INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pradeep Metals Limited
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pradeep Metals Limited** (‘the Company’) which comprise the Balance Sheet as at 31st March, 2024, 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 material accounting policies and other explanatory information (together referred to as 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 (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter & how our audit addressed the key audit matter

Inventory valuation (WIP)

The nature of items produced by the Company are customized and are unique (i.e. non-standardized items), this poses a challenge of inventory valuation especially in respect of in work in progress (WIP). As at 31st March, 2024, WIP value is Rs. 2,342.24 Lakhs. The Company has multiple control points which include detailed recording of movement of WIP items in ERP System, periodical physical verification and ascertainment of stage of WIP by the management.

As part of our audit procedures, we have performed test verification of closing inventory and also performed analytical test to validate the closing stock quantities and values of WIP. Our analytical test included (a) verification of the overall input-output ratio and inquiring the reasons for difference between standard and actual consumption & yield, (b) verifying the accuracy of the closing stock valuation work sheets (c) basis of ascertainment of stage of completion and (d) assessing the accuracy and completeness of the information used by management in comparing the cost of WIP inventory with net realizable value. The deviations were not significant and satisfactory explanation was provided to us.

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

The Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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.

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

Auditor's Responsibilities for the Audit of the standalone financial statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 standalone 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 the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

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

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors for the year ended 31st March, 2024 is in accordance with the provisions of section 197 read with Schedule V 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 from time to time, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 36(A), 36(B) and 36(C) to the standalone financial statements

      ii. The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.

      iii. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 (Refer note 61 to the standalone financial statements);

(b) The Management has represented, that, to the best of its knowledge and belief, no funds 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 (Refer note 61 to the standalone financial statements);

(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. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for records retention is not applicable for the financial year ended 31st March, 2024.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Bhavin Kapadia
Partner
Membership No.: 118991
UDIN: 24118991BKFQUQ1418
Place: Mumbai
Date: 17th May, 2024

Annexure A to Independent Auditors' Report for the year ended 31st March, 2024

[Referred to in 'Other legal and regulatory requirements 'of our report of even date]

1) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) and relevant details of right to use assets.

(B) The Company has maintained proper records showing full particulars, including quantitative details and situation of intangible assets.

b) The Company has physically verified all the property, plant and equipment and right to use assets during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company which have been verified from registered sale deed provided to us in original and from photocopies of the agreements wherever the original documents are deposited with banks against credit facilities granted by them for which we have received confirmation from the bank.

d) None of the items of Property, Plant and Equipment (including Right of Use assets) or intangible assets have been revalued during the year.

e) No proceedings have been initiated during the year or are pending against the Company as on 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2) a) The inventory (other than lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, confirmations were obtained by the Company during the year. In our opinion, the frequency, coverage and procedure of such verification carried out by the management is reasonable and appropriate. As per the information and explanation given to us, discrepancies noticed on physical verification were not material (i.e. less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.

b) The Company has been sanctioned working capital limits of more than Rs. 5 crores from bank on the basis of security of current assets. There are no borrowings from financial institution. According to the information and explanations given to us and on the basis of our examination of the records of the Company, discrepancies in quarterly returns or statements of current assets filed by the Company to bank with books of account which are not material are as mentioned below:

(Rs. in Lakhs)

Quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
30th June 2023	Union Bank of India	Inventory and trade receivable	9,031.38	8,990.49	40.89	Mainly on account of: 1) Quarterly provisioning made for Slow-moving and non-moving inventories 2) Exclusion of receivable standing in books on account of sale of windmill power
30th September 2023			9,622.16	9,542.31	79.85	
31st December 2023			11,056.67	11,043.01	13.66	

3) a) The Company had granted unsecured loans and stood guarantee for loan taken by the Wholly Owned Subsidiary (WOS) as given below:

(Rs. in Lakhs)

Particulars	Unsecured Loans	Corporate Guarantee*
Aggregate amount during the current year	Nil	Nil
Balance outstanding as on 31st March, 2024*	Nil^	832.52

* Guarantees given in USD are converted in INR as at 31st March, 2024.

^ During the year, the Board of directors of the Company approved for additional investment in Wholly Owned Subsidiary (WOS) through conversion of outstanding unsecured loan given to WOS amounting to Rs. 2,236.80 Lakhs (equivalent USD 26.90 Lakhs) into equity share capital of WOS. As a result, the outstanding balance as of 31st March, 2024 is Nil.

Based on the information and explanation given to us, apart from above, the Company has not made any other investments, provided any guarantee or security or granted any loans or advances in the nature of loans.

b) In our opinion, the investments made, guarantees provided and the terms and conditions of the loans granted are not, prima facie, prejudicial to the Company's interest. The Company has not given any security for the loan taken by WOS from banks.

c) In respect of loan granted, during the year repayment of principal amount and payment of interest was regular as stipulated.

d) There are no overdue amounts in respect of the loan granted to WOS and as stated above under clause 3 (a), the outstanding balance as of 31st March, 2024 is Nil. Hence reporting under clause 3(iii)(d) and (e) is not applicable.

f) Based on the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause 3(iii)(f) is not applicable.

4) According to the information and explanation given to us, in respect of corporate guarantee, loan given and investment made in WOS, the Company has complied with the provisions of Section 185 and Section 186 of the Act as applicable. The Company has not given any other loans, investments, guarantee and security.

5) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6) As per information and explanation given to us, maintenance of cost records in respect of closed dies forging and processing is prescribed for the Company pursuant to the Rules made by the Central Government under section 148(1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2024 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and services tax, which have not been deposited with appropriate authorities on account of any dispute except demands raised for income tax as given below:

(Rs. in Lakhs)

The Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount
The Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	F.Y. 2019-20	28.56

8) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that

(a) The Company has not defaulted in repayment of loans and payment of interest thereon to any lender.

(b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) Term loans raised during the year by the Company are applied for the purpose for which those are raised.

(d) The funds raised on short term basis have not been utilised for long term purposes. Hence further reporting under clause 3(ix)(d) is not applicable.

(e) During the year, the Company has not availed any funds from any entity or person on account of or to meet the obligation of its subsidiaries. The Company does not have any associates and joint ventures. Hence further reporting under clause 3(ix)(e) is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in subsidiaries. The Company does not have any associate companies or joint ventures.

10) (a) During the year, the Company has not raised money by way of initial public offer or further public offer [including debt instruments]. Hence further reporting under clause 3(x)(a) is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Hence further reporting under clause 3(x)(b) is not applicable.

11) (a) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company.

(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) As informed to us, no whistle blower complaints have been received by the Company during the year.

12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

14) (a) In our opinion, the Company has an internal audit system which commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, clause (xv) of paragraph 3 the Order is not applicable.

16) In our opinion and according to the information and explanations given to us,

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

17) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the year.

19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention which causes us to believe that material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a

period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) During the year there are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

21) The Company has only foreign subsidiaries hence reporting under clause 3(xxi) is not applicable.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Bhavin Kapadia
Partner
Membership No.: 118991
UDIN: 24118991BKFQUQ1418
Place: Mumbai
Date: 17th May 2024

Annexure B to Independent Auditors' Report of even date on the standalone financial statements of Pradeep Metals Limited

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

Opinion

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Company") as of 31st March, 2024 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

In respect of inventory (recording of WIP and allocation of overheads) internal financial controls needs to be further strengthened to commensurate with the size of the Company and nature of its business. This matter was reported in earlier year also.

