

Memco Engineering Pvt.Ltd.

Standalone Financial Statements

2024-25

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, 2025, 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, 2025, its profit 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g).
 - (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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g);
 - (f) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) 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;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;



(i) 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 that were 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.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 42 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in prior years

- vii. Based on our examination which included test checks, the Company has used accounting software for maintaining its payroll records, which is managed and maintained by a third-party software service provider as explained in Note 42 to the financial statements. However, in absence of adequate coverage in SOC report of the said software we are unable to comment whether the said accounting software has a feature of recording audit trail (edit log) facility and whether the same has operated throughout the year for all relevant transactions recorded in the software or whether there is any instance of audit trail feature being tampered with. Additionally, we are unable to comment whether the audit trail of prior



G S K A & Co.
Chartered Accountants

year has been preserved by the Company as per the statutory requirements for record retention.

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



per Ganesh Gaikwad
Partner
Membership Number: 136512
UDIN: 25136512BMIRIP8791



Place of Signature: Pune
Date: 27 May 2025

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")**

- i. 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.
- c. Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- d. 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
- e. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- f. 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. As disclosed in note ___ to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank is in agreement with the books of accounts of the Company.
- iii. a. During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- b. During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- c. The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- d. The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- e. There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.



- f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- 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.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of engineering parts and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- 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 willful 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. On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by 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 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/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- 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 are 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 has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- 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 (xvi)(a) of the Order is not applicable to the Company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- 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) 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) 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 43 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



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sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a. The provisions of section 135 of Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company
- b. The provisions of section 135 of Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company
- 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: 25136512BMIRIP8791

Place of Signature: Pune

Date: 27 May 2025

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, 2025 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.

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, 2025, 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: 25136512BMIRIP8791



Place of Signature: Pune

Date: 27 May 2025

MEMCO ENGINEERING PVT LTD
Balance sheet as at 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipments	3	977.30	979.86
Capital work-in-progress	4	19.65	-
Intangible assets	5	11.31	12.46
Right-of-use assets	6	180.27	19.59
Financial assets			
i. Investments	7	6.16	6.16
ii. Other financial assets	8	50.50	50.52
Deferred tax assets (net)	30	207.79	287.94
		1,453.00	1,356.53
Current assets			
Inventories	10	617.29	810.29
Financial assets			
i. Investments	7	726.52	677.29
ii. Trade receivables	11	788.73	864.81
iii. Cash and cash equivalents	12	368.50	18.37
iv. Others financial assets	8	3.40	1.67
Other current assets	9	36.23	49.54
		2,540.67	2,421.98
Total assets		3,993.66	3,778.52
EQUITY AND LIABILITIES			
Equity			
Share capital	13	720.00	720.00
Other equity	14	2,014.93	1,866.38
		2,734.93	2,586.38
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	-	11.66
ii. Lease Liabilities	17	152.05	-
Provisions	20	112.38	115.55
		264.42	127.21
Current liabilities			
Financial liabilities			
i. Borrowings	15	504.89	397.77
ii. Trade payables	18		
a. total outstanding dues of micro and small		37.94	62.05
b. total outstanding dues other than (ii)(a) above		243.64	454.48
iii. Other financial liabilities	16	157.73	80.20
iv. Lease Liabilities	17	31.31	25.74
Other current liabilities	19	11.61	39.95
Provisions	20	7.17	4.73
		994.30	1,064.92
Total liabilities		1,258.72	1,192.13
Total Equity and Liabilities		3,993.66	3,778.52
Summary of material 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: May 27, 2025



For and on behalf of the Board of Directors of
Memco Engineering Pvt Ltd
CIN: U29199MH2006PTC162658

Mr. Yatin Shah
Whole-Time Director
DIN. 00318140
Place: Pune
Date: May 27, 2025

Mr. Karan Shah
Whole-Time Director
DIN. 07985441
Place: Pune
Date: May 27, 2025

MEMCO ENGINEERING PVT LTD
Statement of profit and loss for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	21	4,711.07	4,931.97
Other income	22	64.87	74.36
Total income (I)		4,775.94	5,006.33
Expenses			
Cost of raw materials and components consumed	23	1,808.58	2,039.55
(Increase)/decrease in inventories of finished goods and work-in-progress	24	21.49	39.54
Employee benefits expense	25	971.08	1,052.86
Other expenses	26	1,452.25	1,428.51
Total expenses (II)		4,253.40	4,560.45
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		522.54	445.88
Finance costs	27	22.25	57.88
Finance income	28	(1.93)	(1.57)
Depreciation and amortisation expense	29	279.07	353.17
Profit/(loss) before tax		223.15	36.40
Tax expense	30		
Current tax		-	-
Adjustment of current tax relating to earlier years		21.84	-
Deferred tax		63.92	59.38
Total tax expenses		85.76	59.38
Profit/(loss) for the year		137.39	(22.98)
Other comprehensive income			
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	31	14.91	(9.57)
Income tax effect	31	(3.75)	2.41
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		11.16	(7.16)
Total other comprehensive income for the year, net of tax		11.16	(7.16)
Total comprehensive income for the year		148.55	(30.14)
Earnings per share	32		
Basic and diluted (in Rs.)		19.08	(3.19)
(Computed on the basis of profit/(loss) for the year)			
Summary of material 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: May 27, 2025



