

LMW AEROSPACE INDUSTRIES LIMITED

02ND
Annual Report
2022 -23

LMW AEROSPACE INDUSTRIES LIMITED

CIN: U29299TZ2021PLC035813

Regd. Office: C/o.Lakshmi Machine Works Ltd, SF No.516, 516/2,
SRKV Post, Periyanaickenpalayam, Coimbatore-641020

Ph: 0422-7192255 E-Mail: secretarial@lmw.co.in

Notice to Shareholders

NOTICE is hereby given that the 2nd Annual General Meeting ('AGM') of the Shareholders of LMW Aerospace Industries Limited, will be held at 01.00 PM on Monday, the 17th Day of July 2023 at the Registered Office of the Company situated at C/o. Lakshmi Machine Works Ltd, SF No.516, 516/2, SRKV Post, Periyanaickenpalayam, Coimbatore-641020, to transact the following business: -

Ordinary Business:

1. To receive, consider and adopt Audited Annual Financial Statements including Statement of Profit and Loss (including Other Comprehensive Income), along with the Statement of Cash Flows and the Statement of Changes in Equity for the financial year ended 31st March 2023, the Balance Sheet as at that date, the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Smt. B.Dhanalakshmi (DIN: 07153652), who retires by rotation and being eligible, offers herself for reappointment.

By order of the Board
For LMW Aerospace Industries Limited



V. Senthil
Director
DIN: 09066063

Place: Coimbatore
Date: 10th May, 2023

NOTE(S):

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED ALONG WITH THIS NOTICE.**
- 3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
4. Members/proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of Companies Act, 2013 are requested to bring a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting. In case of corporate members intending to appoint proxy, a certified copy of Board resolution(s) authorizing representative(s) to attend and vote at the Meeting shall be annexed to the Proxy Form.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. As per the provisions of Section 72 of the Act, facility for making nominations is now available to INDIVIDUALS holding shares in the Company, Members holding shares in physical form may obtain the Nomination Form from the Company.
8. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. A member who needs any clarification on accounts or operations of the Company shall write to the Company, so as to reach the Company at least 7 days before the meeting, so that the information required can be provided at the meeting.
10. Brief resume, details of shareholding and Directors' inter-se relationship of Directors seeking election/re-election as required under Secretarial Standard 2, are provided as Annexure to this Notice.
11. Members may note that M/s. S.Krishnamoorthy & Co (Firm Registration No.001496S), Chartered Accountants, Coimbatore the Statutory Auditors of the Company were appointed by the Shareholders at the 1st Annual General Meeting (AGM) held on 22nd July 2022 to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2027. Hence, no resolution is being proposed for appointment/ re-appointment of Statutory Auditors at this Annual General Meeting.
12. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

Annexure to Notice of AGM

PROFILE OF DIRECTOR SEEKING APPOINTMENT

(Pursuant to Secretarial Standard 2 – Clause 1.2.5)

Name	B. Dhanalakshmi
Director Identification Number (DIN)	07153652
Date of Birth/Nationality	05.06.1969/ Indian
Date of appointment on the Board	16.03.2021
Inter-se relationship with other Directors	She is not related to any other Director
Qualification	B.Com, ACA, ACS
Expertise in area	Service/Professional
Number of Shares held in the Company	Nil
Board Position Held	Director
Terms and conditions of appointment / reappointment	She is liable to retire by rotation
Remuneration paid for the financial year	Nil
Remuneration proposed to be paid	Nil
Number of Board Meetings attended during the year	5 (Five)
Directorships held in other companies	Nil
Chairman / Membership in other committees of the Board	Nil

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the hall)

I hereby confirm my presence at the 02nd Annual General Meeting of the Company on Monday, the 17th Day of July 2023 at 01.00 PM at the Registered Office of the Company situated at C/o. Lakshmi Machine Works Ltd, SF No.516, 516/2, SRKV Post, Periyanaickenpalayam, Coimbatore-641020.