In our opinion, read with our comment with respect to inventories above, 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 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

The 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 standalone financial statement for external purposes in accordance with generally accepted accounting principles. The 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 standalone financial statement 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 standalone 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.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Bhavin Kapadia
Partner
Membership No.: 118991
UDIN: 24118991BKFQUQ1418
Place: Mumbai
Date: 17th May 2024

Standalone Balance Sheet as at 31st March, 2024

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4.1	6,621.00	5,176.56
(b) Right of use assets	4.2	159.04	42.79
(c) Capital work-in-progress	4.5	90.52	450.49
(d) Other Intangible assets	4.1	166.94	232.73
(e) Financial assets			
(i) Investments	5	532.53	532.53
(ii) Loans	6	-	2,087.12
(iii) Other financial assets	7	2,478.58	99.11
(f) Income tax assets (net)		118.22	168.69
(g) Other assets	8	630.31	706.71
		10,797.14	**9,496.73**
II. Current assets			
(a) Inventories	9	4,329.74	3,932.96
(b) Financial assets			
(i) Trade receivables	10	7,526.28	6,152.38
(ii) Cash and cash equivalents	11	2.03	1.87
(iii) Bank balances other than (ii) above	11	55.74	54.56
(iv) Loans	12	3.74	252.33
(v) Other financial assets	13	257.23	249.57
(c) Other assets	14	550.35	402.01
		12,725.11	**11,045.68**
TOTAL ASSETS		**23,522.25**	**20,542.42**
EQUITY AND LIABILITIES			
III. Equity			
(a) Equity share capital	15	1,727.00	1,727.00
(b) Other equity	16	10,488.97	8,901.47
TOTAL EQUITY		**12,215.97**	**10,628.47**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	39	99.56	-
(ib) Term loans	17	1,240.30	1,197.67
(b) Provisions	18	84.80	77.68
(c) Deferred tax liabilities (net)	19.4	414.13	343.30
		1,838.79	**1,618.65**
V. Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	39	26.26	5.93
(ib) Short-term borrowings	20	4,995.01	4,867.42
(ii) Trade payable	21		
(A) Due to micro and small enterprises		132.04	61.48
(B) Due other than to micro & small enterprises		3,268.39	2,320.11
(iii) Other financial liabilities	22	847.98	920.33
(b) Other liabilities	23	113.25	55.34
(c) Provisions	24	84.56	64.70
		9,467.49	**8,295.30**
TOTAL LIABILITIES		**11,306.28**	**9,913.95**
TOTAL EQUITY & LIABILITIES		**23,522.25**	**20,542.42**
Material accounting policies & other notes	**1 to 64**		

Notes referred to herein above form an integral part of the standalone financial statements.
As per our report of even date attached

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Statement of Profit and Loss for the year ended on 31st March, 2024

(Rs. in Lakhs except share and per share data)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	25	25,121.36	24,590.81
Other income	26	506.49	421.23
Total Income		**25,627.85**	**25,012.04**
EXPENSES			
Cost of material consumed	27	12,179.08	11,842.74
Changes in inventories of work-in-progress, finished goods and scrap	28	(293.89)	(302.74)
Manufacturing expenses	29	5,201.08	5,305.84
Employee benefit expenses	30	3,135.30	2,773.44
Finance costs	31	601.00	543.48
Depreciation and amortization expense	4.3	766.78	619.07
Other expenses	32	1,596.92	1,581.04
Total Expenses		**23,186.27**	**22,362.87**
Profit before exceptional items and tax		**2,441.58**	**2,649.18**
Less: Exceptional items	33	-	135.00
Profit before tax		**2,441.58**	**2,514.18**
Tax expense			
- Current tax		570.50	698.24
- Deferred tax charge / (credit)		70.84	(20.08)
- Income tax of earlier years (net)		(12.77)	(29.11)
		628.57	**649.05**
Net Profit for the year (A)		**1,813.01**	**1,865.13**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement losses on defined benefit plans	34	(70.52)	(61.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss	34	17.75	15.52
Other Comprehensive Income (B)		**(52.77)**	**(46.14)**
Total Comprehensive Income (A+B)		**1,760.24**	**1,818.98**
Earnings per equity share	35		
(a) Basic (Face value of Rs. 10 each)		10.50	10.80
(b) Diluted (Face value of Rs. 10 each)		10.50	10.80
Material accounting policies & other notes	1 to 64		

Notes referred to herein above form an integral part of the standalone financial statements.
As per our report of even date attached

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
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DIN: 05017190

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Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Standalone Cash Flow Statement for the year ended 31st March, 2024

(Rs. In Lakhs)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation		2,441.58		2,514.18
Adjustments for:				
Depreciation and amortization	766.78		619.07	
Allowance for doubtful debts/ (utilised) (net)	-		(0.35)	
Allowance for doubtful advance/ (utilised)	(1.20)		1.20	
(Gain) / Loss on discard of property, plant & equipment (net)	(15.29)		40.67	
Provision for slow moving / non moving inventories (net)	10.69		6.85	
Amount no longer payable written back	(47.22)		(3.19)	
Unrealised foreign exchange (gain) / loss (net)	(102.92)		105.20	
Impairment of investment in WOS	-		135.00	
Interest expenses	601.00		543.48	
Interest income	(131.73)		(153.30)	
		1,080.12		1,294.63
Operating profit before changes in assets and liabilities		**3,521.70**		**3,808.81**
Movements in working capital : [Current and Non-current]				
Increase in other financial assets and other assets	(242.02)		(185.57)	
Increase in inventories	(407.47)		(507.64)	
Increase in trade receivable	(1,291.70)		(123.42)	
Increase in trade payable, other liabilities, provisions and other financial liabilities	1,015.53	(925.65)	367.17	(449.46)
		2,596.05		**3,359.35**
Adjustment for:				
Direct taxes paid (net of refund)		(524.78)		(733.05)
Net cash generated from operating activities…(A)		**2,071.27**		**2,626.30**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, plant & equipment and intangible assets (Including capital advances and work in progress)	(1,687.95)		(1,496.45)	
Sale / discard of Property, plant & equipment	-		19.76	
Increase in other bank balances and non-current assets [Other than cash and cash equivalent]	(1.36)		(6.05)	
Repayment of loan from wholly owned subsidiary	124.09		-	
Interest received	131.73		138.95	
	(1,433.49)		**(1,343.80)**	
Adjustment for:				
Less: Direct taxes paid [including tax deducted at source]	(0.21)		(0.17)	
Net cash used in investing activities…(B)		**(1,433.70)**		**(1,343.97)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	1,055.03		338.22	
Repayment of long term borrowings	(725.73)		(640.28)	
Payment of lease liabilities	(36.00)		(36.00)	
Increase / (Decrease) in working capital loan (net)	(162.54)		19.57	
Dividend paid	(173.32)		(429.11)	
Interest paid	(594.86)		(534.42)	
Net cash used in financing activities…(C)		**(637.41)**		**(1,282.01)**
Net increase in cash and cash equivalents…(A + B + C)		**0.16**		**0.32**
Cash and cash equivalents at the beginning of the year	1.87		1.55	
Cash and cash equivalents at the end of the year	2.03		1.87	
Net increase in cash and cash equivalents		**0.16**		**0.32**
Material accounting policies & other notes	1 to 64			

Notes referred to herein above form an integral part of the standalone financial statements.
As per our report of even date attached

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Statement of changes in equity for the year ended 31st March, 2024

(Rs. In Lakhs)

Particulars	Equity share capital	Reserves and surplus (A)			Other Comprehensive Income (B)	Total other equity (A+B)
		Security Premium	General reserves	Retained earnings (Statement of profit and loss)		
For the year ended 31st March, 2023						
Balance at 1st April, 2022	1,727.00	515.98	211.60	6,917.14	(130.47)	7,514.26
Profit for the year	-	-	-	1,865.13	-	1,865.13
Remeasurements losses on defined benefit plan	-	-	-	-	(46.21)	(46.21)
Transaction with owners in their capacity as owners						
Final dividend (F.Y.2021-22)	-	-	-	(259.05)	-	(259.05)
Interim dividend (FY 2022-23)	-	-	-	(172.70)	-	(172.70)
Balance as at 31st March, 2023	**1,727.00**	**515.98**	**211.60**	**8,782.27**	**(176.69)**	**8,901.47**
For the year ended 31st March, 2024						
Balance at 1st April, 2023	1,727.00	515.98	211.60	8,782.27	(176.69)	8,901.47
Profit for the year	-	-	-	1,813.01	-	1,813.01
Remeasurements losses on defined benefit plan	-	-	-	-	(52.77)	(52.77)
Transaction with owners in their capacity as owners						
Final dividend (F.Y.2022-23)	-	-	-	(172.70)	-	(172.70)
Balance as at 31st March, 2024	**1,727.00**	**515.98**	**211.60**	**10,767.98**	**(229.46)**	**10,488.97**

Material accounting policies & other notes **1 to 64**

i) **Securities premium**
Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

ii) **General Reserve**
General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iii) **Retained earnings**
Retained earnings represent the accumulated earnings net of losses, if any, made by the Company over the years.

iv) **Other comprehensive Income - Defined benefit obligation**
The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

Notes referred to herein above form an integral part of the standalone financial statements.
As per our report of even date attached

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of
Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Notes on standalone Ind AS financial statements for the year ended 31st March, 2024

1. Background

Pradeep Metals Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company's shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing and selling of forged and machined components for various sectors. The Company caters to both domestic and international markets. The registered office and manufacturing facility of the Company is located at Navi Mumbai. The Company's CIN is L99999MH1982PLC026191.

The financial statements were authorized for issue in accordance with a resolution of the Directors on 17th May 2024.