For and on behalf of the Board of Directors of
Memco Engineering Pvt Ltd
CIN: U29199MH2006PTC162658



Mr. Yatin Shah
Whole-Time Director
DIN. 00318140
Place: Pune
Date: May 27, 2025



Mr. Karan Shah
Whole-Time Director
DIN. 07985441
Place: Pune
Date: May 27, 2025

MEMCO ENGINEERING PRIVATE LIMITED
Statement of cash flows for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
A. Cash flow generated from operating activities			
Profit/(loss) before tax		223.15	36.40
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation of property, plant and equipment	29	279.07	353.17
Finance income	28	(1.93)	(1.57)
(Gain)/loss on sale of property, plant and equipments	22	(5.40)	(18.77)
Finance costs	27	17.18	53.88
Fair valuation gain/loss on short term investments	22	(49.23)	(54.33)
Operating loss before working capital changes		462.85	368.79
Movements in working capital :			
(Increase)/decrease in inventories	10	193.00	91.81
(Increase)/decrease in trade and other receivables	11	76.08	(36.07)
(Increase)/decrease in other financial assets	8	0.01	(8.68)
(Increase)/decrease in other assets	9	(3.53)	5.01
Increase/(decrease) in other current liabilities	19	(28.34)	(5.84)
Increase/(decrease) in other financial Liabilities	16	(19.31)	(6.28)
Increase/(decrease) in trade payables	18	(234.95)	60.01
Increase/(decrease) in provisions, gratuity and other provisions	20	14.18	(21.97)
Changes in working capital		(2.85)	77.98
Income taxes paid (net of refunds)	9	7.48	(17.27)
Net cash flow generated from operating activities (A)		467.47	429.49
B. Cash flow (used in) investing activities			
Purchase of property, plant and equipment including CWIP	3&4	(188.53)	(320.50)
Proceeds from sale of property, plant and equipment	3&4	25.62	24.54
Interest received (finance income)	8	0.20	0.89
Net cash flow (used in) investing activities (B)		(162.71)	(295.05)
C. Cash flow (used in) financing activities			
Interest paid	27	(11.84)	(53.88)
Rent payment for leased asset	17	(38.26)	(30.66)
Repayment of long-term borrowings	15	(78.45)	(103.85)
Proceeds from short term borrowings (net)	15	173.91	44.91
Net cash flow (used in) financing activities (C)		45.36	(143.48)
Net increase /(decrease) in cash and cash equivalents		350.13	(9.04)
Cash and cash equivalents at the beginning of the year	12	18.37	27.42
Cash and cash equivalents as at year end		368.50	18.38
Particulars	Notes	March 31, 2025	March 31, 2024
Components of cash and cash equivalents:			
Balances with banks:	12		
On current accounts		368.41	17.89
Cash in hand		0.09	0.49
Total cash and cash equivalents		368.50	18.38



MEMCO ENGINEERING PRIVATE LIMITED
Statement of cash flows for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Reconciliation between opening and closing balances for liabilities arising from financing activities :-

Particulars	
01 April 2023	468.37
Cash flow	
- Interest	(50.49)
- Proceeds/(repayments)	(58.94)
Accrual	50.49
31 March 2024	409.43
Cash flow	
- Interest	(11.84)
- Proceeds/(repayments)	95.46
Accrual	11.84
31 March 2025	504.89

Summary of material 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: May 27, 2025



For and on behalf of the Board of Directors of
Memco Engineering Pvt Ltd
CIN: U29199MH2006PTC162658



Mr. Yatin Shah
Whole-Time Director
DIN. 00318140
Place: Solapur
Date: May 27, 2025



Mr. Karan Shah
Whole-Time Director
DIN. 07985441
Place: Solapur
Date: May 27, 2025

MEMCO ENGINEERING PVT LTD**Statement of changes in equity for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***A. Share capital**

	Numbers in Lakhs	Amount in Rupees Lakhs
Balance as at 01 April 2023	7.20	720.00
Issued during the year	-	-
Balance as at 31 March 2024	7.20	720.00
Issued during the year	-	-
Balance as at 31 March 2025	7.20	720.00

B. Other equity

Particulars	Retained earnings/ (Accumulated deficit)	Other comprehensive income / (loss)	Total other equity
As at April 01, 2023	1,833.66	62.86	1,896.52
Profit/(loss) for the year	(22.98)	-	(22.98)
Other comprehensive income for the year, net of tax	-	(7.16)	(7.16)
As at March 31, 2024	1,810.68	55.70	1,866.38
Profit/(loss) for the year	137.39	-	137.39
Other comprehensive income for the year, net of tax	-	11.16	11.16
As at March 31, 2025	1,948.08	66.86	2,014.93

Summary of material 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: May 27, 2025

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

CIN: U29199MH2006PTC162658

Mr. Yatin Shah

Whole-Time Director

DIN. 00318140

Place: Solapur

Date: May 27, 2025

Mr. Karan Shah

Whole-Time Director

DIN. 07985441

Place: Solapur

Date: May 27, 2025

MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

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, 2025. 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 27 May 2025.

