: Pune  
Date: 25 May 2023

For and on behalf of the Board of Directors of  
Memco Engineering Pvt Ltd

Mr. Yatin Shah  
Whole-Time Director  
DIN. 00318140

Place: Solapur  
Date: 25 May 2023

Mr. Karan Shah  
Whole-Time Director  
DIN. 07985441

Place: Solapur  
Date: 25 May 2023



## MEMCO ENGINEERING PVT LTD

## Statement of profit and loss for the year ended 31 March 2023

(All amounts in rupees lakhs unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	16	5,279.32	5,054.36
Other income	17	59.87	47.70
<b>Total income (I)</b>		<b>5,339.19</b>	<b>5,102.05</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	18	1,939.18	1,532.08
(Increase)/decrease in inventories of finished goods and work-in-progress	19	31.93	(35.55)
Employee benefits expense	20	1,867.62	1,231.98
Other expenses	21	1,232.94	1,402.10
<b>Total expenses (II)</b>		<b>5,071.67</b>	<b>4,130.61</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>267.53</b>	<b>971.44</b>
Finance costs	22	46.24	45.70
Finance income	23	(1.25)	(1.42)
Depreciation and amortisation expense	24	279.97	299.14
<b>Profit before tax</b>		<b>(57.44)</b>	<b>628.02</b>
<b>Tax expense</b>			
Current tax	25	105.36	213.08
Adjustment of current tax relating to earlier years		(12.93)	-
Deferred tax	25	(125.45)	(59.23)
<b>Total tax expenses</b>		<b>(33.02)</b>	<b>153.85</b>
<b>Profit for the year</b>		<b>(24.42)</b>	<b>474.17</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans	26	27.92	9.20
Income tax effect	26	(7.03)	(2.31)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>20.89</b>	<b>6.88</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>20.89</b>	<b>6.88</b>
<b>Total comprehensive income for the year</b>		<b>(3.53)</b>	<b>481.05</b>
<b>Earnings per share</b>			
Basic and diluted (in Rs.)	27	(3.39)	65.86
(Computed on the basis of profit/(loss) for the year)			
Summary of significant accounting policies	2		

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

## As per our report of even date

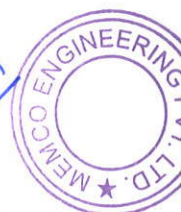
## For G S K A &amp; Co.

Chartered Accountants

ICAI Firm Registration Number : 147093W

per Ganesh Gaikwad  
Partner

Membership Number: 136512

Place: Pune  
Date: 25 May 2023For and on behalf of the Board of Directors of  
Memco Engineering Pvt LtdMr. Yatin Shah  
Whole-Time Director  
DIN. 00318140Place: Solapur  
Date: 25 May 2023Mr. Karan Shah  
Whole-Time Director  
DIN. 07985441Place: Solapur  
Date: 25 May 2023

MEMCO ENGINEERING PRIVATE LIMITED  
Statement of cash flows for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>A. Cash flow generated from operating activities</b>			
Profit/(loss) before tax		(57.44)	628.02
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation of property, plant and equipment	24	279.97	299.14
Finance income	23	(1.25)	(1.42)
Loss on sale of property, plant and equipments		1.27	
Finance costs	22	39.96	30.45
<b>Operating loss before working capital changes</b>		<b>262.52</b>	<b>956.19</b>
Movements in working capital :			
Increase in inventories	6	(272.82)	26.16
(Increase) / decrease in trade and other receivables	7	44.13	203.25
Decrease / (increase) in other financial assets	4B	(14.70)	0.85
(Increase) / decrease in other assets	5	15.75	(18.80)
Increase in other current liabilities	14	(9.16)	(14.13)
Increase in other financial Liabilities	12	(169.20)	71.41
Increase/ (decrease) in trade payables	13	132.52	(164.54)
Increase in provisions, gratuity and other provisions	15	(106.15)	20.41
<b>Changes in working capital</b>		<b>(379.62)</b>	<b>124.62</b>
Income taxes paid (net of refunds)	25	(135.03)	(221.69)
<b>Net cash flow generated from operating activities (A)</b>		<b>(252.13)</b>	<b>859.12</b>
<b>B. Cash flow (used in) Investing activities</b>			
Purchase of property, plant and equipment	3	(375.65)	(171.84)
Investment in Mutual funds (net)	4A	654.19	(635.50)
Proceeds from/(deposits) with banks	-	23.16	(0.17)
Interest received (finance income)	23	2.37	0.97
<b>Net cash flow (used in) investing activities (B)</b>		<b>304.07</b>	<b>(806.53)</b>
<b>C. Cash flow (used in) financing activities</b>			
Interest paid		(34.14)	(30.45)
Rent payment for leased asset		(32.43)	(22.96)
Repayment of long-term borrowings		(99.96)	(119.87)
Proceeds from short term borrowings (net)		114.77	72.30
<b>Net cash flow (used in) financing activities (C)</b>		<b>(51.76)</b>	<b>(100.98)</b>
Net increase / (decrease) in cash and cash equivalents		0.18	(48.40)
Cash and cash equivalents at the beginning of the year		27.25	75.65
<b>Cash and cash equivalents as at year end</b>		<b>27.42</b>	<b>27.25</b>
<b>Components of cash and cash equivalents:</b>			
Balances with banks:	8		
On current accounts		27.37	26.90
Cash in hand		0.05	0.35
<b>Total cash and cash equivalents (refer note 8)</b>		<b>27.42</b>	<b>27.25</b>

Summary of significant accounting policies

2

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

As per our report of even date

For G S K A & Co.  
Chartered Accountants  
ICAI Firm Registration Number : 147093W

per Ganesh Galkwad  
Partner  
Membership Number: 136512



Place: Pune  
Date: 25 May 2023

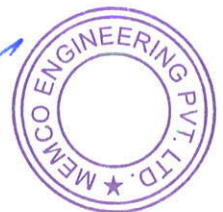
For and on behalf of the Board of Directors of  
Memco Engineering Pvt Ltd