2. Basis of preparation

2.1. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 with relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further, in accordance with the amendments to the Companies (Indian Accounting Standards) Rules, 2023, the company has disclosed material accounting policies as against the significant accounting policies. Considering the nature of transactions and business operation of the Company, accounting policies related to 'Leases' and 'Investment in equity instrument at FVTOCI' are not forming part of material accounting policies.

2.2. Basis of preparation and presentation

These standalone financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities (including derivative instruments);

ii. Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

2.3. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in Lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

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

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

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

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

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortization of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortization and decommissioning costs are critical to the Company's financial position and performance.

ii) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involve use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iv) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

v) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Any increase in probability of future taxable profit will result into recognition of unrecognized deferred tax assets.

vi) Measurement of defined benefit plan & other long-term benefits

The cost of the defined benefit gratuity plan / other long-term benefits and the present value of the gratuity obligation / other long-term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long-term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on management policy for increase in basic salary.

vii) Impairment of investment in subsidiaries

In the opinion of the management, investments in subsidiaries are considered long term and strategic in nature and in view of future business growth / asset base, the value of long-term investments are considered good. Impairment is made in the value of investment of subsidiary based on the assessment carried out by the Company.

viii) Provision for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statement.

3. Material Accounting Policies

3.1. Presentation and disclosure of standalone financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months, however for the purpose of current/ non- current classification of assets and liabilities, period of 12 months have been considered as its normal operating cycle.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties, plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013, except for the plant and machinery as per the table given below, for which on the basis of internal technical assessment made by the management, the depreciation has been provided considering the useful life of the plant.

The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Particulars	Useful life
Machinery for heavy production/press/cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Second hand CNC machines	10 Years
Solar power generation plant	25 Years
Individual assets whose cost does not exceed five thousand rupees	Nil Depreciated fully in the year of capitalisation

The useful lives of the property, plant and equipment not covered in table above and are in accordance with schedule II are as follows:

Particulars	Useful life
Factory Building on leasehold land	Lower of 30 Years or balance lease period
Electrical Installation	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor Vehicles	8 Years
Windmill	22 Years

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". Cost of assets under construction / acquisition / not put to use at the Balance sheet date are disclosed under "Capital work-in-progress"

De-recognition

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

3.3. Intangible assets and amortization

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible Asset	Estimated useful life
ERP software	10 Years
Other Software	3 Years
Microwave Composite Heating Furnace project (SDF Technology)	7 years

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. Research and development costs

Research costs are expensed as incurred. Development expenditures are recognized as an intangible asset when the Company can demonstrate:

The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Inventories

Inventories consists of raw materials, consumables, dies, work-in-progress and scrap. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable 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. The cost of finished goods also includes excise duty wherever applicable.

Dies are valued at cost or net realizable value whichever is less. Cost includes material cost and labour cost. Costs are determined on specific identification basis.

Scrap is valued at net realizable value.

3.6. Revenue recognition

The policy for Revenue as presented in the Company's financial statements are as under:

- The Company recognizes revenue when the amount can be reliably measured, to the extent 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
- Sale of goods is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products. Revenue is measured at the transaction price allocated to that performance obligation, net of Goods and Service Tax (GST), returns and allowances, trade, volume & other discounts.
- Accumulated experience is used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives. No element of financing is deemed present as the sales are made with normal credit terms.
- Revenue from export sales are recognized upon transfer of control of promised products to customers usually on the basis of dates of shipping bills or bill of lading depending on the shipment terms.
- Sale of services is recognized upon rendering of services and revenue from fixed price, fixed time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized over the period of contract on pro-rata basis.
- Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.

- Export incentives / benefits are recognized as income in Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods/sale of license in open market.
- Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered.

• Other income

- Income from guarantee commission is recognized as a percentage of guarantee given on annual basis.
- Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders/board of directors approve the dividend as applicable.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

3.7. Investment in subsidiaries

The Company's investment in instruments of subsidiaries are accounted for at cost less accumulated impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. In case of Exports Promotion Capital Goods (EPCG) scheme, government grants is recognised in the statement of profit and loss over the period of fulfilment of export obligation. Where the grant relates to an asset, it is deducted from the cost of the asset and the net amount of the asset is capitalized

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognized in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognized in statement of profit and loss or other comprehensive income is also recognized in statement of profit or loss or other comprehensive income respectively).

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long-term benefits

a. Defined contribution plan

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Post-employment benefit and other long-term benefits

The Company has defined benefit plans comprising of gratuity and other long-term benefits in the form of leave benefits and long service rewards. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long-term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Provision for casual leave is made on arithmetic basis.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognized under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognized when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

3.11. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

3.12. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

The Company has adopted the amendments with respect to Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1st April, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences – e.g., leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Company previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at 1st April 2022 and thereafter.

However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1st April 2022 as a result of the change.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15. Cash flow statement

Cash flows are reported using the indirect method, where by net 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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities, contingent assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

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

3.17. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the equity shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. 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 recognized immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

3.18.1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized 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.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized 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 gross carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is 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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized 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 recognized 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 recognizes loss allowances using the expected credit loss (ECL) model based on ‘simplified approach’ for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition 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 recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition 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 recognize under continuing involvement, and the part it no longer recognizes 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 recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.18.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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 Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized 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 amortized 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 de-recognition 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 recognized 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 recognized 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 re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' 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 recognized 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 recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized 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 recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized 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 amortized 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 gross 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 recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

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

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with 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 de-recognized and the consideration paid and payable is recognized in profit or loss.

3.19. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

4 Property, plant & equipment and intangible assets

4.1 As on 31st March, 2024

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation / amortization				Net Block
	As at April, 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	On deductions	As at March 31, 2024	As at March 31, 2024
Property, plant & equipment (Tangible assets)									
Freehold land	155.92	-	-	155.92	-	-	-	-	155.92
Factory buildings (on leasehold land)	2,008.90	87.34	-	2,096.24	400.39	77.48	-	477.88	1,618.37
Plant and machinery (P & M)	3,026.27	539.07	21.45	3,543.89	1,048.48	330.53	17.67	1,361.34	2,182.55
Microwave Machinery (R&D)	149.10	-	-	149.10	149.10	-	-	149.10	-
Windmill	1,246.22	-	58.95	1,187.27	391.95	56.07	22.32	425.69	761.58
Solar Plant	-	1,190.45	-	1,190.45	-	31.05	-	31.05	1,159.40
Electrical installation	127.27	61.13	-	188.39	53.79	13.66	-	67.45	120.94
Computers	61.18	17.70	-	78.88	32.15	15.31	-	47.46	31.42
Furniture and fixtures	88.78	0.93	-	89.70	40.18	8.15	-	48.33	41.37
Office equipment	27.89	9.28	-	37.17	6.36	6.20	-	12.56	24.61
Vehicles	102.97	202.39	0.11	305.26	68.23	28.42	0.10	96.55	208.70
Dies	853.86	44.20	-	898.06	481.17	100.40	-	581.57	316.49
Sub-total (A)	**7,848.35**	**2,152.49**	**80.51**	**9,920.34**	**2,671.81**	**667.27**	**40.09**	**3,298.99**	**6,621.35**
Intangible assets									
Software (Other than internally generated)	139.66	3.90	-	143.56	82.77	26.24	-	109.01	34.55
Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	304.10	128.26	43.44	-	171.70	132.39
Sub-total (B)	**443.76**	**3.90**	**-**	**447.66**	**211.03**	**69.68**	**-**	**280.71**	**166.94**
Total [(A) + (B)]	**8,292.11**	**2,156.39**	**80.51**	**10,368.00**	**2,882.84**	**736.95**	**40.09**	**3,579.70**	**6,788.29**

4.2 Right of use asset

(Rs. in Lakhs)

Particulars	Building	Leasehold Land	Total
Gross carrying value			
Balance as at 31st March, 2022	122.27	55.81	178.08
Additions in 2022-2023	-	-	-
Balance as at 31st March, 2023	**122.27**	**55.81**	**178.08**
Additions in 2023-2024	146.05	-	146.05
Deletions in 2023-2024	122.27	-	122.27
Balance as at 31st March, 2024	**146.05**	**55.81**	**201.86**
Accumulated amortization			
Balance as at 31st March, 2022	88.06	17.28	105.34
Charge for the year 2022-23	29.35	0.60	29.94
Balance as at 31st March, 2023	**117.40**	**17.88**	**135.28**
Charge for the year 2023-2024	29.23	0.60	29.83
Deletions in 2023-2024	122.27	-	122.27
Balance as at 31st March, 2024	**24.34**	**18.47**	**42.84**
Net carrying amount			
Balance as at 31st March, 2023	4.87	37.93	42.80
Balance as at 31st March, 2024	**121.71**	**37.33**	**159.04**