Folio No. / DP-Client ID	
Full name of the shareholder in Block Letter	
No of Shares held	
Name of proxy (if any) in Block Letters	

Signature of the Shareholder / proxy / Representative*

*Strike out whichever is not applicable.

Route Map



**Form MGT - 11
Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN: U29299TZ2021PLC035813

Name of the Company: LMW Aerospace Industries Limited

Registered Office: C/o. Lakshmi Machine Works Ltd, SF No.516, 516/2, SRKV Post, Periyanaickenpalayam, Coimbatore-641020

Name of the Member(s)	
Registered Address	
E-mail id	
Folio No / Client Id	
DP ID	

I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

1.

Name:	
Address:	
E-mail id:	
Signature:	

Or failing him / her

2.

Name:	
Address:	
E-mail id:	
Signature:	

Or failing him / her

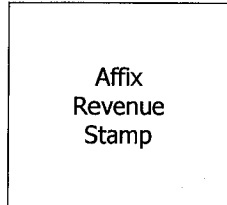
3.

Name:	
Address:	
E-mail id:	
Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 02nd Annual General Meeting of the Company to be held on Monday, the 17th Day of July 2023 at 01.00 PM at the Registered Office of the Company situated at C/o. Lakshmi Machine Works Ltd, SF No.516, 516/2, SRKV Post, Periyanaickenpalayam, Coimbatore-641020 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Item No	Particulars
1	Adoption of Annual Financial Statements of the Company.
2	Appointment of Smt. B. Dhanalakshmi (DIN: 07153652) as a Director on retirement by rotation.

Signed this _____ day of _____ 2023.



Signature of the Shareholder

Signature of the Proxy holder(s)

Note: This form of proxy in order, to be effective should be duly completed, deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

LMW AEROSPACE INDUSTRIES LIMITED

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SRKV Post, Periyanaickenpalayam, Coimbatore-641020

Ph: 0422-7192255 E-Mail: secretarial@lmw.co.in

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of the Company is pleased to present the 02nd Annual Report on the business and operations of the Company and the Financial Statements for the Financial Year ended 31st March 2023.

1. FINANCIAL RESULTS/ REVIEW OF BUSINESS OPERATIONS

The Company is yet to commence its operations. The operations of the Company will begin upon the Scheme of Arrangement between Lakshmi Machine Works Limited and the Company becoming effective.

2. SCHEME OF ARRANGEMENT

The Board of Directors of the Company had approved the Scheme of Arrangement between i) Lakshmi Machine Works Limited ("LMW") and ii) the Company. The Scheme inter-alia provides for the transfer of Advanced Technology Centre business undertaking of LMW into the Company on a going concern basis through slump sale on terms and conditions as detailed in the Scheme.

The matter is now pending before the Honourable National Company Law Tribunal, Chennai Bench.

3. DIVIDEND

Since the Company yet to commence its operations, the Board has not recommended any dividend for the year 2022-23.

4. TRANSFER TO RESERVES

During the year under review, no amount has been transferred by the Company to any specific reserves or general reserves.

5. TRANSFER OF UNCLAIMED DIVIDEND/ SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Since the Company has not declared any dividend in the past, the requirement of transfer of unclaimed dividend / shares to Investor Education and Protection Fund in accordance with Section 124 & 125 of the Companies Act, 2013 does not arise.

6. SHARE CAPITAL:

The paid-up share capital of the Company as on 31st March 2023 stood at Rs.2,50,00,000/- consisting of 25,00,000 equity shares of Rs.10/- each fully paid up. During the year under review, there was no change in the capital structure of the Company.

7. ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, since the Company has no website, the annual return of the Company for the period ended 31st March 2023 and is available for inspection at the registered office of the Company.

8. NUMBER OF BOARD MEETINGS

Five (5) Board meetings were conducted during the financial year under review. All Directors have attended every meeting held during the year.

9. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Directors have devised proper systems to ensure compliance of all applicable Secretarial Standard and such systems are adequate and operating effectively. The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

10. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby confirm that

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/loss of the company for the period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. DETAILS OF FRAUD REPORTED BY STATUTORY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

During the year review, no fraud was reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013.

12. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors are not applicable to the Company.

13. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There is no qualification, reservation or adverse remark made by the Statutory Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year under review.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review, the Company has not entered into any contracts or arrangements with the related parties as covered under the provisions of Section 188 of the Companies Act, 2013.

17. MATERIAL CHANGES

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company is yet to commence its operations disclosure pertaining to the conservation of Energy and Technology Absorption does not arise. Further, the Company does not have any foreign exchange earnings or outgo.

19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

20. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Hence disclosure regarding the details of the same does not arise.

21. ANNUAL EVALUATION OF THE BOARD

Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of Companies (Accounts) Rules, 2014 in relation to disclosure of the details of Annual Evaluation of the Board of Directors do not apply to the Company for the period under review.

22. DIRECTORS

Smt. B. Dhanalakshmi (DIN: 07153652), Director retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

The directors recommend the re-appointment of Smt. B. Dhanalakshmi.

No changes took place in the composition of the Board of Directors during the year under review.

23. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Company is not required to appoint Independent Directors and hence disclosure regarding their integrity, expertise and experience (including the proficiency) does not arise.

24. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business as the Company is yet commence any business operations. However, there is no change in the objects of the Company.

25. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

The company does not have any subsidiary, Joint venture or associate Company.

26. DEPOSITS

Since the Company has not accepted any Deposits covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March 2023 and accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the period under review, there were no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status and company's operation in future.

28. INTERNAL FINANCIAL CONTROL

Procedures are set to detect and prevent frauds and to protect the organisation's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or Intellectual property such as trademarks).

29. MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The Central Government has not prescribed the maintenance of cost records as required under Section 148(1) of the Companies Act, 2013 read with Companies (Cost records and Audit) Rules, 2014 for any of the activities of the Company and hence said provisions are not applicable to the Company.

30. COMMITTEE FOR THE PREVENTION OF HARASSMENT OF WOMEN UNDER WORKPLACE

The Company has no women employee or workman. Hence the requirement of compliance of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 does not arise.

31. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

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

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

33. STATUTORY AUDITORS

M/s. S. Krishnamoorthy & Co., Chartered Accountants, (Firm Registration No.001496S), Coimbatore, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 01st Annual General Meeting (AGM) of the Company held on 22nd July, 2022 to hold office from the conclusion of the said meeting till the conclusion of the 15th AGM to be held in the year 2027.

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

34. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 is not applicable to the Company.

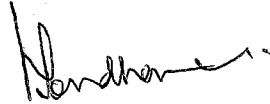
35. PARTICULARS OF EMPLOYEES

The Company has no employees, hence the report on employees of the company drawing remuneration in excess of the limits specified under Sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 is not applicable.

36. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government authorities for their continued support extended to your company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your company.

**By Order of the Board
For LMW Aerospace Industries Limited**



**K. Soundhar Rajhan
(DIN:07594186)**



**V. Senthil
(DIN:09066063)**

Date: 10.05.2023
Place: Coimbatore

S. KRISHNAMOORTHY & CO.

Chartered Accountants

'Kanapathy Towers' III Floor
No. 1391/A-1, Sathy Road
Ganapathy, Coimbatore 641 006
Phone : 0422 4039900
E-mail : skmcoca@skmcoca.com

PARTNERS

K.N. SREEDHARAN F.C.A.**B. KRISHNAMOORTHY** F.C.A.**V. INDIRA** F.C.A.**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF LMW AEROSPACE INDUSTRIES LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the Standalone Financial Statements of LMW AEROSPACE INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies, Notes to the Financial Statements and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our 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 report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, the Statement of Cash Flow and Notes to the Financial Statements dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its Standalone Financial Statements.
 - ii. The Company has no requirement to create any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There were no amounts which 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The company has neither paid nor declared any dividend during the financial year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **S. KRISHNAMOORTHY & Co.**