Mr. YatIn Shah  
Whole-Time Director  
DIN. 00318140

Place: Solapur  
Date: 25 May 2023

Mr. Kanan Shah  
Whole-Time Director  
DIN. 07985441

Place: Solapur  
Date: 25 May 2023



MEMCO ENGINEERING PVT LTD  
Statement of changes in equity for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

A. Share Capital

	Numbers in Lakhs	Amount in Rupees Lakhs
Balance as at 01 April 2021	7.20	720.00
Issued during the year	-	-
Balance as at 31 March 2022	7.20	720.00
Issued during the year	-	-
Balance as at 31 March 2023	7.20	720.00

B. Other Equity

Particulars	Retained earnings/ (Accumulated deficit)	Other comprehensive Income / (loss)	Total other equity
As at March 31, 2021	1,383.91	35.08	1,419.00
Profit for the year	474.17	-	474.17
Other comprehensive Income for the year, net of tax	-	6.88	6.88
As at March 31, 2022	1,858.08	41.97	1,900.05
Profit/(loss) for the year	-24.42	-	-24.42
Other comprehensive Income for the year, net of tax	-	20.89	20.89
As at March 31, 2023	1,833.66	62.86	1,896.52

Summary of significant accounting policies

2

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

As per our report of even date

For G S K A & Co.  
Chartered Accountants  
ICAI Firm Registration Number : 147093W

per Ganesh Gaikwad  
Partner  
Membership Number: 136512



Place: Pune  
Date: 25 May 2023

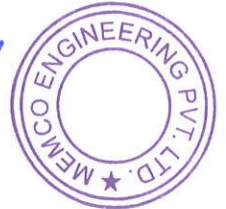
For and on behalf of the Board of Directors of  
Memco Engineering Pvt Ltd

Mr. Yatin Shah  
Whole-Time Director  
DIN. 00318140

Place: Solapur  
Date: 25 May 2023

Mr. Karan Shah  
Whole-Time Director  
DIN. 07985441

Place: Solapur  
Date: 25 May 2023



#### Note 1. Corporate Information

Memco Engineering Pvt Ltd is a deemed 'public company domiciled in India and incorporated under the provisions of the Companies Act 1956. The Company is a subsidiary of Precision Camshafts Limited by virtue of their holding 100 percent equity shares in the paid-up share capital as at 31st March, 2023. The Company is primarily engaged in the manufacture and sale of parts of diesel engine, break parts and parts of measuring instruments. The Company has its office registered at F-5, Satpur MIDC, Nasik, Maharashtra - 422005.

The financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on 25 May 2023.

#### Note 2. Significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

The Ind AS have been prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees Lakhs, except when otherwise indicated.

The management believes that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, these accounts do not include any adjustment relating to recoverability and classification of asset and liabilities that may have been otherwise necessary."

##### Disclosure of EBITDA

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry/ sector-specific disclosure requirements. For example, a Company may present EBITDA as a separate line item on the face of the statement of profit and loss.

##### Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance income, finance costs and tax expense.

##### 2.2 Summary of significant accounting policies

###### a) Current versus non-current classification

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.
- > 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 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.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

###### b) Foreign currencies

The Company's financial statements are presented in INR which is the Company's presentation currency and functional currency of the company.

###### (i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

###### (ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item. (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



**c) Fair value measurement**

The Company measures financial instruments such as investment, liability component of redeemable preference shares 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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

**d) Revenue recognition**

The revenue is recognised based on basis of following five step process:

- > Identify the contracts with the customer: The contract may be oral or written.
- > Identify the performance obligation: Performance obligation is nothing but promise made by the Company to its customer for delivery of goods or services.
- > Determine the transaction price
- > Allocate the transaction price to the performance obligation
- > Recognise the revenue when or as the Company satisfied the performance obligation: Revenue is recognised either at point in time or over a time

The specific recognition criteria described below must also be met before revenue is recognised.

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Income from services**

Revenue from services is recognised as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

**Interest**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**Dividends**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**e) Taxes**

**Current income tax**

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

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





**Deferred tax**

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

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

- > When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- > In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

- > When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- > In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

*Sales/ value added taxes/ goods and service tax paid on acquisition of assets or on incurring expenses*

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- > When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- > When receivables and payables are stated with the amount of tax included.

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

**f) Property, plant and equipment**

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

Depreciation on fixed assets is calculated on a written down value basis based on the useful lives estimated by the management.

Description of asset group	Useful lives as per management's estimate
Buildings	30 years
Plant & equipment	15 years
Office equipment	5 years
Electrical installation	10 years
Furniture and fixtures	10 years
Vehicles	8 years
Computers and printers	3 years

Cost of leasehold land is amortised over the remaining period of lease.

The Company believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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



**g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Computer Software are amortized over a period of five years on a straight line basis from the date the asset is available to the Company for its use.

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

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

**h) Borrowing costs**

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**i) Leases**

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

Company as lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building – 1 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

**ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



**j) Inventories**

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

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

- > Raw materials and components: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- > Finished goods and semi finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

**k) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

**l) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

**m) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. The Company operates gratuity plan which is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognised in profit or loss on the earlier of:  
I The date of the plan amendment or curtailment, and  
II The date that the Company recognises related restructuring costs

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

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

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



**n) 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.

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

- > Debt instruments at amortised cost
- > Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, trade receivables, cash and cash equivalents, other bank balances and other financial assets. For more information on receivables, refer note 4B, 4C, 7 and 8.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading 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 recognised in the P&L.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset have expired, or
- > The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

**Impairment of financial assets**

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

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, loans, trade receivables, bank balance and other financial assets.
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;
- iii) Loan commitments which are not measured as at FVTPL.



**MEMCO ENGINEERING PVT LTD**

Notes to the financial statements for the year ended 31 March 2023

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

> Trade receivables.

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instrument is described below:

> ECL on financial assets measured at amortised 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.

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

**Financial liabilities**

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

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

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

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

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

***Derecognition***

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

**o) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**p) Cash dividend**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**q) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.