4.3 Depreciation as per statement of profit & loss

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Depreciation and amortization of Property, plant & equipment and intangible assets	736.95	589.13
Depreciation on Right of use assets	29.83	29.94
	766.78	**619.07**

4.4 As on 31st March, 2023

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation / amortization				Net Block
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	On deductions	As at March 31, 2023	As at March 31, 2023
Property, plant & equipment (Tangible assets)									
Freehold land	56.70	99.22	-	155.92	-	-	-	-	155.92
Factory buildings (on leasehold land)	1,769.15	239.75	-	2,008.90	320.80	79.59	-	400.39	1,608.51
Plant and machinery (P & M)	2,759.84	451.93	185.51	3,026.27	941.09	257.76	150.37	1,048.48	1,977.79
Microwave Machinery (R & D)	149.10	-	-	149.10	149.10	-	-	149.10	-
Windmill	1,246.22	-	-	1,246.22	335.84	56.11	-	391.95	854.27
Electrical installation	102.06	25.21	-	127.27	43.16	10.63	-	53.79	73.48
Computers	51.60	9.76	0.18	61.18	20.18	12.14	0.17	32.15	29.03
Furniture and fixtures	74.19	14.59	-	88.78	32.48	7.70	-	40.18	48.60
Office equipment	13.50	15.20	0.81	27.89	2.75	4.38	0.77	6.36	21.53
Vehicles	99.74	9.30	6.07	102.97	62.40	11.59	5.76	68.23	34.74
Dies	839.93	61.65	47.73	853.86	418.60	85.35	22.78	481.17	372.69
Sub-total (A)	**7,162.03**	**926.61**	**240.29**	**7,848.35**	**2,326.38**	**525.26**	**179.86**	**2,671.81**	**5,176.56**
Intangible assets									
Software (Other than internally generated)	119.15	20.51	-	139.66	62.34	20.43	-	82.77	56.89
Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	304.10	84.82	43.44	-	128.26	175.84
Sub-total (B)	**423.25**	**20.51**	**-**	**443.76**	**147.15**	**63.87**	**-**	**211.03**	**232.73**
Total [(A) + (B)]	**7,585.28**	**947.12**	**240.29**	**8,292.10**	**2,473.53**	**589.13**	**179.86**	**2,882.85**	**5,409.29**

4.2 Movement of capital work in progress

(Rs. in Lakhs)

Particulars	Building	Leasehold Land	Total
Gross carrying value			
Balance as at 31st March, 2022	122.27	55.81	178.08
Additions in 2022-2023	-	-	-
Balance as at 31st March, 2023	**122.27**	**55.81**	**178.08**
Additions in 2023-2024	146.05	-	146.05
Deletions in 2023-2024	122.27	-	122.27
Balance as at 31st March, 2024	**146.05**	**55.81**	**201.86**
Accumulated amortization			
Balance as at 31st March, 2022	88.06	17.28	105.34
Charge for the year 2022-23	29.35	0.60	29.94
Balance as at 31st March, 2023	**117.40**	**17.88**	**135.28**
Charge for the year 2023-2024	29.23	0.60	29.83
Deletions in 2023-2024	122.27	-	122.27
Balance as at 31st March, 2024	**24.34**	**18.47**	**42.84**
Net carrying amount			
Balance as at 31st March, 2023	4.87	37.93	42.80
Balance as at 31st March, 2024	**121.71**	**37.33**	**159.04**

4.5 Movement of capital work in progress

(Rs. in Lakhs)

Particulars	2023-24			
	P & M	Land	Building	Total
Opening capital work in progress	419.94	-	30.56	450.49
Add: Addition during the year	1,392.96	-	56.35	1,449.30
Less: Assets capitalized/ reversed during the year	1,722.36	-	86.91	1,809.27
Closing capital work in progress	**90.52**	**-**	**-**	**90.52**

(Rs. in Lakhs)

Particulars	2022-23			
	P & M	Land	Building	Total
Opening capital work in progress	107.12	66.74	1.08	174.94
Add: Addition during the year	701.68	278.91	21.50	1,002.08
Less: Assets capitalized / reversed during the year	388.88	315.08	22.58	726.53
Closing capital work in progress	**419.94**	**30.56**	**-**	**450.49**

4.6 CWIP Ageing schedule as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	90.52	-	-	-	90.52

CWIP Ageing schedule as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	450.49	-	-	-	450.49

4.7 There are no capital-work-in-progress where completion is overdue or exceeded its cost as compared to original plan as at 31st March, 2024 and 31st March, 2023.

4.8 Details of remaining amortization period and carrying value of intangible assets is as given below:

(Rs. in Lakhs)

Particulars	Carrying amount as at		Remaining useful life as at (months)	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Epicore software	12.49	18.82	16	28
Microwave composite heating furnace (SDF Technology)	132.39	175.83	36	48
Other software's	22.06	38.07	11 to 36	11 to 24

4.9 First pari passu charge has been created on property, plant and equipment of the Company (present and future) in respect of term loans taken by the Company (Refer note 17.1). Further, second charge has been created on the property, plant and equipment for working capital facility availed by the Company (Refer note 20.1)

(Rs. in Lakhs)

5. Non current Investment (At cost, unless otherwise specified)	As at March 31, 2024	As at March 31, 2023
Unquoted equity instruments (fully paid)		
Investment in wholly owned subsidiary		
95,708 (Previous year : 200) Shares of Pradeep Metals Ltd Inc. USA, Houston at no par value	1,342.53	1,342.53
Less-Impairment in the value of investment	810.00	810.00
Total	**532.53**	**532.53**

5.1 During the year, WOS has regularized the compliance in regard to issue of equity shares against the contribution made in the past period.

5.2 Based on the Company's assessment, aggregate impairment provision made upto 31st March, 2023 of Rs. 810 Lakhs is considered as adequate in regard to investment in wholly owned subsidiary (WOS) (including share application money) and no additional provision is required in the current year. In view of the management, considering the long term and strategic nature of investment, the balance carrying value of investment would yield

5.3 Other disclosures of investment

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Aggregate cost of unquoted investment	532.53	532.53
Market value of unquoted investment	-	-
Aggregate amount of impairment in the value of investment	810.00	810.00

(Rs. in Lakhs)

6 Loans Non-current (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Loans to related parties		
Loan to wholly owned subsidiary	-	2,087.12
Total	**-**	**2,087.12**

6.1 During the year ended 31st March, 2024, the Board of Directors of the Company have approved for additional investment in the WOS by way of conversion of outstanding unsecured loans given to the WOS aggregate in to Rs. 2,236.80 Lakhs (equivalent USD 26.90 Lakhs) into equity share capital of the WOS. The shares shall be alloted by the WOS on completion of regulatory compliances.

6.2 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person. Rs. Nil (Previous year : Rs. 2,087.12 Lakhs) is receivable from a WOS having three common directors.

6.3 Loans are non derivative financial assets which generate fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter party (also refer note 5.2).

(Rs. in Lakhs)

7 Other non-current financial assets (Unsecured, considered good unless otherwise stated	As at March 31, 2024	As at March 31, 2023
Security deposits	112.14	98.74
Deposit with bank having remaining maturity more than 12 months (Refer note 7.1)	129.64	0.37
Share application money paid to WOS (Refer note 6.1)	2,236.80	-
Total	**2,478.58**	**99.11**

7.1 Bank deposits aggregating to Rs. 129.14 Lakhs ((Previous year : Nil) have been kept as margin money against Letter of credit issued for acquisition of imported plant and machinery. Bank deposit of Rs. 0.50 Lakhs (Previous year : Rs. 0.37 Lakhs) is under lien with bank towards guarantees issued by bank.

(Rs. in Lakhs)

8	**Other non-current assets** (Unsecured, considered good unless otherwise stated)	**As at March 31, 2024**	**As at March 31, 2023**
	Capital advances		
	- Consider good	613.18	689.24
	- Considered doubtful	50.00	50.00
		663.18	739.24
	Less:- Allowance for bad and doubtful advances	(50.00)	(50.00)
		613.18	689.24
	Amount paid under protest	10.10	10.10
	Less : Provision for the above matter	(10.10)	(10.10)
		-	-
	Prepaid expenses	17.13	17.47
	Total	**630.31**	**706.71**

8.1 Pursuant to Hon'ble High Court order, the Company had deposited back wages under protest amounting to Rs. 10.10 Lakhs in respect of ex-employees whose services were terminated in earlier years. As an abundant caution, the Company had made contingency provision of Rs.10.10 Lakhs which was charged to the Statement of Profit & Loss in the earlier year. The quantum of final liability cannot be ascertained at this stage and will be based on the outcome of matter under dispute.