Chartered Accountants

Firm's Registration No.001496S



B.Krishnmoorthi

Partner, Auditor

Membership No.020439

UDIN: 23020439BGUGUT9975

Place: Coimbatore

Date: 10.05.2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' section of our report to the Members of LMW AEROSPACE INDUSTRIES LIMITED on the Standalone Financial Statements for the year ended March 31,2023)

To the best of our information and according to the explanations provided to us by the company and the books of accounts and records examined by us in the normal course of audit we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company does not own or possess any Property, Plant and Equipment during the year and thus has no requirement to maintain records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company does not own any Intangible Assets during the year and thus has no requirement to maintain records showing full particulars of Intangible assets.
 - (b) As the company has not own or possess any Property, Plant and Equipment till March 31,2023, physical verification under clause 3(i)(b) of the order is not applicable.
 - (c) As the company has not own or possess any immovable properties till March 31,2023, verification Title deeds under clause 3(i)(c) of the order is not applicable.
 - (d) As the company has not own or possess any Property, Plant and Equipment and Intangible assets revaluation of the same under clause 3(i)(d) of the order is not applicable.
 - (e) No proceedings have been initiated during the year or pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (prohibition) Act, 1998 (as amended in 2016) and rules made thereunder.
- (ii) (a) The company did not have any inventory as at the close of the year or during the year.

(b) During the year, the company has not borrowed any working capital loans from banks or financial institutions. Thus, no quarterly returns or statements has been filed by the company with such banks or financial institutions.
- (iii) During the year the company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties.
- (iv) The company has not granted any loan or made any investments or provided guarantees and securities during the year.

- (v) The company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of sec.73 to 76 or any other relevant provisions of the act and the rules apply.
- (vi) Maintenance of cost records under section 148(1) of the Act is not applicable to the company.
- (vii) There is nothing to report under clause 3(vii) of the order, as the statutory compliance are not applicable to the company.
- (viii) Reporting under clause 3(viii) of the order is not applicable to the company, as this is the company's first financial statement.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year.
- (d) The Company has not raised any loans during the year.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There is nothing to report under clause 3(vii) of the order, as the company does not have any employees.
- (xii) The Company is not a Nidhi Company.

- (xiii) There are no transactions with the related parties during the year. The provisions of Section 177 of the act are not applicable to the company.
- (xiv) As per Section 138 of the Companies Act, 2013, the requirement for appointment of internal auditors is not applicable.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) The company does not have any transactions during the year, thus financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements are not applicable.
- (xx) Corporate Social Responsibility (CSR) are not applicable to the company since prescribed criteria u/s 135 of the act is not fulfilled.

For **S. KRISHNAMOORTHY & Co.**
Chartered Accountants
Firm's Registration No.001496S



B. Krishnmoorthi
Partner, Auditor
Membership No.020439
UDIN: 23020439BGUGUT9975

Place: Coimbatore
Date: 10.05.2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' section of our report to the Members of LMW AEROSPACE INDUSTRIES LIMITED on the Standalone Financial Statements for the year ended March 31,2023)

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

We have audited the internal financial controls over financial reporting of LMW AEROSPACE INDUSTRIES LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date to the extent applicable considering there were no operations in the company during the year.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

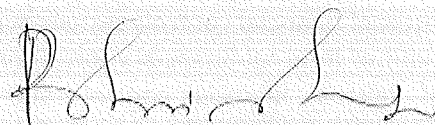
Opinion

In our opinion, to the best of our information and according to the explanations given to us and keeping in mind that the company is in the preliminary stage of commencement of operations, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. KRISHNAMOORTHY & Co.**