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.



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025

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 2025

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 2025***(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	Total
At Cost									
At 01 April 2023	46.11	215.22	2,501.04	7.40	38.95	13.37	84.80	25.41	2,932.32
Additions	-	4.70	265.16	13.26	-	2.98	34.40	-	320.50
Disposals	-	-	(92.55)	-	-	-	(30.76)	-	(123.31)
At 31 March 2024	46.11	219.92	2,673.65	20.66	38.95	16.35	88.45	25.41	3,129.51
Additions	-	20.81	172.74	-	7.18	-	62.59	2.40	265.71
Disposals	-	-	(25.74)	-	-	-	(40.75)	-	(66.49)
At 31 March 2025	46.11	240.73	2,820.65	20.66	46.13	16.35	110.29	27.81	3,328.73

Depreciation and impairment

Particulars	Leasehold land	Buildings	Plants and equipment	Office equipment	Electrical installation	Furniture and fixtures	Vehicles	Computers and printers	Total
At 01 April 2023	2.98	108.69	1,762.16	5.89	16.39	7.23	15.96	23.31	1,942.63
Charge for the year	0.60	10.14	273.93	3.37	5.14	1.21	29.96	0.21	324.56
Disposals	-	-	(88.68)	-	-	-	(28.85)	-	(117.53)
At 31 March 2024	3.58	118.83	1,947.41	9.26	21.54	8.43	17.08	23.52	2,149.65
Charge for the year	0.60	10.62	199.70	4.34	3.71	1.26	26.77	1.04	248.04
Disposals	-	-	(25.74)	-	-	-	(20.52)	-	(46.26)
At 31 March 2025	4.18	129.45	2,121.37	13.60	25.25	9.70	23.32	24.56	2,351.43
Net book value									
At 31 March 2025	41.94	111.28	699.28	7.06	20.88	6.65	86.97	3.26	977.30
At 31 March 2024	42.53	101.09	726.24	11.40	17.42	7.92	71.37	1.89	979.86

Property, plant and equipm

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of Rs. 153.21 lakhs (31 March, 2024: Rs. 143.62 lakhs) and movable assets with a carrying amount of Rs. 824.09 lakhs (31 March, 2024: Rs. 836.23 lakhs) are subject to first charge to secure the Company's borrowings. (refer note 15).



Note 4: Capital work-in-progress

Particulars	Capital work-in-progress
At 01 April 2023	-
Additions	-
Disposals	-
Capitalised during the year	-
At 31 March 2024	-
Additions	284.81
Disposals	-
Capitalised during the year	(265.16)
At 31 March 2025	19.65

Note 4A: Capital work-in-progress-Ageing**At 31 March 2025**

Particulars	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	284.81	-	-	-	284.81
Projects Temporarily Suspen	-	-	-	-	-
	284.81	-	-	-	284.81

At 31 March 2024

Particulars	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects Temporarily Suspen	-	-	-	-	-
	-	-	-	-	-



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 5: Intangible assets****At Cost**

Particulars	Computer Software	Total
At 01 April 2023	30.22	30.22
Additions	-	-
Disposals	-	-
At 31 March 2024	30.22	30.22
Additions	-	-
Disposals	-	-
At 31 March 2025	30.22	30.22

Depreciation and impairment

Particulars	Computer Software	Total
At 01 April 2023	15.16	15.16
Charge for the year	2.59	2.59
Disposals	-	-
At 31 March 2024	17.75	17.75
Charge for the year	1.15	1.15
Disposals	-	-
At 31 March 2025	18.90	18.90

Net book value

At 31 March 2025	11.31	11.31
At 31 March 2024	12.46	12.46

Note 6: Right-of-use assets**At Cost**

Particulars	Right-of-use	Total
At 01 April 2023	130.21	130.21
Additions	-	-
Disposals	-	-
At 31 March 2024	130.21	130.21
Additions	190.56	190.56
Disposals	-	-
At 31 March 2025	320.77	320.77

Depreciation and impairment

Particulars	Right-of-use	Total
At 01 April 2023	84.59	84.59
Charge for the year	26.03	26.03
Disposals	-	-
At 31 March 2024	110.62	110.62
Charge for the year	29.88	29.88
Disposals	-	-
At 31 March 2025	140.50	140.50