(Rs. in Lakhs)

9.	**Inventories** (At lower of cost or net realisable value unless otherwise stated)	**As at March 31, 2024**	**As at March 31, 2023**
	Raw material - Steel	1,467.90	1,437.53
	Raw materials - Dies	191.51	117.24
	Work-in-progress	2,342.24	2,143.50
	Finished goods in transit	159.80	85.44
	Stores, spares and consumables	129.31	131.06
	Scrap	38.98	18.19
	Total	**4,329.74**	**3,932.96**

9.1 During the year ended 31st March, 2024, Rs.10.69 Lakhs (Previous year :Rs. 6.85 Lakhs) was recognised as an expenses for inventories carried at Net realisable value.

(Rs. in Lakhs)

10.	**Trade receivables** (Unsecured, considered good unless otherwise stated)	**As at March 31, 2024**	**As at March 31, 2023**
	Unsecured		
	Considered good	7,526.28	6,152.38
	Considered doubtful	-	-
		7,526.28	6,152.38
	Less: Allowance for doubtful debts	-	-
	Total	**7,526.28**	**6,152.38**

10.1 No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Rs. 0.31 Lakhs (Previous year : Rs. 0.28 Lakhs) is receivable from the WOS having three common directors and from the Step Down Subsidiary (SDS) of Rs. 1,486.49 Lakhs having three common directors (Previous year : Rs 1,479.19 Lakhs)

10.2 For details of outstanding receivables from related parties. (refer note 40.3)

10.3 Trade receivables are non - interest bearing and are generally on terms of 30 to 270 days.

10.4 Trade receivable includes export bills aggregating to Rs. 172.19 Lakhs (Previous year : Rs. 299.69 Lakhs) purchased/discounted by the bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short term borrowings). The Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Company has retained the late payment and credit risk.

10.5 Refer note 47 for policy on expected credit loss.

10.6 The Company has registered under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. The relevant provisions in respect of receivable are applicable to the Company.

10.7 Trade receivables ageing schedule as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	5,980.25	606.63	939.40	-	-	-	7,526.28
Total	**5,980.25**	**606.63**	**939.40**	**-**	**-**	**-**	**7,526.28**

10.8 Trade receivables ageing schedule as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	5,810.43	264.37	77.51	0.07	-	-	6,152.38
Total	**5,810.43**	**264.37**	**77.51**	**0.07**	**-**	**-**	**6,152.38**

(Rs. in Lakhs)

11. Cash and cash equivalent and other bank balances	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalent		
Balances with banks		
- In current accounts	0.56	0.08
Cash on hand	1.47	1.78
Total	**2.03**	**1.87**
Other bank balances		
- In fixed deposits having remaining maturity less than 12 months	37.74	35.95
- Earmarked balances (on unpaid dividend account)	18.00	18.62
Total	**55.74**	**54.56**

11.1 Bank deposits earn interest at fixed rates.

11.2 Bank deposits aggregating to Rs. 37.74 Lakhs (Previous year : Rs. 35.94 Lakhs) are under lien with banks towards guarantees issued by bank.

(Rs. in Lakhs)

12. **Loans** (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Other loans		
Loan to employees	3.74	5.82
Loan to wholly owned subsidiary (Refer note 6.1)	-	246.51
Total	**3.74**	**252.33**

(Rs. in Lakhs)

13 Other current financial assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Export incentive receivable	114.96	110.11
Amount recoverable from customers	28.66	37.37
Recoverable from WOS	2.55	15.45
Insurance claim receivable (Refer note 13.1)	56.08	-
Foreign currency forward contract receivable (net)	42.78	-
Other receivables (including amount refundable from bank)	12.02	86.44
Interest accrued on fixed deposits	0.18	0.19
Total	**257.23**	**249.57**

13.1 It represents insurance claim made toward windmill owned by the Company and is expected to be released in the next year.

13.2 Break up of financial assets carried at amortised cost

(Rs. in Lakhs)

	As at March 31, 2024	As at March 31, 2023
Loans [refer note 6 & 12]	3.74	2,339.45
Other financial assets [refer note 7 & 13]	2,735.81	348.68
Trade receivables [refer note 10]	7,526.28	6,152.38
Cash & cash equivalents [refer note 11]	2.03	1.87
Other bank balance [refer note 11]	55.74	54.56
Total	**10,323.60**	**8,896.94**

(Rs. in Lakhs)

14. Other current assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Advance to suppliers (other than capital advance)	4.59	9.44
Considered doubtful	-	1.20
	4.59	10.64
Less:- Allowance for doubtful advances	-	1.20
	4.59	9.44
Input tax credit receivable (including refund receivable)	383.94	258.22
Prepaid expenses	161.82	108.18
Advance contribution towards gratuity fund	-	26.16
Total	**550.35**	**402.01**

15 Share Capital

(Rs. in Lakhs except share and per share data)

15.1 Authorised capital	As at March 31, 2024	As at March 31, 2023
Equity share capital		
18,500,000 (Previous year : 18,500,000) Equity Shares of Rs. 10 each	1,850.00	1,850.00
Preference share capital		
550,000 (Previous year : 550,000) Preference Shares of Rs.100 each	550.00	550.00
Total	**2,400.00**	**2,400.00**

(Rs. in Lakhs except share and per share data)

15.2 Issued, subscribed and paid-up capital	As at March 31, 2024	As at March 31, 2023
Issued		
17,270,000 (Previous year : 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Issued, subscribed and paid-up		
17,270,000 (Previous year : 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Total	**1,727.00**	**1,727.00**

15.3 The Company has only one class of issued shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors shall be subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(Rs. in Lakhs)

15.4 Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year	As at March 31, 2024	As at March 31, 2023
Shares outstanding at beginning of the year	17,270,000	17,270,000
Changes during the year	-	-
Shares outstanding at the end of the year	**17,270,000**	**17,270,000**

15.5 Equity Shares held by each shareholder holding more than 5% shares (Rs. in Lakhs)

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03

15.6 Shares held by ultimate holding company (Rs. in Lakhs)

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03

15.7 Shares held by promoters (Rs. in Lakhs)

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13	-	-
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33	-	-
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03	-	-

16. For details of other equity, refer Statement of Changes in Equity forming part of the financial statements.

(Rs. in Lakhs)

17. Borrowings (Non-current)	As at March 31, 2024	As at March 31, 2023
Secured		
From banks		
- Foreign currency loan	-	787.83
- Rupee loan	1,123.20	409.84
- Vehicle loan	117.10	-
Total	**1,240.30**	**1,197.67**

17.1 Details of security provided

(i) All Term loans (Foreign currency loans & Rupee loans) are secured by first pari passu charge created on property, plant and equipment of the Company (present and future) and second charge on entire current assets of the Company (refer Note 4.9). The loans are further secured by personal guarantee of Chairman & Managing Director of the Company.

(ii) Vehicle loan is secured against security of vehicle financed and further guaranteed by personal guarantee of Chairman & Managing Director of the Company.

17.2 Terms of repayment and maturity profile of the term loan is as set out below:

(Rs. in Lakhs)

Borrowings	Interest Rate	As at March 31, 2024	As at March 31, 2023
Term loan XIII Repayable Nil (Previous year: 2 quarterly installments of Rs. 22.50 Lakhs each & 1 installment of balance amount)	1YMCLR+1.00%	-	69.81
Term loan XIV Repayable Nil (Previous year: 1 installment of balance amount of Rs. 3.70 Lakhs)	1YMCLR+1.00%	-	3.70
Foreign currency term loan XIV Repayable Nil (Previous year: 2 quarterly installments of Rs. 16.50 Lakhs each & 1 installments of balance amount)	6M SOFR+2%	-	38.92
Term loan XV Repayable in 2 (Previous year: 6) quarterly installments of Rs.17.70 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.80% p.a.)	41.80	112.60
Term loan XVI (INR) Repayable in 6 (Previous year:10) quarterly installments of Rs. 16.70 Lakhs each & & 1 installment of balance amount.	1YMCLR+1.00% (Currently 9.80% p.a.)	114.59	181.26
Term loan XVII (FCTL and INR) Repayable in 1 quarterly installments of Rs. 150.00 Lakhs each & 1 installment of balance amount (previous year: 3 quarterly installments of Rs. 75 Lakhs and subsequent 8 quarterly installments of Rs. 150 Lakhs)	6M SOFR+2%	-	1,162.83
	1YMCLR+1.00% (Currently 9.80% p.a.)	253.59	253.59
Term loan XVII (INR) (New) Repayable in 5 (Previous year: Nil) quarterly installments of Rs. 150.00 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.70% p.a.)	796.74	-
Term loan XVIII (INR) Repayable in 23 (Previous year: Nil) quarterly installments of Rs. 32.00 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.65% p.a.)	739.46	-
Term loan XIX (INR) Repayable in 4 (Previous year: Nil) quarterly installments of Rs. 15.38 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.65% p.a.)	75.12	-
Vehicle loan (INR) Repayable in 84 (Previous year: Nil) equated monthly installments	(Currently 8.50% p.a.)	134.17	-
Total		**2,155.47**	**1,822.71**

Above figures are including current maturity as disclosed in note 20.