Chartered Accountants

Firm's Registration No.0014965



B.Krishnmoorthi

Partner, Auditor

Membership No.020439

UDIN: 23020439BGUGUT9975

Place: Coimbatore

Date: 10.05.2023

LMW AEROSPACE INDUSTRIES LIMITED

Balance Sheet as on 31st March 2023

(All amounts in INR lakhs, unless otherwise stated)

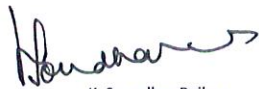
Particulars	Note No.	As at 31st Mar 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment		-	-
Capital work-in-progress		-	-
Other Intangible assets		-	-
Financial Assets			
(i) Investments		-	-
a) Investments in subsidiaries		-	-
b) Other investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(ii) Other financial assets		-	-
Deferred tax assets (net)		-	-
Other non-current assets		-	-
Total Non - Current Assets		-	-
Current assets			
Inventories		-	-
Financial Assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	1	245.89	246.59
(iii) Bank balances other than (iii) above		-	-
(iv) Loans		-	-
(iv) Other financial assets		-	-
Current Tax Assets (Net)		-	-
Other current assets		-	-
Total Current Assets		245.89	246.59
Miscellaneous Expenditure to the extent not written off			
Preliminary and Pre-operating expense	2	4.21	3.51
Total Assets		250.10	250.10
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	3	250.00	250.00
Other Equity		-	-
Equity attributable to owners of the Company		250.00	250.00
Total equity		250.00	250.00
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Trade payables		-	-
(ii) Other financial liabilities		-	-
Provisions		-	-
Deferred tax liabilities (Net)		-	-
Other non-current liabilities		-	-
Total Non - Current Liabilities		-	-
Current liabilities			
Financial Liabilities			
(i) Trade payables		-	-
Due to Small and Medium Enterprises		-	-
Due to Others		-	-
(ii) Other financial liabilities		-	-
Provisions		-	-
Current Tax Liabilities (Net)		-	-
Other current liabilities	4	0.10	0.10
Total Current Liabilities		0.10	0.10
Total Liabilities		0.10	0.10
Total Equity and Liabilities		250.10	250.10

In terms of our report attached
For S.Krishnamoorthy & Co
Firm Registration No.0014965
Chartered Accountants



B.Krishnamoorthy
Partner
Membership No. 020439

For and on behalf of the Board of Directors



K. Soundhar Rajhan
Director
DIN: 07594186



V. Senthil
Director
DIN: 09066063

Place : Coimbatore
Date : 10-05-2023

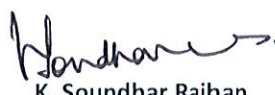
LMW AEROSPACE INDUSTRIES LIMITED			
Statement of Profit and Loss for the year ended 31st Mar 2023			
(All amounts in INR lakhs, unless otherwise stated)			
Particulars	Note No.	Year ended 31st Mar 2023	Period ended 31st Mar 2022
INCOME			
Revenue from operations		-	-
Other income		-	-
Total income		-	-
EXPENSES			
Cost of materials consumed		-	-
Purchase of stock in trade		-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		-	-
Employee benefit expense		-	-
Depreciation and amortisation expense		-	-
Impairment loss on financial assets		-	-
Other expenses		-	-
Finance costs		-	-
Total expenses		-	-
Profit before exceptional items and tax		-	-

In terms of our report attached
For S.Krishnamoorthy & Co
Firm Registration No.001496S
Chartered Accountants



B.Krishnamoorthi
Partner
Membership No. 020439

For and on behalf of the Board of Directors



K. Soundhar Rajhan
Director
DIN: 07594186



V. Senthil
Director
DIN: 09066063

Place : Coimbatore
Date : 10-05-2023

LMW AEROSPACE INDUSTRIES LIMITED

Cash Flow Statement for the year ended 31st March 2023

(All amounts in INR lakhs, unless otherwise stated)