Net book value

At 31 March 2025	180.27	180.27
At 31 March 2024	19.59	19.59



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Note 7: Investments

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Unquoted investments (at cost)		
a) Investments in Equity Instruments		
Shares of Thane Janata Bank 9259 Equity shares of Rs. 50 each fully paid-up (March 31, 2024: 9259 equity shares)	4.63	4.63
Shares of Janlaxmi Bank 5198 Equity shares of Rs. 25 each fully paid-up (March 31, 2024: 5198 equity shares)	1.30	1.30
Shares of Mahila Bank 850 Equity shares of Rs. 25 each fully paid-up (March 31, 2024: 850 equity shares)	0.21	0.21
Shares of Godavari Bank 10 Equity shares of Rs.100 each fully paid-up (March 31, 2024: 10 equity shares)	0.01	0.01
Shares of NAMCO Bank 28 Equity shares of Rs. 25 each fully paid-up (March 31, 2024: 28 equity shares)	0.01	0.01
(ii) At fair value through profit or loss (FVTPL)		
a) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Banking & PSU Debt Fund	75.88	70.20
HDFC Credit Risk Debt Fund	48.58	44.99
HDFC Equity saving Fund	79.21	74.78
ICICI Prudential Ultra Short Term Fund	188.43	175.50
ICICI Prudential Equity saving Fund	75.77	70.35
Aditya Birla Sun Life Low Duration Fund	130.57	121.90
UTI Floater Fund - Regular Growth Plan	128.08	119.58
Total Investments at FVTPL	732.68	683.45
Non-current	6.16	6.16
Current	726.52	677.29
Aggregate book value of quoted investments	726.52	677.29
Aggregate book value of unquoted investments	6.16	6.16

Note 8: Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits (unsecured, considered good)	50.50	50.52
Interest accrued on other deposits	3.40	1.67
Total loans	53.90	52.19
Non-current	50.50	50.52
Current	3.40	1.67



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 9: Other assets (unsecured, considered good)**

Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid expenses	12.76	8.20
Advance to vendors	1.11	2.14
Advance tax (net of provision for taxation)	22.36	39.20
	36.23	49.54
Non-current	-	-
Current	36.23	49.54
	36.23	49.54

Note 10: Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials and components (at cost)	248.64	354.15
Stores, spares and packing materials (at cost)	293.06	359.06
Semi-finished goods (at cost)	41.57	52.08
Finished goods (at lower of cost and net realisable value)	34.02	45.00
	617.29	810.29



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Note 11: Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	788.73	864.81
Total	788.73	864.81
Break-up for security details:		
- Secured, considered good	-	-
- Unsecured, considered good	788.73	864.81
- Doubtful	-	-
- Trade receivables which have significant increase in credit risk	-	-
- Trade receivables - credit impaired	-	-
Total	788.73	864.81
Current portion	788.73	864.81
Non-current portion	-	-

Ageing schedule as at 31 March 2025	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade Receivables - considered good	766.02	22.71	-	-	-	-
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	766.02	22.71	-	-	-	-

Ageing schedule as at 31 March 2024	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade Receivables - considered good	838.71	26.10	-	-	-	-
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	838.71	26.10	-	-	-	-

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.

The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Refer to Note 40 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 12: Cash and bank balances

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents		
Balance with Banks		
Current accounts	368.41	17.89
Cash on hand	0.09	0.49
Total cash and cash equivalents	368.50	18.37



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 13: Share capital****A) Authorised share capital**

	Equity shares	
	Number of shares in lakhs	Amount in Rupees lakhs
At 01 April 2023	8.00	800.00
Increase/ (decrease) during the year	-	-
At 31 March 2024	8.00	800.00
Increase/ (decrease) during the year	-	-
At 31 March 2025	8.00	800.00

B) Issued equity capital

Equity shares of Rs. 100 each issued, subscribed and fully paid	Equity Shares	
	Number of shares in lakhs	Amount in Rupees lakhs
At 01 April 2023	7.20	720.00
Issued during the year	-	-
At 31 March 2024	7.20	720.00
Issued during the year	-	-
At 31 March 2025	7.20	720.00

i) 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 2024: 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.

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

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

Particulars	31 March 2025		31 March 2024	
	Number of shares in lakhs	Amount in Rupees lakhs	Number of shares 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

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

Particulars	31 March 2025		31 March 2024	
	Number of shares in lakhs	% holding in the class	Number of shares in lakhs	% holding in the class
Equity shares of Rs. 100 each fully paid				
Precision Camshafts Limited	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.

iv) Details of shares held by promoters at the end of the year

Particulars	31 March 2025			31 March 2024		
	Number of shares in lakhs	% holding	% Change during the year	Number of shares in lakhs	% holding	% Change during the year
Equity shares of Rs. 100 each fully paid						
Precision Camshafts Limited	7.20	100.00%	-	7.20	100.00%	-



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 14: Other equity****A) Retained earnings**

	Amount in Rupees lakhs
At 01 April 2023	1,833.66
Profit/(loss) for the year	(22.98)
At 31 March 2024	1,810.68
Profit/(loss) for the year	137.39
At 31 March 2025	1,948.08

B) Other items of other comprehensive income / (loss) - Re-mesurement gains /(losses) on defined benefit plans

	Amount in Rupees lakhs
At 01 April 2023	62.86
Add: Other comprehensive income for the year	(7.16)
At 31st March, 2024	55.70
Add: Other comprehensive income for the year	11.16
At 31 March 2025	66.86

Nature and purpose of reserves:**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Note 15: Borrowings

Particulars	Rate of interest	Maturity	As at 31 March 2025	As at 31 March 2024
Long term borrowings				
Term Loan from banks (secured)				
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	10.17%	May-25	-	11.66
			-	11.66
Short term borrowings				
Current maturity of long term loans				
Term loan 4- 005	9.75%	Sep-24	-	24.66
Term loan 5- 006	9.75%	Sep-24	-	2.54
Term loan 6- 007	9.75%	Sep-24	-	4.52
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	10.17%	May-25	11.92	46.98
Loan repayable on Demand				
Cash credit from banks (secured)	10.40%	On Demand	492.98	319.07
			504.89	397.77

Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001

Term loan from citi bank carries interest at the rate of 10.17%(31 March2024: 9.75% p.a). The tenure of the loan is 70 Months. The loan is repayble 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.