MEMCO ENGINEERING PVT LTD  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Leasehold land	Buildings	Plants and equipment	Office equipment	Electrical installation	Furniture and fixtures	Vehicles	Computers and printers	Right to Use	Total
At Cost										
At 31 March 2021	46.11	215.22	2,072.02	7.40	21.69	9.84	21.94	24.69	130.21	2,548.63
Additions	-	-	159.49	-	0.72	4.03	-	-	-	164.24
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2022	46.11	215.22	2,231.51	7.40	22.41	14.37	21.94	24.69	130.21	2,712.87
Additions	-	-	291.60	-	16.54	-	66.79	0.72	-	375.65
Disposals	-	-	-22.20	-	-	-	-3.92	-	-	-26.12
At 31 March 2023	46.11	215.22	2,500.91	7.40	38.95	14.87	84.80	25.41	130.21	3,062.40

Depreciation and impairment

Particulars	Leasehold land	Buildings	Plants and equipment	Office equipment	Electrical installation	Furniture and fixtures	Vehicles	Computers and printers	Right to Use	Total
At 31 March 2021	1.79	83.35	1,300.81	5.81	12.44	5.34	17.23	21.63	32.53	1,480.94
Charge for the year	0.60	13.23	250.36	0.05	1.05	0.74	1.13	0.93	26.03	294.11
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2022	2.39	96.58	1,551.17	5.86	13.48	6.08	18.36	22.56	58.56	1,775.05
Charge for the year	0.60	12.11	232.11	0.03	2.91	1.14	1.33	0.76	26.03	277.01
Disposals	-	-	-21.12	-	-	-	-3.73	-	-	-24.85
At 31 March 2023	2.98	108.69	1,762.16	5.89	16.39	7.23	15.96	23.31	84.59	2,027.22
Net book value										
At 31 March 2023	43.13	106.53	738.75	1.51	22.56	7.64	68.84	2.10	45.62	1,035.18
At 31 March 2022	43.73	118.64	680.34	1.54	8.93	8.29	3.58	2.13	71.65	937.82

Property, plant and equipment  
The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of Rs. 149.66 lakhs ( 31 March, 2022: Rs. 162.37 lakhs) and movable assets with a carrying amount of Rs. 856.45 lakhs (31 March, 2022: Rs. 722.80 lakhs) are subject to first charge to secure the Company's borrowings. (refer note 11).

Note 3A: Intangible Assets

Particulars	Computer Software	
	Gross Block	Depreciation and impairment
At Cost		
At 31 March 2021	25.22	7.18
Additions	5.00	5.04
Disposals	-	-
At 31 March 2022	30.22	12.22
Additions	-	2.95
Disposals	-	-
At 31 March 2023	30.22	15.16

Net book value	
At 31 March 2023	15.05
At 31 March 2022	18.00



MEMCO ENGINEERING PVT LTD  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

Note 4: Financial Assets

4A) Investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(I) At fair value through profit or loss (FVTPL)</b>		
<b>a) Investments in Equity Instruments</b>		
Shares of Thane Janata Bank 9259 Equity shares of Rs. 50 each fully paid-up (March 31, 2022: 9259 equity shares)	4.63	4.63
Shares of Janlaxmi Bank 5198 Equity shares of Rs. 25 each fully paid-up (March 31, 2022: 5198 equity shares)	1.30	1.30
Shares of Mahila Bank 850 Equity shares of Rs. 25 each fully paid-up (March 31, 2022: 850 equity shares)	0.21	0.21
Shares of Godavari Bank 10 Equity shares of Rs.100 each fully paid-up (March 31, 2022: 10 equity shares)	0.01	0.01
Shares of NAMCO Bank 28 Equity shares of Rs. 25 each fully paid-up (March 31, 2022: 28 equity shares)	0.01	0.01
<b>b) Investments in Mutual Funds</b>		
<b>Quoted Mutual Funds</b>		
HDFC Liquid Fund	-	169.64
ICICI Prudential Ultra Short Term Fund	163.80	270.80
Aditya Birla Sun Life Low Duration Fund	114.04	116.23
UTI Floater Fund	111.75	60.10
Aditya Birla Sun Life	-	100.00
UTI Money Market Fun	-	102.53
ICICI Prudential Fund	63.10	203.30
HDFC Banking N Dbt	65.42	154.55
HDFC Ultra Short	-	100.00
HDFC Equity saving Fund	63.00	-
HDFC Credit Risk Debt Fund	41.85	-
<b>Total Investments at FVTPL</b>	<b>629.12</b>	<b>1,283.31</b>
<b>Non-current</b>	<b>6.16</b>	<b>6.16</b>
<b>Current</b>	<b>622.96</b>	<b>1,277.15</b>
Aggregate book value of quoted investments	622.96	1,277.15
Aggregate book value of unquoted investments	6.16	6.16

4B) Other financial assets (unsecured, considered good) (Carried at amortised cost)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	41.83	27.14
Interest accrued on fixed deposits	0.99	2.11
<b>Total other financial assets</b>	<b>42.82</b>	<b>29.25</b>
<b>Non-current</b>	<b>41.83</b>	<b>25.14</b>
<b>Current</b>	<b>0.99</b>	<b>4.11</b>
	<b>42.82</b>	<b>29.25</b>

Security deposit mainly include security deposits with State electricity board; which generate interest in the range of 4% to 6% per annum.