PARTICULARS	Year ended 31st March 2023		Year ended 31st Mar 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit after exceptional items but before tax		-		-
Operating Profit before working capital changes				
Adjustments for (increase) / decrease in operating assets				
Pre Operating Expenses	(0.70)		(0.26)	
Preliminary expenses			(3.25)	
Adjustments for increase / (decrease) in operating liabilities				
Other current liabilities		(0.70)	0.10	(3.41)
Net Cash used in/generated from operations	[A]	(0.70)	[A]	(3.41)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net cash used in investing activities	[B]	-	[B]	-
C. CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital		0.00		250.00
Net cash used in financing activities	[C]	0.00	[C]	250.00
Net Increase/(Decrease) of cash and cash equivalents during the year		(0.70)		246.59
D. Cash and cash equivalents at beginning of the period		246.59		-
E. Cash and cash equivalents at end of the period		245.89		246.59
Net increase / (decrease) in cash and cash equivalents (E-D)		(0.70)		246.59
Cash & Cash equivalents as per Balance Sheet		245.89		246.59
Cash and Cash equivalents as per Cash flow Statement		245.89		246.59

In terms of our report attached

For S.Krishnamoorthy & Co

Firm Registration No.0014965

Chartered Accountants



B.Krishnamoorthi


Partner

Membership No. 020439

Place : Coimbatore

Date : 10-05-2023

For and on behalf of the Board of Directors



K. Soundhar Rajhan

Director

DIN: 07594186



V. Senthil

Director

DIN: 09066063

Notes to Financial Statement

(All amounts in INR lakhs, unless otherwise stated)

LMW AEROSPACE INDUSTRIES LIMITED					
1. Cash and cash equivalents					
Particulars			As at 31st Mar 2023	As at 31st March 2022	
Balances with Banks					
Current account - Indian Bank			245.89	246.59	
			245.89	246.59	
2. Miscellaneous Expenses to the extent not written off					
Particulars			As at 31st Mar 2023	As at 31st March 2022	
a. Preliminary Expenses					
Filing and other fee			3.25	3.25	
b. Pre-operating Expenses					
Professional Charges			0.69	0.10	
License and Taxes			0.05	0.05	
Audit Fees			0.20	0.10	
Finance cost - Bank charges			0.01	0.01	
			0.95	0.26	
			4.21	3.51	
3. Equity Share Capital					
Particulars			As at 31st Mar 2023	As at 31st March 2022	
Authorized Share Capital					
25,00,000 fully paid equity shares of Rs. 10 each			250.00	250.00	
Issued, subscribed and fully paid up capital comprises					
25,00,000 fully paid equity shares of Rs. 10 each			250.00	250.00	
Fully paid up equity shares					
		Number of shares	Number of shares	Share Capital	
Balance as on 31st March 2022			25,00,000	250,00,000	
Balance as on 31st March 2023			25,00,000	250,00,000	
Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period	
250.00	-	-	-	250.00	
Details of Shares held by the Promoters and Promoters Group as at 31.03.2023					
S.No.	Promoter Name	No. of Shares	% of total shares	% change during the year	
1	Lakshmi Machine Works Limited	25,00,000	100%	-	
Total		25,00,000	100%	-	
Shareholders holding more than 5% Equity shares					
Sl. No	Particulars	As at 31st March 2023		As at 31st March 2022	
		Number	Percentage	Number	Percentage
1	Lakshmi Machine Works Limited	25,00,000	100%	25,00,000	100%
4. Other Current Liabilities					
Particulars			As at 31st Mar 2023	As at 31st March 2022	
Current					
Audit fees payable			0.10	0.10	
			0.10	0.10	