(Rs. in Lakhs)

18. Provisions (Non-current)	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Leave benefits	84.80	77.68
Total	**84.80**	**77.68**

19 Income & deferred taxes

The major components of income tax expense for the years ended 31st March, 2024 & 31st March, 2023 are as under:

19.1 Statement of profit & loss

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	570.50	698.24
Deferred tax charge / (credit)	70.84	(20.08)
Income tax of earlier years (net)	(12.77)	(29.11)
Tax expense reported in the standalone statement of profit & loss	**628.57**	**649.05**

19.2 Other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax related to items recognised in OCI		
Re-measurement of defined benefit plans	(17.75)	(15.52)
Deferred tax credit	**(17.75)**	**(15.52)**

19.3 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March, 2024 and 31st March, 2023

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	2,441.58	2,514.18
Applicable income tax rate	25.17%	25.17%
	614.50	**632.77**
- Effect of expenses not deductible in determining taxable profit	26.85	45.39
- Income tax and deferred tax of earlier years (net)	(12.77)	(29.11)
Subtotal	**628.57**	**649.05**
At the effective income tax rate of	25.74%	25.82%
Tax expense reported in the standalone statement of profit and loss	**628.57**	**649.05**

19.4 Deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax (asset)/liability relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	467.93	387.11
Provision for NMMC cess liability	(0.04)	(0.04)
Provision for employee benefits	(54.85)	(49.64)
Right of use asset	30.63	1.22
Lease Liabilities	(31.67)	(1.49)
Provision for Contingency	(2.54)	(2.54)
Weighted average deduction u/s 80JJAA (net of unwinding)	4.67	8.68
Net deferred tax liabilities	**414.13**	**343.30**

19.5 Reflected in the balance sheet as follows

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	(53.79)	(43.81)
Deferred tax liabilities	467.93	387.11
Deferred tax liabilities (net)	**414.13**	**343.30**

19.6 Deferred tax expenses/(income)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	80.82	(23.87)
Provision for doubtful debts/advances	-	0.08
Provision for employee benefits	(5.22)	(6.90)
Right of use asset	29.41	1.05
Lease Liabilities	(30.17)	-
Weighted average deduction u/s 80JJAA (net of unwinding)	(4.01)	9.56
Net deferred tax credit	**70.84**	**(20.08)**

19.7 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and intends either to settle on a net basis. Deferred tax asset has not been recognised on impairment in the value of investment of Rs. 810 Lakhs (Previous year - Rs. 810 Lakhs) and Provision for doubtful capital advances Rs. 50 Lakhs (Previous year Rs. 50 Lakhs) in the absence of reasonable certainty of its reversal in future.

19.8 The Company applied deferred tax related to Assets and Liabilities arising from single transaction (Amendments to Ind AS 12) from 1st April, 2023. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and deferred tax liability in relation to right of use assets.

(Rs. in Lakhs)

20 Borrowings (Current)	As at March 31, 2024	As at March 31, 2023
Secured		
From bank		
Working capital loans		
- Cash credit (Repayable on demand)	1,187.10	1,246.26
- Packing credit (Repayable within 180 days)	2,720.55	2,696.43
- Bills discounted (Repayable within 30 to 270 days)	172.19	299.69
Current maturity of long term borrowings		
- Rupee loan	898.10	211.12
- Foreign currency loan	-	413.92
- Vehicle loan	17.07	-
Total	**4,995.01**	**4,867.42**

20.1 Details of security provided on working capital loans

Working capital loans are secured by first charge by way of hypothecation of stock and book debts and second charge on entire property, plant and equipment of the Company. The loans are further secured by personal guarantee of Chairman & Managing Director of the Company.

(Rs. in Lakhs)

21 Trade Payables	As at March 31, 2024	As at March 31, 2023
- Dues to micro & small enterprises	132.04	61.48
- Dues to other than micro & small enterprises	3,268.39	2,320.11
Total	**3,400.43**	**2,381.59**

21.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises. The Company has disclosed such information only to the extent received from suppliers about their coverage under the MSMED Act. Auditors have relied on the same.

21.2 Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, Act 2006)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) The principal amount remaining unpaid to any supplier at the end of the year.	132.04	61.48
b) Interest due remaining unpaid to any supplier at the end of the year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act,2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act ,2006.	-	-

21.3 Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled on 15 to 90 days terms. For details of balances outstanding of related parties, refer note 40.3.

21.4 Trade payables ageing schedule as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	107.66	24.38	-	-	-	-	132.04
(ii) Undisputed Others	2,029.23	1,234.31	2.98	1.17	0.70	-	3,268.39
Total	**2,136.89**	**1,258.69**	**2.98**	**1.17**	**0.70**	**-**	**3,400.43**

Trade payables ageing schedule as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	52.71	8.77	-	-	-	-	61.48
(ii) Undisputed Others	1,371.41	946.11	1.89	0.70	-	-	2,320.11
Total	**1,424.11**	**954.89**	**1.89**	**0.70**	**-**	**-**	**2,381.59**

(Rs. in Lakhs)

22. Other current financial liabilities	As at March 31, 2024	As at March 31, 2023
Amount payable for capital goods		
- Dues to other than micro & small enterprises	35.66	73.44
Unpaid dividend (Refer note 11)	18.00	18.62
Foreign currency forward contract payable (net)	-	100.30
Accrued expenses	276.79	240.59
Salary and wages payable	493.10	463.58
Other liabilities*	24.44	23.80
Total	**847.98**	**920.33**

*Other liabilities includes directors commission payable, interest payable etc.

22.1 Break up of financial liabilities carried at amortised cost (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings [refer note 17 & 20]	6,235.31	6,065.09
Lease liabilities [refer note 39]	125.82	5.93
Other financial liabilities [refer note 22]	847.98	920.33
Trade payable [refer note 21]	3,400.43	2,381.59
Total	**10,609.54**	**9,372.94**

(Rs. in Lakhs)

23 Other current liabilities	As at March 31, 2024	As at March 31, 2023
Unearned revenue (refer note 23.1)	25.12	-
Statutory liabilities	88.13	55.34
Total	**113.25**	**55.34**

23.1 Income received in advance mainly includes amount of grants (in the nature of export benefits) of Rs.14.11 Lakhs (previous year : Nil) relating to property, plant and equipment imported under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Also refer note 37(ii).

24. Provision (Current)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Leave benefits	68.15	64.55
- Gratuity	16.26	-
Provision for contingency	0.15	0.15
Total	**84.56**	**64.70**

(Rs. in Lakhs)

24.1 Movement of provision for contingency	As at March 31, 2024	As at March 31, 2023
Opening balance as on 1st April, 2023	0.15	0.15
Add: Provision made	-	-
Less: Provision utilised / written back	-	-
Closing balance as on 31st March, 2024	**0.15**	**0.15**

Provision for contingency represents provision for disputed Navi Mumbai Municipal Cess ('NMMC').In respect of this matter, the Company had paid Rs. 60.29 Lakhs (Previous year : Rs. 60.29 Lakhs) under protest in the previous years and adjusted the payment under protest to the extent of expected liability though the outcome of appeal is pending to be received. Expected outflow of interest/penalty depends on outcome of the appeal filed.