Cash credit from banks:

Cash credit is secured by hypothecation of current assets(i.e. Trade receivables and inventory) of the Company. Cash credit has also been secured by collateral securities of existing and future moveable and immoveable fixed assets located at plot no F-5, MIDC, Satpur.

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 as disclosed in note 10 & 11 respectively.

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 16: Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Employee benefit liabilities	60.90	80.20
Payables for purchase of capital goods (Refer to the note below)	96.83	-
Total	157.73	80.20
Non - current	-	-
Current	157.73	80.20
	157.73	80.20

Payables for purchase of capital goods

Payables for capital goods include an amount payable to the holding company, Precision Camshafts Limited, towards the purchase of two machines. (Refer Note 34 related party disclosures).



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025**

(All amounts in rupees lakhs unless otherwise stated)

Note 17: Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease liabilities	183.36	25.74
Total	183.36	25.74
Non-current	152.05	-
Current	31.31	25.74
	183.36	25.74

Set out below, are the carrying amount of lease liabilities and the movement during the year

Opening Lease liabilities	25.74	56.39
Add: Additions (Refer to note below)	190.56	-
Add: Interest Expenses	5.33	3.39
Less: Payments	(38.27)	(34.05)
Closing Lease liabilities	183.36	25.74

Note:

During the year, the Company renewed the lease contract for Plant-2 for an additional period of five years. Furthermore, the agreement for the guest house, which is for a period of three years, has been evaluated in accordance with Ind AS 116 – Leases and has been classified as a lease liability in the financial statements.

The Company has long term lease contract for its Plant-2 and Guest house. set out below are the carrying amounts of lease liabilities recognised:

Maturity Analysis: contractual undiscounted cash flows		
Less than one year	47.83	26.48
One to two years	50.23	-
Two to five years	131.25	-
More than five years	-	-
Total undiscounted lease liabilities as at balance sheet date	229.31	26.48
Less: Discounting impact	(45.95)	(0.75)
Closing Lease liabilities	183.36	25.74



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Note 18: Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	37.94	62.05
- Total outstanding dues of creditors other than micro enterprises and small enterprises	243.64	454.48
Total trade payables	281.58	516.53
Non-current	-	-
Current	281.58	516.53
	281.58	516.53

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 40

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

Particulars	As at 31 March 2025	As at 31 March 2024
(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	37.94	62.05
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.	-	-

Ageing schedule as at 31 March 2025	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	36.57	1.37	-	-	-
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	74.82	140.21	28.61	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	74.82	176.79	29.98	-	-	-

Ageing schedule as at 31 March 2024	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	32.62	29.43	-	-	-
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	130.31	139.77	184.40	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	130.31	172.39	213.83	-	-	-

Break up of financial liabilities carried at amortised cost

Particulars	Non-Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Borrowings (note 15)	-	11.66	504.89	397.77
Trade payables (note 18)	-	-	281.58	516.53
Other financial liabilities (note 16)	-	-	157.73	80.20
Lease Liabilities (note 17)	152.05	-	31.31	25.74
Total financial liabilities carried at amortised cost	152.05	11.66	975.52	1,020.24



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Note 19: Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Tax deducted at source payable	5.41	5.53
Excise/ service tax and GST payable	6.19	34.41
	11.61	39.95

Note 20: Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Employee benefits obligations:		
Gratuity	91.03	92.59
Compensated absences	28.52	27.70
	119.55	120.29
Non-current	112.38	115.55
Current	7.17	4.73
	119.55	120.29

The liability for compensated absences represents the Company's obligation for earned leave balances accrued by employees as at the reporting date. This liability is determined based on actuarial valuation and is provided for in the financial statements.

For detailed disclosures relating to the gratuity plan, refer to Note 33.