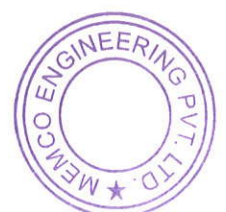


**MEMCO ENGINEERING PVT LTD****Notes to the financial statements for the year ended 31 March 2023***(All amounts in rupees lakhs unless otherwise stated)***Note 5: Other assets (unsecured, considered good)**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Prepaid expenses	7.61	5.59
Advance for purchase of materials	7.74	0.16
Balances with statutory/government authorities	0.00	25.35
Advance tax (net of provision for taxation)	21.93	-
	<b>37.28</b>	<b>31.11</b>
<b>Non-current</b>	-	-
<b>Current</b>	<b>37.28</b>	<b>31.11</b>
	<b>37.28</b>	<b>31.11</b>

**Note 6: Inventories**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Raw materials and components	477.80	298.17
Stores, spares and packing materials	287.68	162.56
Semi-finished goods	98.69	102.94
Finished goods	37.93	65.60
	<b>902.10</b>	<b>629.28</b>





**Note 7: Trade receivables**

Particulars	As at 31 March 2023	As at 31 March 2022				
Trade receivables	828.74	872.88				
<b>Total</b>	<b>828.74</b>	<b>872.88</b>				
<b>Break-up for security details:</b>						
-Secured, considered good	-	-				
-Unsecured, considered good	828.74	872.88				
-Trade receivables which have significant increase in credit risk	-	-				
-Trade receivables - credit impaired	-	-				
<b>Total</b>	<b>828.74</b>	<b>872.88</b>				
Current portion	828.74	872.88				
Non-current portion	-	-				
<b>Ageing schedule as at 31 March 2023</b>	<b>Current but not due</b>	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
Undisputed Trade Receivables - considered good	-	828.74	-	-	-	828.74
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>828.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>828.74</b>
<b>Ageing schedule as at 31 March 2022</b>	<b>Current but not due</b>	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
Undisputed Trade Receivables - considered good	-	872.88	-	-	-	872.88
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>872.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>872.88</b>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

See Note 35 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

**Note 8: Cash and bank balances**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Cash and cash equivalents</b>		
Balance with Banks		
Current accounts	27.37	26.90
Cash on hand	0.05	0.35
<b>Total cash and cash equivalents</b>	<b>27.42</b>	<b>27.25</b>
<b>Other bank balances</b>		
Deposits with remaining maturity for less than 12 months	0.00	23.16
<b>Total other bank balances</b>	<b>0.00</b>	<b>23.16</b>



Note 9: Share Capital

A) Authorised Share Capital

At 31 March 2021
Increase/ (decrease) during the year
At 31 March 2022
Increase/ (decrease) during the year
At 31 March 2023

Equity Shares	
Number in lakhs	Amount in Rupees lakhs
7.20	720.00
7.20	720.00
7.20	720.00

At 31 March 2021
Increase/ (decrease) during the year
At 31 March 2022
Increase/ (decrease) during the year
At 31 March 2023

Preference shares	
Number in lakhs	Amount in Rupees lakhs
5.00	500.00
5.00	500.00
5.00	500.00

B) Issued equity capital

Equity shares of Rs. 100 each issued, subscribed and fully paid

At 31 March 2021
Issued during the year
At 31 March 2022
Issued during the year
At 31 March 2023

Equity Shares	
Number in lakhs	Amount in Rupees lakhs
7.20	720.00
7.20	720.00
7.20	720.00

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 per share (31 March 2022: Rs. 100 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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.

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.

Shares held by holding/ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	31 March 2023		31 March 2022	
	Number in lakhs	Amount in Rupees lakhs	Number in lakhs	Amount in Rupees lakhs
Equity shares of Rs. 100 each fully paid Precision Camshafts Limited	7.20	720.00	7.20	720.00

Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 100 each fully paid Precision Camshafts Limited	31 March 2023		31 March 2022	
	Number in lakhs	% holding in the class	Number in lakhs	% holding in the class
	7.20	100.00%	7.20	100.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Detail of shareholding of Promoters

Equity shares of Rs. 100 each fully paid Precision Camshafts Limited	31 March 2023			31 March 2022		
	Number in lakhs	% holding	% Change during the year	Number in lakhs	% holding	% Change during the year
	7.20	100.00%	-	7.20	100.00%	-

The shareholding information is based on the legal ownership of shares and has been extracted from the record of the Company including register of shareholders / member.

Note 10: Retained earnings

At 31 March 2021
Profit for the year
Other comprehensive income for the year
At 31 March 2022
Profit/(loss) for the year
Other comprehensive income for the year
At 31 March 2023

Amount in Rupees lakhs
1,419.00
474.17
6.88
1,900.05
-24.42
20.89
1,896.52



MEMCO ENGINEERING PVT LTD  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

Note 11: Financial Liabilities

a) Borrowings

Particulars	Rate of Interest	Maturity	As at 31 March 2023	As at 31 March 2022
<b>Long term borrowings</b>				
<b>Term Loan from banks (secured)</b>				
Term loan 4- 005	9.75%	Sep-24	26.95	67.51
Term loan 5- 006	9.75%	Sep-24	2.80	7.27
Term loan 6- 007	9.75%	Sep-24	4.99	12.95
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	58.64	105.61
			<b>93.38</b>	<b>193.34</b>
<b>Short term borrowings</b>				
<b>Current maturity of long term loans</b>				
Term loan 2- 003	9.75%	Dec-22	-	6.56
Term loan 3- 004	9.75%	Jun-22	-	15.98
Term loan 4- 005	9.75%	Sep-24	41.17	39.54
Term loan 5- 006	9.75%	Sep-24	4.58	4.44
Term loan 6- 007	9.75%	Sep-24	8.10	7.78
Term loan 7- 008	9.75%	May-22	-	2.74
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	46.98	46.91
<b>Loan repayable on Demand</b>				
Cash credit from banks (secured)	9.50%	On Demand	274.16	136.26
			<b>374.99</b>	<b>260.22</b>

**Term loan 2-003:**

**Term loan 3 of Bank I has been taken over by Bank II,**

Term loan 2 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 51 months. The loan is repayable in 51 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited. The loan has been repaid during the current year.

**Term loan 3-004:**

**Term loan 4 of Bank I has been taken over by Bank II,**

Term loan 3 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from November 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited. The loan has been repaid during the current year.

**Term loan 4-005:**

**Term loan 7 of Bank I has been taken over by Bank II,**

Term loan 4 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

**Term loan 5-006:**

**Term loan 6 of Bank I has been taken over by Bank II,**

Term loan 5 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

**Term loan 6-007:**

**Term loan 8 of Bank I has been taken over by Bank II,**

Term loan 6 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Limited Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

**Term loan 7-008:**

**Term loan 5 of Bank I has been taken over by Bank II,**

Term loan 7 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited. The loan has been repaid during the current year.

**Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001**

Term loan from citi bank carries interest at the rate of 9.75% p.a. The tenure of the loan is 70 Months. The loan is repayable in 20 quarterly instalments commencing from September 2020. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.



**MEMCO ENGINEERING PVT LTD**

Notes to the financial statements for the year ended 31 March 2023

(All amounts in rupees lakhs unless otherwise stated)

**Cash credit from banks:**

Cash credit is secured by hypothecation of current assets of the Company. Cash credit has also been secured by collateral securities of existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur. The cash credit has been secured by corporate guarantee of Holding Company Precision Camshaft Limited. The cash credit has also been secured by Demand promissory note and letter of continuity for Rs. 50 Million.

The carrying amounts of property, plant and equipment pledged as security for non-current borrowings are disclosed in note 3. And carrying amount of inventories and trade receivables are pledged as security for short term borrowings.

Term loan and loans repayable on demand from banks contain certain covenants relating to debt service coverage ratio, total debt gearing ratio. All the ratios mentioned above are within the level stipulated by the banks in its prescribed sanctions.

**Note 12: Other financial liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefit liabilities	86.49	255.69
<b>Total</b>	<b>86.49</b>	<b>255.69</b>
Non - Current	-	-
Current	86.49	255.69
	<u>86.49</u>	<u>255.69</u>

**Note 12A: Lease Liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Lease Liabilities	56.39	83.00
Non-current	25.95	56.58
Current	30.44	26.42
	<u>56.39</u>	<u>83.00</u>

**Note 13: Trade payables**

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	83.09	34.62
- Total outstanding dues of creditors other than micro enterprises and small enterprises	373.43	289.38
- To related parties	-	-
<b>Total trade payables</b>	<b>456.52</b>	<b>324.00</b>
Non-current	-	-
Current	456.52	324.00
	<u>456.52</u>	<u>324.00</u>

Trade payables are non-interest bearing and are normally settled on 60 to 90 day terms  
For explanations on the Company's credit risk management processes, refer note 35

**Details of dues to Micro and small as defined under MSMED Act, 2006**

Particulars	As at 31 March 2023	As at 31 March 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	83.09	34.62
Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.	-	-
(iii) 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 MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-



**MEMCO ENGINEERING PVT LTD**  
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(All amounts in rupees lakhs unless otherwise stated)

Ageing schedule as at 31 March 2023	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	83.09	-	-	-	83.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	373.43	-	-	-	373.43
Disputed dues of creditors - micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	-	<b>456.52</b>	-	-	-	<b>456.52</b>

Ageing schedule as at 31 March 2022	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	34.62	-	-	-	34.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	289.38	-	-	-	289.38
Disputed dues of creditors - micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	-	<b>324.00</b>	-	-	-	<b>324.00</b>

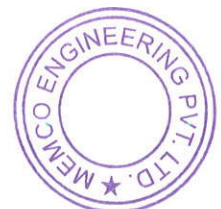
**Note 14: Other current liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Tax deducted at source payable	4.93	4.57
Excise/ service tax and GST payable	40.86	50.37
	<b>45.79</b>	<b>54.94</b>

**Note 15: Provisions**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Employee benefits obligations:</b>		
Gratuity	96.24	205.26
Compensated absences	36.31	61.36
	<b>132.55</b>	<b>266.62</b>
<b>Non-current</b>	<b>110.76</b>	<b>249.97</b>
<b>Current</b>	<b>21.80</b>	<b>16.65</b>
	<b>132.55</b>	<b>266.62</b>

The liability for compensated absences cover the Company's liability for earned leaves.  
Also refer note 28 for detailed disclosure of gratuity.



MEMCO ENGINEERING PVT LTD  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

**Note 16: Revenue from operations**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	4,985.19	4,186.30
Sale of services	-	574.66
<b>Total sale of products and services</b>	<b>4,985.19</b>	<b>4,760.96</b>
<b>Other operating income</b>		
Scrap sales	294.13	293.40
	<b>294.13</b>	<b>293.40</b>
	<b>5,279.32</b>	<b>5,054.36</b>
<b>Location</b>		
India	5,279.32	5,054.36
Outside India	-	-
<b>Total</b>	<b>5,279.32</b>	<b>5,054.36</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	5,279.32	5,054.36
Services transferred over time	-	-
<b>Total</b>	<b>5,279.32</b>	<b>5,054.36</b>

**Note 17: Other Income**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value gain on mutual funds at fair value through profit or loss	53.09	35.50
Other income	6.78	11.97
Trade payables no longer required written back	0.00	0.23
	<b>59.87</b>	<b>47.70</b>

**Note 18: Cost of raw materials and components consumed**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventory at the beginning of the year	298.17	338.23
Add: purchases	2,118.80	1,492.02
	<b>2,416.98</b>	<b>1,830.26</b>
Less: inventory at the end of the year	477.80	298.17
<b>Cost of raw materials and components consumed</b>	<b>1,939.18</b>	<b>1,532.08</b>

**Note 19: (Increase) / decrease in inventories of finished goods and work in progress**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Opening stock:</b>		
Finished goods	65.60	24.04
Semi-finished goods	102.94	108.95
	<b>168.55</b>	<b>132.99</b>
<b>Closing stock:</b>		
Finished goods	37.93	65.60
Semi-finished goods	98.69	102.94
	<b>136.62</b>	<b>168.55</b>
<b>(Increase)/decrease in inventories of finished goods and work in progress</b>	<b>31.93</b>	<b>-35.55</b>



MEMCO ENGINEERING PVT LTD  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts in rupees lakhs unless otherwise stated)

**Note 20: Employee benefit expense**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages, bonus and commission	1,779.57	1,131.40
Contribution to provident fund and other funds	35.43	46.74
Gratuity expense (refer note 28)	29.81	27.80
Staff welfare expenses	22.81	26.05
	<b>1,867.62</b>	<b>1,231.98</b>

During the year, the company declared Voluntary Retirement Schemes (VRS) for its employees under which an amount of INR 755.80 lakhs (31 March 2022: INR 140 lakhs) has been paid/provided and charged to profit and loss account.