(Rs. in Lakhs)

25 Revenue from operations	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	22,265.68	21,558.28
Sale of services		
- Job work and tooling charges	115.23	109.31
(A)	**22,380.91**	**21,667.59**
Other operating revenues		
- Export incentives	271.34	204.27
- Sale of electricity - windmill	182.26	197.68
- Amount no longer payable written back	47.22	3.19
- Scrap sales	2,239.62	2,518.08
(B)	**2,740.45**	**2,923.22**
Total (A + B)	**25,121.36**	**24,590.81**

25.1 Disclosures of Ind AS 115 - Revenue from contracts with customers:

(a) Contracts with customer and significant judgement in applying the standard:

(i) The Company's operations relates to manufacturing and selling of forged and machined components for various sectors. The Company caters to both domestic and international markets. The Company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer material accounting policies on Revenue recognition.

(ii) For details of revenue recognised from contracts with customers, refer note 25.2 below.

(iii) There are no contract assets arising from the Company's contract with customers.

(b) Disaggregation of revenue:

(i) For disaggregation of revenue, refer break-up given in note 25 above, note 49.1 and note 49.4 (i)

(ii) Refer note 49.4(iii) for details regarding customer concentration that represents 10% or more of the Company's total revenue during the year ended 31st March, 2024 and 31st March, 2023.

(c) Performance obligation

(i) For timing of satisfaction of its performance obligations, refer note 3.6 of material accounting policies of the Company.

25.2 Reconciliation of revenue recognized with the contracted price is as follows:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contracted price	25,141.27	24,681.02
Less: Amount towards variable consideration components *	19.91	90.21
Revenue recognised	**25,121.36**	**24,590.81**

* The reduction towards variable consideration comprises of volume discounts given/reversed, etc.

(Rs. in Lakhs)

26 Other income	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
- Fixed deposit	2.14	1.73
- Loans to wholly owned subsidiary	129.20	151.04
- Others	0.38	0.53
Guarantee commission recovered	11.07	15.49
Miscellaneous income*	15.09	16.83
Gain on sale / discard of property, plant & equipment (net)	15.29	-
Interest on Income tax refund	3.21	-
Foreign exchange fluctuation gain (net)	330.10	235.61
Total	**506.49**	**421.23**

(Rs. in Lakhs)

27 Cost of raw materials consumed	Year ended March 31, 2024	Year ended March 31, 2023
Opening Inventory	1,437.53	1,318.28
Add : Purchases	12,209.46	11,961.99
	13,646.98	**13,280.27**
Less : Closing Inventory	1,467.90	1,437.53
Cost of raw materials consumed	**12,179.08**	**11,842.74**

(Rs. in Lakhs)

28 Changes in inventories of work-in-progress, finished goods and scrap	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventory		
Work-in-progress	2,143.50	1,819.52
Scrap	18.19	13.95
Finished goods in transit	85.44	110.92
	2,247.13	**1,944.39**
Closing Inventory		
Work-in-progress	2,342.24	2,143.50
Scrap	38.98	18.19
Finished goods in transit	159.80	85.44
	2,541.02	**2,247.13**
Increase in Stock of WIP, finished goods and scrap	**(293.89)**	**(302.74)**

(Rs. in Lakhs)

29 Manufacturing expenses	Year ended March 31, 2024	Year ended March 31, 2023
Dies expenses	348.39	201.75
Consumption of Stores & Spares	935.84	916.36
Other freight inward and other expenses	114.10	93.59
Power, fuel and water (net)	1,164.59	1,572.74
Insurance expenses	87.94	88.31
Repairs and maintenance		
Plant and machinery	185.15	205.33
- Windmill & Solar maintenance charges	34.33	25.27
- Building	50.80	39.85
Contract labour expense (net)	583.97	515.46
Job work expenses	1,597.78	1,552.23
Rent	98.21	94.95
Total	**5,201.08**	**5,305.84**

(Rs. in Lakhs)

30 Employee benefit expense	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus (including managerial remuneration)	2,839.93	2,507.65
Contribution to provident and other funds	125.45	118.16
Gratuity	45.23	36.15
Leave benefits	28.04	14.36
Workmen and staff welfare expenses	96.66	97.12
Total	**3,135.30**	**2,773.44**

(Rs. in Lakhs)

31 Finance costs	Year ended March 31, 2024	Year ended March 31, 2023
Interest on bank facilities	484.68	376.95
Foreign exchange loss (attributable to finance cost) (refer note no 31.1.)	5.08	54.19
Other interest costs*	9.84	2.47
Bank charges	101.40	109.87
Total	**601.00**	**543.48**

*Other interest costs mainly includes interest on leasehold properties in accordance with Ind AS 116- Leases.73.44

31.1 The foreign exchange loss relates to foreign currency term loans to the extent considered as an adjustment to the interest cost.

(Rs. in Lakhs)

32

Other expenses	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Freight outward	327.50	408.85
Professional and legal fees	382.04	278.80
Travelling and conveyance	68.95	70.32
Rates and taxes	46.28	35.96
Repairs and maintenance - Others	36.51	38.23
Payment to auditors (refer note no. 32.1)	24.68	21.53
Directors sitting fees	15.75	12.75
Commission to other directors	8.40	6.65
Commission on sales	500.96	487.39
Allowance for doubtful debt utilised	-	(0.35)
Allowance for doubtful advances	-	1.20
Corporate social responsibility expenses (Refer note 52)	40.25	35.30
Donation	1.74	0.96
Loss on sale and discard of fixed assets (net)	-	40.67
Miscellaneous expenses*	143.87	142.78
Total	**1,596.92**	**1,581.04**

* Miscellaneous expenses includes office expenses, printing stationery, postage, security, selling, communication etc.

32.1 Payment to auditors

(Rs. in Lakhs)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
As auditor:		
- Statutory audit fees	21.60	19.25
- Tax audit	2.43	2.20
- Others (including certification fees)	0.65	0.08
Total	**24.68**	**21.53**

33 Exceptional Items

(Rs. in Lakhs)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Provision for impairment of investment in the WOS (refer note 5.2)	-	135.00
Total	**-**	**135.00**

34. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Tax	Total
Re-measurement losses on defined benefit plans	(70.52)	17.75	(52.77)
Total	**(70.52)**	**17.75**	**(52.77)**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Tax	Total
Re-measurement losses on defined benefit plans	(61.66)	15.52	(46.14)
Total	**(61.66)**	**15.52**	**(46.14)**

35. Earnings per equity share

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (before OCI) (in Rs. Lakhs)	(A)	1,813.01	1,865.13
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS	(B)	17,270,000	17,270,000
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS	(C)	17,270,000	17,270,000
Basic earnings per share of face value of Rs.10/- each (in Rs.)	**(A/B)**	**10.50**	**10.80**
Diluted earnings per share of face value of Rs.10/- each (in Rs.)	**(A/C)**	**10.50**	**10.80**

36 Contingent liabilities

(A) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to the standalone financial statements. Details of contingent liabilities not provided for are given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Claim against the Company not acknowledged as debts (net)	26.25	26.25
(b) Letters of guarantee issued by bank	125.47	124.47
(c) Corporate guarantees given for loans taken by Pradeep Metals Limited, Inc. wholly owned subsidiary Outstanding as on 31st March, 2024 USD 998,160 (Previous year : USD 1,298,201) (Refer Notes 4.10 & 5.1)*	832.52	1,066.73

* Converted in INR at exchange rate of year end i.e. Rs. 83.405 (Previous year: Rs. 82.17)

(i) In respect of (b) and (c) above, the Company does not expect any cash outflow till such time contractual obligations are fulfilled.

(ii) In respect of (a) future cash out flows (including interest/penalty) are determinable on receipt of judgments from the statutory authorities/labour court.

(B) The Company has received demand under the Income Tax Act, 1961 for various financial years as given below:

(Rs. in Lakhs)

Demand pertaining to financial Year	As at March 31, 2024	As at March 31, 2023
2019-20	28.56	28.56
Total	**28.56**	**28.56**

In this regard, the Company has filed appeal before tax authorities. Future cash outflows, if any, in respect of the above is determinable only on disposal of appeal. In the view of the management, the possibility of liability devolving on the Company in this case is remote.

(C) Claims made by the ex-employees whose services have been terminated in earlier years are not acknowledged as debt. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable. The possibility of any liability devolving on the Company is remote and hence, no disclosure as contingent liability in considered necessary.

37 Capital and other commitments

(i) Capital commitment for tangible assets (net of advance paid) - Rs.1,097.68 Lakhs (Previous year : Rs. 1,171.10 Lakhs) and for intangible assets (net of advance paid) - Nil (Previous year : Nil).

(ii) The Company has imported a machinery under the export promotion capital goods (EPCG) scheme to utilise the benefit of a zero customs duty rate. These benefits are subject to future exports. Such pending export obligations at year end aggregate to Rs. 84.71 Lakhs (Previous year: Nil).