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 21: Revenue from operations**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from contracts with customers		
Sale of products	4,505.49	4,673.66
Sale of services	-	-
Total sale of products and services	4,505.49	4,673.66
Other operating income		
Scrap sales	205.58	258.31
	205.58	258.31
Total revenue from operations	4,711.07	4,931.97
Location		
India	4,711.07	4,931.97
Outside India	-	-
Total	4,711.07	4,931.97
Timing of revenue recognition		
Goods transferred at a point in time	4,711.07	4,931.97
Services transferred over time	-	-
Total	4,711.07	4,931.97

Note 22: Other income

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Fair value gain on mutual funds at fair value through profit or loss	49.23	54.33
Other income	0.46	-
Dividend Income	0.69	1.26
Gain on sale of Propoerty, Plant & Equipment	5.40	18.77
Liabilities written back	9.09	-
	64.87	74.36

Note 23: Cost of raw materials and components consumed

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Inventory at the beginning of the year	354.15	477.80
Add: purchases	1,703.06	1,915.90
	2,057.21	2,393.70
Less: inventory at the end of the year	248.64	354.15
Cost of raw materials and components consumed	1,808.58	2,039.55

Note 24: (Increase)/decrease in inventories

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock:		
Finished goods	45.00	37.93
Semi-finished goods	52.08	98.69
	97.08	136.62
Closing stock:		
Finished goods	34.02	45.00
Semi-finished goods	41.57	52.08
	75.59	97.08
(Increase)/decrease in inventories	21.49	39.54



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 25: Employee benefit expense**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages, bonus and commission	874.41	955.61
Contribution to provident fund and other funds	25.73	29.12
Gratuity expense (refer note 33)	20.24	16.14
Staff welfare expenses	50.71	51.98
	971.08	1,052.86

Note 26: Other expenses

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Consumption of components and spares	578.04	582.51
Packing material consumed	22.49	21.48
Rent	4.97	5.29
Power and fuel expenses	244.13	208.82
Job work expenses	288.34	242.16
Freight outward charges	14.86	20.60
Service charges	23.72	35.32
Testing charges	33.31	45.74
Rates and taxes	20.24	26.41
Insurance	11.35	9.12
Repairs and maintenance		
Plant and machinery	121.03	66.56
Building	23.06	94.11
Others	0.70	3.53
Travelling and conveyance	15.34	12.60
Telephone and communication expenses	3.16	3.21
Legal and professional fees	14.20	10.50
Payment to auditor (refer details below)	4.50	3.25
Miscellaneous expenses	28.81	37.29
	1,452.25	1,428.51

Payment to auditors

	Year ended 31 March 2025	Year ended 31 March 2024
As auditor		
Statutory audit Fee	4.50	3.25

Note 27: Finance costs

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest on borrowings	11.84	50.49
Interest on lease liability	5.33	3.39
Bank charges	5.07	4.00
	22.25	57.88



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 28: Finance income**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on		
Bank deposits	1.72	1.57
Others	0.20	-
	1.93	1.57

Note 29: Depreciation and amortisation expense

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation on property, plant & equipments	248.04	324.56
Amortisation of intangible assets	1.15	2.59
Amortisation of right-of use assets	29.88	26.03
	279.07	353.17



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 30: Deferred tax asset (net)**

	Year ended 31 March 2025	Year ended 31 March 2024
Deferred tax liability		
Loan processing fees and other fees	1.71	0.39
Fair value gain on mutual funds at fair value through profit or loss	38.53	13.68
Gross deferred tax liability	40.24	14.06
Deferred tax assets		
PPE: impact of difference between tax depreciation and depreciation / / amortisation for the financial reporting	122.39	119.05
Employee related costs allowed for tax purposes on payment basis	34.69	39.83
Lease Liability	0.77	1.55
Voluntary Retirement Scheme	90.18	141.57
Gross deferred tax assets	248.04	302.00
Net deferred tax asset	207.79	287.94
Reconciliation of deferred tax asset	Year ended 31 March 2025	Year ended 31 March 2024
Opening deferred tax asset, net	287.94	344.91
Deferred tax credit / (charge) recorded in statement of profit and loss	(63.92)	(59.38)
Adjustment of deferred tax relating to earlier years	(12.47)	-
Deferred tax (credit) / charge recorded in OCI	(3.75)	2.41
Closing deferred tax asset, net	207.79	287.94

The major components of income tax expense for the year ended 31 March 2025 and year ended 31 March 2024 are:

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax	-	-
Tax expenses related to prior period	21.84	-
Deferred tax	63.92	59.38
Income tax expense reported in the statement of profit or loss	85.76	59.38

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2025 and 31 March 2024:

Accounting profit / (loss) before income tax	223.15	36.40
At India's statutory income tax rate of 25.17% (31 March 2024: 25.17%)	56.17	9.16
Tax expense relating to prior years	21.84	-
Deferred tax asset not recognised on tax lossess	10.73	40.62
Others	(2.97)	9.60
At the effective income tax rate	85.76	59.38
Income tax expense reported in the statement of profit and loss	85.76	59.38



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 31: Components of other comprehensive income (OCI)****During the year ended 31 March 2025**

	Retained earnings	Total
Re-measurement gains / (losses) on defined benefit plans	14.91	14.91
Income tax effect	(3.75)	(3.75)
	11.16	11.16

During the year ended 31 March 2024

	Retained earnings	Total
Re-measurement gains / (losses) on defined benefit plans	(9.57)	(9.57)
Income tax effect	2.41	2.41
	(7.16)	(7.16)

Note 32: 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, 2025	Year ended March 31, 2024
Profit/(loss) attributable to Equity shareholders of the company	137.39	(22.98)
Weighted average number of equity shares for calculating basic and diluted EPS	7.20	7.20
Earnings per share : basic and diluted (Rupees/share)	19.08	(3.19)