**Note 21: Other expenses**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumable Stores, Spare Parts, Gauges, Oil & Lubricant	534.93	590.11
Packing Material	25.33	16.64
Rent	5.04	4.80
Power and fuel	190.91	201.12
Job work expenses	183.95	317.28
Freight outward charges	14.74	15.99
Rates and Taxes	0.04	1.19
Insurance Charges	8.11	8.75
Repairs and maintenance		
Plant and machinery	49.21	57.43
Building	40.10	55.77
Others	-0.39	22.15
Advertisement and sales promotion	-	-
Travelling and conveyance	14.72	7.57
Telephone and communication expenses	3.27	3.03
Legal and professional fees	9.48	12.56
Payment to auditor (refer details below)	3.25	3.25
Bad debts and advances written off	2.60	-0.00
Corporate Social responsibility expenses	6.50	-
Miscellaneous expenses	141.15	84.44
	<b>1,232.94</b>	<b>1,402.10</b>

**Payment to Auditors**

	Year ended 31 March 2023	Year ended 31 March 2022
<b>As auditor</b>		
Statutory audit Fee	3.25	3.25

**Note 22: Finance costs**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings	34.14	30.45
Interest on lease liability	5.82	7.93
Bank charges	6.27	7.33
	<b>46.24</b>	<b>45.70</b>

**Note 23: Finance income**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
Bank deposits	1.25	1.42
Others	-	-
	<b>1.25</b>	<b>1.42</b>

**Note 24: Depreciation and amortisation expense**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of tangible assets	277.02	294.10
Amortisation of intangible assets	2.95	5.04
	<b>279.97</b>	<b>299.14</b>



**Note 25: Deferred tax asset (net)**

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Deferred tax liability</b>		
Loan processing fees and other fees	1.29	2.60
Others	9.67	5.31
<b>Gross deferred tax liability</b>	<b>10.95</b>	<b>7.92</b>
<b>Deferred tax assets</b>		
PPE: impact of difference between tax depreciation and depreciation / / amortisation for the financial reporting	118.27	105.86
Employee related costs allowed for tax purposes on payment basis	45.03	81.36
Lease Liability	2.71	2.35
VRS	189.85	44.82
<b>Gross deferred tax assets</b>	<b>355.86</b>	<b>234.40</b>
<b>Net deferred tax asset</b>	<b>344.91</b>	<b>226.48</b>
<b>Reconciliation of deferred tax asset</b>		
	Year ended 31 March 2023	Year ended 31 March 2022
Opening deferred tax asset, net	226.48	169.56
Deferred tax credit / (charge) recorded in statement of profit and loss	125.45	59.23
Deferred tax (credit) / charge recorded in OCI	(7.03)	(2.31)
<b>Closing deferred tax asset, net</b>	<b>344.91</b>	<b>226.48</b>

The major components of income tax expense for the year ended 31 March 2023 and year ended 31 March 2022 are:

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	92.43	213.08
Deferred tax	(125.45)	(59.23)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(33.02)</b>	<b>153.85</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:**

Accounting loss before income tax	(57.44)	628.02
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	(14.46)	158.07
Tax expense relating to prior years	(12.93)	-
Others	(5.64)	(4.22)
<b>At the effective income tax rate</b>	<b>(33.02)</b>	<b>153.85</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(33.02)</b>	<b>153.85</b>





**MEMCO ENGINEERING PVT LTD****Notes to the financial statements for the year ended 31 March 2023***(All amounts in rupees lakhs unless otherwise stated)***Note 26: Components of Other comprehensive income (OCI)****During the year ended 31 March 2023**

	Retained earnings	Total
Re-measurement gains / (losses) on defined benefit plans	27.92	27.92
Income tax effect	-7.03	-7.03
	<b>20.89</b>	<b>20.89</b>

**During the year ended 31 March 2022**

	Retained earnings	Total
Re-measurement gains / (losses) on defined benefit plans	9.20	9.20
Income tax effect	-2.31	-2.31
	<b>6.88</b>	<b>6.88</b>

**Note 27: Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to Equity shareholders of the company	(24.42)	474.17
Weighted average number of equity shares for calculating basic and Diluted EPS	7.20	7.20
Earnings per share (basic) and diluted (Rupees/share)	(3.39)	65.86



**Note 28: Disclosure pursuant to Employee benefits**

**A. Defined contribution plans:**

Amount of Rs. 35.43 lakhs (March 31, 2022: Rs. 46.73 lakhs ) is recognised as expenses and included in Note No. 20 "Employee benefit expense".

**B. Defined benefit plans:**

The Company has following post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

The Company has a defined benefit gratuity plan in India and the same is unfunded. The Company's defined benefit gratuity plan is a final salary plan for India employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. As per the Payment of Gratuity Act, 1972, 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.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the respective plans.

**Net benefit expense (recognised in statement of profit and loss) \***

	31 March 2023	31 March 2022
Current service cost	14.89	14.47
Net interest cost	14.92	13.33
Past service cost		
	<u>29.81</u>	<u>27.80</u>

Changes in the present value of the defined benefit obligation are, as follows :

	Rupees in lakhs	
<b>Defined benefit obligation at 31 March 2021</b>		193
Interest cost		13.33
Current service cost		14.47
Benefits paid		-6.50
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions		0.08
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions		-9.79
Actuarial (Gains)/Losses on Obligations - Due to Experience		0.51
<b>Defined benefit obligation at 31 March 2022</b>		<u>205.26</u>
Interest cost		14.92
Current service cost		14.89
Benefits paid		-110.92
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions		-0.62
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions		-1.92
Actuarial (Gains)/Losses on Obligations - Due to Experience		-25.37
<b>Defined benefit obligation at 31 March 2023</b>		<u>96.24</u>