Notes to the standalone financial statements for the year ended 31st March, 2023

Statement of significant accounting policies

1 Corporate Information

LMW AEROSPACE INDUSTRIES LIMITED is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The address of its registered office is C/o. Lakshmi Machine Works Ltd, SF No.516 516/2, SRKV Post, Periyanaickenpalayam Coimbatore TN 641020 IN. The company is engaged in the Manufacture of machinery and equipment N.E.C. The financial statements are approved for issue by the Company's Board of Directors on 10th May, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with IND AS notified under Sec. 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013(' Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1 (unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date); Level 2 (inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; Level 3 (unobservable inputs for the asset or liability). Fair value in respect of equity financial instruments are the quoted prices of those instruments in the stock exchanges at the measurement date.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost net of historical Indirect Taxes, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of fixed assets is recognised as expense or income in the Statement of Profit and Loss. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the tangible assets are as follows:

Asset Type	Estimated Useful life
Buildings	20-60 years
Plant and Equipment	
a. Main Machines	8-20 years
b. Ancillary Machines	3-7 years
Windmills	22 years
Solar Project	10 Years
Furniture & fixtures	8-10 years
Vehicles	6-8 years
Office Equipment's	7-15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

2.4 Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.5 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows:

Asset Type	Useful Life
Technical Know how	6 years
Software	6 years

There are no intangible assets having indefinite useful life.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.6 Impairment of assets

A tangible or intangible asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of tangible or intangible assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the

carrying amount over its recoverable value is recognised as an impairment loss. The impairment loss, if any, recognised in prior accounting period is reversed if there is a change in estimate of recoverable amount.

2.7 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.8 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt

instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments as the same has been recognised in other comprehensive income.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Company has equity investments which are not held for trading and has elected the FVTOCI irrevocable option for all the equity investments.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company has Mutual fund investments which are debt instruments being designated as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

De recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For 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 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.9 Financial liabilities and equity instruments

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income/Expense' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income/Expense'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.10 Valuation of Inventories

Inventories are valued at lower of cost or net realisable value after providing for obsolescence wherever necessary.

Cost is determined on weighted average basis. 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.

2.11 Translation of Foreign Currency Transactions:

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.12 Recognition of Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of sales returns, trade allowances and rebates. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company uses the percentage-of-completion method in accounting for its fixed-price contracts relating to job work charges and delivery of products at work in progress stage. Use of the percentage-of-completion method requires the company to estimate the services performed to date as a proportion of the total services to be performed.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, reference to principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export incentives are recognised when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists. Revenue from carbon credits / REC entitlements are recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.14 Dividends

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.15 Earnings per Share:

Basic Earning per share is calculated by dividing the Net Profit after tax attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year.

2.16 Employee Benefits:

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not re classified to profit or loss. Past services cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income and remeasurement. The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.17 Research and Development

Revenue expenditure incurred on Research and Development activities are expensed. Fixed assets relating to Research and Development are capitalised and depreciation provided thereon.

2.18 Taxes on Income

Income tax expense comprises current and deferred income tax.

Current Tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Deferred Tax

“Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

Current and Deferred Tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.19 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities / assets are not recognised but are disclosed in the notes to financial statements when an inflow of economic benefits is probable. Provisions, contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Present obligations, legal or constructive, arising under onerous contracts are recognised and measured as provisions.

An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the company's obligation.

2.20 Cash Flow Statement and Cash and Cash equivalents

Cash Flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balances with banks in current and deposit accounts.

2.21 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other

components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the company's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

The company has three reportable segments, viz., Textile Machinery Division, the Machine Tool Division / Foundry and the Advanced Technology Centre, which are the company's strategic business units. These business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of these business units, the company's CODM reviews internal management reports. Performance is measured based on segment profit before tax, as included in the internal management reports, that are reviewed by the company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

2.22 Leases

Assets given on leases where substantial risks and rewards incidental to ownership of the asset are not transferred to the lessee are classified as operating leases. Lease income from such operating leases is recognised on straight line basis over the lease term. Depreciation on such leased assets is charged as per the normal depreciation policy of the company for similar assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such estimates and judgments are included in the relevant notes together with the basis of calculation for relevant line item in the financial statements. Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.