MEMCO ENGINEERING PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 33: Disclosure pursuant to employee benefits****A. Defined contribution plans:**

Amount of Rs. 25.73 lakhs (March 31, 2024: Rs. 29.12 lakhs) is recognised as expenses and included in Note No. 25 "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 2025	31 March 2024
Current service cost	13.56	8.92
Net interest cost	6.68	7.22
Past service cost	-	-
	<u>20.24</u>	<u>16.14</u>

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

	Rupees in lakhs
Defined benefit obligation at 01 April 2023	96.24
Interest cost	7.22
Current service cost	8.92
Benefits paid	(29.36)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	2.73
Actuarial (Gains)/Losses on Obligations - Due to Experience	6.84
Defined benefit obligation at 31 March 2024	92.59
Interest cost	6.68
Current service cost	13.56
Benefits paid	(6.88)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3.53
Actuarial (Gains)/Losses on Obligations - Due to Experience	(18.44)
Defined benefit obligation at 31 March 2025	91.03

	31 March 2025	31 March 2024
Gratuity cost charged to statement of profit and loss	20.24	16.14
Remeasurement (gains)/losses recognised in OCI	(14.91)	9.57

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	6.82%	7.21%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	NA	NA
Expected average remaining working lives (in years)	15	15
Withdrawal rate (based on grade and age of employees)	3.00%	3.00%



MEMCO ENGINEERING PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***A quantitative sensitivity analysis for significant assumption is as shown below:****Gratuity**

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	1% increase	(8.62)	(8.92)
	1% decrease	10.12	10.43
Future salary increase	1% increase	9.90	10.24
	1% decrease	(8.61)	(8.93)
Employee Turnover	1% increase	(1.15)	(0.87)
	1% decrease	1.27	0.95

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Within the next 12 months (next annual reporting period)	4.89	2.43
Between 2 and 5 years	21.49	19.26
Beyond 5 years	187.27	208.05
Total expected payments	213.65	229.73

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Years	Years
Gratuity	12.00	12.00



MEMCO ENGINEERING PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 34: 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) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the year

Core Power

Relative of Key management personnel

c) Key management personnel (KMP)

Yatin Subhash Shah

Director

Suhasini Yatin Shah

Director

Ravindra Rangnath Joshi

Director

Karan Yatin Shah

Director

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

Particulars	Holding Company		Key management personnel		Relative of KMP	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Remuneration*	-	-	60.00	60.00	-	-
Purchase of Capital goods	79.46	-	-	-	-	-
Sales of goods	4.67	-	-	-	-	-
Subcontracting charges	-	-	-	-	138.26	82.05
Balances outstanding						
Remuneration payable						
Suhasini Yatin Shah	-	-	1.24	2.50	-	-
Karan Yatin Shah	-	-	0.94	2.50	-	-
Subcontracting charges						
Core power	-	-	-	-	-	-
Payable for the purchase of capital goods						
Precision Camshafts Limited	93.77	-	-	-	-	-

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.



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 35: 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 36: 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 2025	31 March 2024	31 March 2025	31 March 2024
Financial assets				
Investments in mutual funds	732.68	683.45	732.68	683.45
Total	732.68	683.45	732.68	683.45

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 37: 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 2025 and 31 March 2024:

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)
Assets measured at fair value:				
Investments	31-Mar-25	732.68	726.52	6.16
Investments	31-Mar-24	683.45	677.29	6.16

Note 38: 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 group's capital management is to maximise the shareholder value and to ensure the company's ability to continue as

The Company manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of long term and short term borrowing which represents term loans and cash credit taken from banks and financial institution. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31 March 2025	31 March 2024
Borrowings	504.89	409.43
Trade payables	281.58	516.53
Other financial liabilities	157.73	80.20
Lease liabilities	183.36	25.74
Less: Cash and cash equivalents, other bank balances and short term investments	(1,095.02)	(695.67)
Net debt	32.54	336.23
Total equity	2,734.93	2,586.38
Capital and net debt	2,767.48	2,922.62
Gearing ratio	1.18%	11.50%

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



Note 39: 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

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 – Company 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 33.

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 36 and 37 for further disclosures.

Note 40: 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 2025 and 31 March 2024.

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.



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Sensitivity

Year	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-25	50 (50)	2.56 (2.56)
31-Mar-24	50 (50)	2.59 (2.59)

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 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.

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 11. 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.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2025 and 31 March 2024 is the carrying amounts as illustrated in note 11.