	31 March 2023	31 March 2022
Gratuity cost charged to statement of profit and loss	29.81	27.80
Remeasurement gains/(losses) recognised in OCI	-27.92	-9.20

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.50%	7.27%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	NA	NA
Expected average remaining working lives (in years)	14	15
Withdrawal rate (based on grade and age of employees)	3.00%	2.00%

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

Particulars	Sensitivity level	(Increase) / decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	1% increase	-3.96	-12.26
	1% decrease	4.26	13.38
Future salary increase	1% increase	4.22	13.22
	1% decrease	-3.96	-12.24

**The followings are the expected future benefit payments for the defined benefit plan :**

Particulars	Year ended March 31, 2023	Year ended March 31, 2023
<b>Within the next 12 months (next annual reporting period)</b>	14.15	3.98
Gratuity	-	-
Pension, Post retirement medical scheme and Long-term award	-	-
Compensated absences	-	-
Between 2 and 5 years	16.13	33.66
Beyond 5 years	184.85	565.88
<b>Total expected payments</b>	<u>215.13</u>	<u>603.52</u>

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

Particulars	Year ended March 31, 2023 Years	Year ended March 31, 2022 Years
Gratuity	10.00	14.00



**Note 29: Related party transactions**

**A Names of the related party and related party relationship:**

**a) Related party where control exists**

Precision Camshafts Limited Holding Company

**b) Key management personnel (KMP)**

Yatin Subhash Shah	Director
Suhasini Yatin Shah	Director
Ravindra Rangnath Joshi	Director
Karan Yatin Shah	Director
Shriram N. Kulkarni	Company Secretary (Upto 17 June 2022)

**B The transactions with related parties during the period/year and their outstanding balances are as follows:**

Particulars	Key management personnel	
	31 March 2023	31 March 2022
Remuneration* (including commission)	62.18	63.15
<b>Balances outstanding</b>		
Remuneration payable	5.00	5.34

**C Disclosure in respect of material related party transaction during the year:**

Particulars	Relationship	31 March 2023	31 March 2022
<b>Remuneration* (including commission)</b>			
Suhasini Yatin Shah	Key management personnel (KMP)	30.00	30.00
Karan Yatin Shah	Key management personnel (KMP)	30.00	30.00
Abhishek P. Phadke	Key management personnel (KMP)	-	2.43
Shriram N. Kulkarni	Key management personnel (KMP)	2.18	0.73

**D Disclosure in respect of balances outstanding as at the year end**

Particulars	Relationship	31 March 2023	31 March 2022
<b>Remuneration payable</b>			
Suhasini Yatin Shah	Key management personnel (KMP)	2.50	2.50
Karan Yatin Shah	Key management personnel (KMP)	2.50	2.50
Shriram N. Kulkarni	Key management personnel (KMP)	-	0.34

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

\* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the remuneration does not include the same.



**Note 30: Segment Information**

The Company is engaged in precision machining industry. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment. The Company operates majorly in single geographical segment, i.e India. Accordingly, the chief operating decision maker uses this set of financial for decision making.

**Note 31: Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>				
Investments	629.12	1,283.31	629.12	1,283.31
<b>Total</b>	<b>629.12</b>	<b>1,283.31</b>	<b>629.12</b>	<b>1,283.31</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The net asset value of the quoted mutual funds is based on the price quotations at reporting date.

**Note 32: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023 and 31 March 2022:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Investments	31-Mar-23	629.12	622.96	6.16	-
Investments	31-Mar-22	1,283.31	1,277.15	6.16	-

**Note 33: Capital Management**

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances and short term investments.

	31 March 2023	31 March 2022
Borrowings	468.37	453.56
Trade payables	456.52	324.00
Other financial liabilities	86.49	255.69
Lease liabilities	56.39	83.00
Less: Cash and cash equivalents, other bank balances and short term investments	(650.38)	(1,327.56)
<b>Net debt</b>	<b>417.39</b>	<b>(211.31)</b>
<b>Total Equity</b>	<b>2,616.52</b>	<b>2,620.05</b>
<b>Capital and net debt</b>	<b>3,033.90</b>	<b>2,408.73</b>
<b>Gearing ratio</b>	<b>13.76%</b>	<b>-8.77%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

**Note 34: Significant accounting judgements, estimates and assumptions**

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

**Judgements**

**Judgements**

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

**Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.



The Company has a lease contract that include extension and termination options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company 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.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan the present value of the gratuity obligation 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 reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 28.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 31 and 32 for further disclosures.

**Note 35: Financial risk management objectives and policies**

The Company's principal financial liabilities, comprise loans and borrowings; and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

**Sensitivity**

Year	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-23	50	1.75
	(50)	-1.75
31-Mar-22	50	2.27
	(50)	-2.27

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the foreign currency risk is minimum; due to the fact that, the companies does not have material export market or does not have any foreign currency borrowings. Accordingly, no sensitivity analysis have been performed by the management.

**Commodity risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of parts of diesel engine, break parts and parts of measuring instruments and therefore require a continuous supply majorly of steel bars.

The Company's exposure to the risk of exchange in key raw material prices are mitigated by the fact that the price increases/decreases from the vendors are passed on to the customers based on understanding with the customers. Also the prices of major vendors are decided and finalised by customers and communicated to the Company. Hence the fluctuation of prices of key raw materials do not materially affect the statement of profit and loss. Accordingly, no sensitivity analysis have been performed by the management.

**Credit Risk**

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



MEMCO ENGINEERING PVT LTD  
Notes to the financial statements for the year ended March 31, 2023  
(All amounts in rupees lakhs unless otherwise stated)

**Trade receivables**

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 7. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**Financial Instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The investment of surplus funds is made in fixed deposits which are approved by the Director.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as illustrated in note 8.

**Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30-90 days. The other payable are with short term durations. The carrying amount are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Year Ended 31 March 2023</b>				
Borrowings	374.99	93.38	-	468.37
Other financial liabilities	86.49	-	-	86.49
Undiscounted Lease liabilities	34.05	26.48	-	60.53
Trade payables	456.52	-	-	456.52
	<b>952.04</b>	<b>119.86</b>	<b>-</b>	<b>1,071.90</b>
<b>Year Ended 31 March 2022</b>				
Borrowings	264.57	188.98	-	453.56
Other financial liabilities	255.69	-	-	255.69
Undiscounted Lease liabilities	32.43	60.53	-	92.96
Trade payables	324.00	-	-	324.00
	<b>876.69</b>	<b>249.51</b>	<b>-</b>	<b>1,126.21</b>

**Note 36 : Leases where company is a lessee**

**(A)(ia) Changes in the carrying value of Right-of-use Assets**

Particulars	Category of ROU Asset			Total
	Asset Class 1 (Land and Building)	Asset Class 2 (Plant & Machinery)	Asset Class 3 (Office Equipments)	
Balance as at 31 March 2021	97.68	-	-	97.68
Additions	-	-	-	-
Deletion	-	-	-	-
Depreciation	26.03	-	-	26.03
Balance as at 31 March 2022	71.65	-	-	71.65
Additions	-	-	-	-
Deletion	-	-	-	-
Depreciation	26.03	-	-	26.03
Balance as at 31 March 2023	45.62	-	-	45.62

**(ib) Changes in the Lease Liabilities**

Particulars	Category of ROU Asset			Total
	Asset Class 1 (Land and Building)	Asset Class 2 (Plant & Machinery)	Asset Class 3 (Office Equipments)	
Balance as at 31 March 2021	105.96	-	-	105.96
Additions	-	-	-	-
Lease Payments	22.96	-	-	22.96
Balance as at 31 March 2022	83.00	-	-	83.00
Additions	-	-	-	-
Lease Payments	26.61	-	-	26.61
Balance as at 31 March 2023	56.39	-	-	56.39

**(ii) Break-up of current and non-current lease liabilities**

Particulars	31 March 2023	31 March 2022
Current Lease Liabilities	30.44	26.42
Non-current Lease Liabilities	25.95	56.58



(iii) Amounts recognised in statement of Profit and Loss account

Particulars	31 March 2023	31 March 2022
Interest on Lease Liabilities	5.82	7.93
Depreciation expenses	26.03	26.03
<b>Total</b>	<b>31.85</b>	<b>33.96</b>

(iv) Amounts recognised in statement of Cash Flows

Particulars	31 March 2023	31 March 2022
Total Cash outflow for leases	32.43	30.89

**Note 37: Other statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.  
(ii) The Company do not have any transactions with companies struck off.  
(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.  
(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.  
(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(a) 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  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,  
(vii) The Company have not 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).

**Note 38 : Ratio analysis and its elements**

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	2.38	2.99	-20.32%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.18	0.17	3.40%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+ finance cost	Debt service = Interest & Lease Payments + Principal Repayments	5.71	7.38	-22.64%	
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	-0.01	0.20	-104.68%	Refer note 1 below
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.57	2.33	10.50%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.21	5.19	19.64%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.8	5.1	32.69%	Refer note 2 below
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	3.76	2.65	41.88%	Refer note 3 below
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-0.00	0.09	-104.93%	Refer note 4 below
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.00	0.22	-101.66%	Refer note 5 below
Return on Investment	Interest (Finance Income)	Investment	0.06	0.04	51.02%	Refer note 6 below

**Notes:**

- The decrease in Return on Equity ratio is on account of decrease in profit of the Company as compared to previous year due to payments made to employees under VRS scheme.
- The Trade Payables were reduced considerably in the previous year as the Company made payments to the steel suppliers invoices within 10-15 days as the steel prices soared and the suppliers gave comparatively less credit period in FY 21-22.
- The same is on account of decrease in working capital of the company on account of decrease in current investments of the Company.
- The decrease is on account of decrease in profit of the Company as compared to previous year due to payments made to employees under VRS scheme.
- The decrease is on account of decrease in profit of the Company as compared to previous year due to payments made to employees under VRS scheme.
- This is on account of increase in fair value gain on mutual fund investments.



**Note 39 : Corporate Social Responsibility Expenditure**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are health care, education, sustainability, social issues. A CSR committee has been formed by the Company as per the Act. The funds are utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	31 March 2023	31 March 2022		
A Gross amount required to be spent as per Section 135 of the Act	6.44	-		
Add: amount unspent from previous years	-	-		
<b>Total gross amount required to be spent during the year</b>	<b>6.44</b>	<b>-</b>		
	<b>31 March 2023</b>	<b>31 March 2022</b>		
B Amount approved by the board to be spent during the year	6.44	-		
C Amount spent during the year on				
(i) Construction/acquisition of an asset	-	-		
(ii) On purposes other than (i) above	6.50	-		
D Details related to amount spent				
Contribution to PM CARES Fund	-	-		
Spent on CSR activities (healthcare, education, sustainability, social issues)	6.50	-		
<b>Total</b>	<b>6.50</b>	<b>-</b>		
E Details of excess CSR expenditure				
Nature of activity	Balance excess as at 1st April, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31st March, 2023
Spent on CSR activities (healthcare, education, sustainability, social issues)	0	6.44	6.50	-0.06

**Note 40 : Standards Issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

**(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes**

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

**iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.**

**Note 41 : Casual vacancy of company secretary**

The Company is in the process of filling up the vacancy for the position of Company Secretary who resigned on 17 June 2022.

**Note 42 : Previous year comparatives**

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

As per our report of even date

For G S K A & Co.  
Chartered Accountants  
CAI Firm Registration Number : 147093W

per Ganesh Galkwad  
Partner  
Membership Number: 136512

Place: Pune  
Date: 25 May 2023



For and on behalf of the Board of Directors of  
Memco Engineering Pvt Ltd

Mr. YatIn Shah  
Whole-Time Director  
DIN. 00318140

Place: Solapur  
Date: 25 May 2023

Mr. Karan Shah  
Whole-Time Director  
DIN. 07985441

Place: Solapur  
Date: 25 May 2023