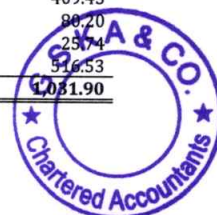
Liquidity risk

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
Year Ended 31 March 2025				
Borrowings	504.89	-	-	504.89
Other financial liabilities	157.73	-	-	157.73
Lease liabilities	31.31	152.05	-	183.36
Trade payables	281.58	-	-	281.58
	975.52	152.05	-	1,127.57
Year Ended 31 March 2024				
Borrowings	397.77	11.66	-	409.43
Other financial liabilities	80.20	-	-	80.20
Lease liabilities	25.74	-	-	25.74
Trade payables	516.53	-	-	516.53
	1,020.24	11.66	-	1,031.90



MEMCO ENGINEERING PVT LTD
Notes to the financial statements for the year ended 31 March 2025
(All amounts in rupees lakhs unless otherwise stated)

Note 41 : 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 01 April 2023	45.62	-	-	45.62
Additions	-	-	-	-
Deletion	-	-	-	-
Depreciation	26.03	-	-	26.03
Balance as at 31 March 2024	19.59	-	-	19.59
Additions	190.56	-	-	190.56
Deletion	-	-	-	-
Depreciation	29.88	-	-	29.88
Balance as at 31 March 2025	180.27	-	-	180.27

(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 01 April 2023	56.39	-	-	56.39
Additions	-	-	-	-
Lease Payments	30.66	-	-	30.66
Balance as at 31 March 2024	25.74	-	-	25.74
Additions	190.56	-	-	190.56
Lease Payments	32.94	-	-	32.94
Balance as at 31 March 2025	183.36	-	-	183.36

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

Particulars	31 March 2025	31 March 2024
Current Lease Liabilities	31.31	25.74
Non-current Lease Liabilities	152.05	-

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

Particulars	31 March 2025	31 March 2024
Interest on Lease Liabilities	5.33	3.39
Amortization expenses	29.88	26.03
Total	35.22	29.42

(iv) Amounts recognised in statement of Cash Flows

Particulars	31 March 2025	31 March 2024
Total Cash outflow for leases	38.26	30.66

Note 42: 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.
- (viii) The Company was not party to any approved scheme which needs approval from competent authority in terms of section 230 to 237 of the Companies Act, 2013.
- (ix) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.



MEMCO ENGINEERING PVT LTD**Notes to the financial statements for the year ended 31 March 2025***(All amounts in rupees lakhs unless otherwise stated)***Note 43: Audit trail**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. Companies must also now ensure daily backups of their financial data, to be stored on servers physically located within India.

Pursuant to the above requirements, the Company uses two primary software systems:

- a. Maintaining books of Accounts
- b. Payroll Processing

In respect of the accounting software used for maintaining the books of account, the Company, after thorough testing and validation, did not enable audit trail functionality for direct data changes at the database level, considering the potential adverse impact on system performance. However, the Company has established and maintained an adequate internal control framework over financial reporting. Based on its internal assessment, management has concluded that the internal controls were effective for the year ended March 31, 2025. The Company is currently in the process of upgrading its systems to fully comply with the database-level audit trail requirements.

With respect to the payroll software, which is operated by third party vendor and the Management has placed reliance on the independent service organisation audit report submitted by the respective service providers for compliance of the aforesaid requirements. The independent service organization audit report of the accounting software used for maintaining its books of account do not specifically address compliance with the daily backup and audit trail features as mandated by the MCA. The Management is actively engaging with the service provider to obtain the necessary confirmations and documentation to ensure full compliance with the MCA's requirements going forward.

Note 44: Ratio analysis and its elements

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	2.56	2.27	12.35%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.18	0.16	16.62%	-
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating	Debt service = Interest & Lease Payments + Principal	3.41	2.10	62.69%	Refer note 1 below
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.08	-0.01	-1049.42%	Refer note 2 below
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.56	2.43	5.58%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.70	5.82	-2.15%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases -	Average Trade Payables	5.7	5.1	11.31%	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	3.05	3.63	-16.17%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	2.9%	-0.5%	-725.89%	Refer note 3 below
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.16	0.04	359.91%	Refer note 4 below
Return on Investment	Gain from mutual funds	Investment	0.07	0.08	-16.07%	-

Notes:

1. Increase in Debt Service Coverage ratio is due increase in Operating profit and decrease of debt due to repayment.
2. Increase in return on Equity ratio is due to increase in profit during the current year
3. Increase in Net Profit ratio is due to reduction in costs during the current year
4. Increase in Return on Capital Employed is mainly due to repayments of debt during the current year



MEMCO ENGINEERING PVT LTD

Notes to the financial statements for the year ended 31 March 2025

(All amounts in rupees lakhs unless otherwise stated)

Note 45: Corporate social responsibility expenditure

The provisions pertaining to CSR as prescribed under the Companies Act, 2013 are not applicable to company for financial year 2024-2025. The disclosure with respect to amount spent as per the applicable provision are not applicable. The areas for CSR activities were health care, education, sustainability, social issues. A CSR committee has been formed by the Company as per the Act. The funds were utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Note 46: 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

ICAI Firm Registration Number : 147093W



per Ganesh Gaikwad

Partner

Membership Number: 136512

Place: Pune

Date: May 27, 2025



For and on behalf of the Board of Directors of

Memco Engineering Pvt Ltd

CIN: U29199MH2006PTC162658



Mr. Yatin Shah

Whole-Time Director

DIN. 00318140

Place: Pune

Date: May 27, 2025



Mr. Karan Shah

Whole-Time Director

DIN. 07985441

Place: Pune

Date: May 27, 2025