(iii) The Company's intention is to continue to provide financial support to its subsidiaries - Pradeep Metals Limited Inc. (WOS) and Dimensional Machine Works, LLC (SDS).

38 Borrowings secured against current assets

During the year, the Company has taken borrowings from a bank on the basis of security of current assets. Discrepancies in quarterly returns or statements of current assets filed by the Company to bank with books of account which are not material (0.45% on average basis) are as mentioned below:

(Rs. in Lakhs)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
30th June 2023	Union Bank of India	Inventory and trade receivables	9,031.38	8,990.49	40.89	Mainly on account of: 1) Quarterly provisioning made for Slow-moving and non-moving inventories 2) Exclusion of receivable standing in books on account of sale of windmill power
30th September 2023	Union Bank of India	Inventory and trade receivables	9,622.16	9,542.31	79.85	
31st December 2023	Union Bank of India	Inventory and trade receivables	11,056.67	11,043.01	13.66	

39 Leases:

Company as lessee:

I) Disclosures as per Ind AS 116- Leases

a) The Company has taken factory premises (Dhanlabh) and machinery under lease agreements and the Company has obtained factory land on leasehold basis from local authorities.

b) For lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions.

(Rs. in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	2023-24	2022-23
Lease payment not later than one year	26.26	5.93
Lease payment later than one year and not later than five years	99.56	-
Total	**125.82**	**5.93**

c) For addition, depreciation and carrying value of right of use asset, refer note 4.2.

d) Disclosure with respect to lease under Ind AS-116 Leases: (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expense on lease liabilities	9.84	2.44
Lease expenses in case of short term leases and low value leases	98.21	94.95
Lease expenses debited to lease liabilities	119.89	33.56
Total cash outflow for leases [incl. short term & low value leases]	**227.94**	**130.95**

e) Disclosure in balance sheet:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets (gross block)	201.86	178.08
Right-of-use assets (net book value)	159.04	42.79
Financial liability- Lease liabilities - current	26.26	5.93
Financial liability -Lease liabilities - non-current	99.56	-

40 Related party disclosure

40.1 Name of the related parties and related party relationship

Description of relationship	Name of the Related Party
Enterprise having control over the Holding Company (Ultimate holding company)	Nami Capital Private Limited
Director/Key management personnel (KMP)	Mr. Pradeep Goyal, Chairman & Managing Director
	Dr. Kewal K. Nohria, Non-Executive Director
	Mrs. Neeru Pradeep Goyal, Non-Executive Director (Wife of Chairman & Managing Director)
	Late Mr. Suresh G. Vaidya, Independent Director Demise on 12th April, 2023)
	Mr. Jayavardhan Dhar Diwan, Independent Director
	Mrs. Nandita Vohra, Independent Director
	Mr. Abhinav Goyal, Non- Executive Director (Son of Chairman & Managing Director Mr. Pradeep Goyal and Director Mrs. Neeru Goyal)
	Mr. Kartick Maheshwari, Independent Director
	Mr. Advait Kurlekar (w.e.f. 10th May, 2023), Independent Director
Wholly owned subsidiary	Pradeep Metals Limited Inc., USA, Houston
Step down subsidiary of wholly owned subsidiary	Dimensional Machine Works LLC, USA, Houston
Enterprises owned or significantly influenced by key management personnel or their close members with whom transactions have taken place during the year	Dhanlabh Engineering Works Private Limited

Note: Designated Key Managerial Personnel as required by Section 203 of the Companies Act, 2013 are not considered to be Key Management Personnel (Related party) for the purpose of disclosure under Ind AS 24.

40.2 Related party transactions

(Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2024	As at March 31, 2023
Dhanlabh Engineering Works Private Limited	Labour charges paid	99.85	98.54
	Job Work and tooling charges	8.01	6.79
	Sale of products	4.23	14.21
	Rent expenses (amortisation of RoU)	42.48	42.48
	Electricity charges (Reimbursement)	18.84	17.71
	Sale of scrap	-	2.19
Pradeep Metals Limited Inc., USA, Houston	Sale of products	1.70	39.82
	Guarantee commission recovered	11.07	15.49
	Agency Commission Expenses	500.96	487.39
	Professional Fees	-	1.25
	Reimbursement of freight charges recovered	-	9.10
	Interest income (on loan given)	129.20	151.04
Dimensional Machine Works LLC, USA, Houston	Purchase of Raw Material	2.97	0.38
	Purchases of engineering labour	21.92	-
	Reimbursement of freight charges	41.42	58.56
	Sale of products	1,801.11	1,762.72
Nami Capital Private Limited	Dividend paid (including interim dividend)	101.94	229.38
Neeru Goyal	Sitting fees paid	1.25	1.00
	Dividend paid (including interim dividend)	9.20	20.70

(Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2024	As at March 31, 2023
Dr. Kewal K. Nohria	Sitting fees paid	3.00	2.50
	Dividend paid (including interim dividend)	6.74	15.17
	Commission	1.75	1.40
Late Mr. Suresh G. Vaidya	Sitting fees paid	-	2.50
	Commission	-	1.40
Mr. Jayavardhan Dhar Diwan	Sitting fees paid	3.00	2.25
	Commission	1.75	1.40
Mr. Kartick Maheshwari	Sitting fees paid	2.75	1.50
	Commission	1.75	1.05
Mrs. Nandita Vohra	Sitting fees paid	2.75	2.00
	Commission	1.75	1.40
Mr. Advait Kurlekar	Sitting fees paid	1.75	-
	Commission	1.40	-
Mr. Abhinav Goyal	Sitting fees paid	1.25	1.00
Mr. Pradeep Goyal	Remuneration (including other allowances)	152.94	133.38
	Incentive	60.00	55.00
	Dividend paid (including interim dividend)	15.76	35.47

Note: Sitting fees, commission, remuneration and incentive pay forms part of short term employee benefits.

* Does not include Leave encashment since the same is considered for all employees (including the Chairman & Managing Director) of the Company as a whole.

40.3 Balance outstanding as at the year end

(Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2024	As at March 31, 2023
Pradeep Metals Limited Inc., USA, Houston	Trade receivable	0.31	0.28
	Agency commission payable	202.29	156.42
	Guarantee commission receivable	2.55	1.11
	Loan given / Share application money pending allotment of shares (refer note 6.1)	2,236.80	2,087.12
	Interest on loan receivable	-	14.34
	Investment in Subsidiary company	1,342.53	1,342.53
	Corporate guarantee outstanding #	832.52	1,066.73
Dimensional Machine Works LLC, USA, Houston	Amount payable for capital goods	-	26.99
	Trade payable	22.29	-
	Trade receivable	1,486.49	1,479.19
Dhanlabh Engineering Works Private Limited	Lease Liability	125.82	5.93
	Trade receivable	-	0.98
Dr. Kewal K. Nohria	Commission payable	1.58	1.40
Late Mr. Suresh G. Vaidya	Commission payable	-	1.40
Mr. Jayavardhan Dhar Diwan	Commission payable	1.58	1.05
Mr. Kartick Maheshwari	Commission payable	1.58	1.40
Mr. Abhinav Goyal	Sitting fees payable	-	0.69
Mrs. Nandita Vohra	Commission payable	1.58	1.40
Mr. Advait Kurlekar	Commission payable	1.26	-
Mr. Pradeep Goyal	Remuneration payable	11.18	4.40
	Incentive payable	31.96	55.00

#Converted in INR at exchange rate of year end i.e. Rs. 83.4050 (Previous year : Rs. 82.17). For corporate guarantees given to Pradeep Metals Limited, Inc., refer note 36.

Note: In addition to above transactions, Chairman & Managing Director of the Company has given personal guarantee for loan facilities taken by the Company, No guarantee charges are payable by the Company (Refer note 17.1 & 20.1)

40.4 All transactions were made on normal commercial terms and conditions and at market rates.

41. Loans and advances in the nature of loans given to subsidiary

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Pradeep Metals Limited, Inc		
Balance outstanding (Refer note 6.1)	-	2,087.12
Maximum amount outstanding during the year	2,236.80	2,087.12

42 Disclosures required under sec. 186(4) of the Companies Act, 2013

42.1 Loan given to WOS

(Rs. in Lakhs)

Name of the borrower	Purpose	Rate of Interest p.a	As at March 31, 2024	As at March 31, 2023
Pradeep Metals Limited, Inc.	General corporate / Business purpose	Nil (Previous year : 7.1383%)	-	2,087.12
Total			**-**	**2,087.12**

42.2 For details of investment in WOS, refer note 5.

43 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of 31st March, 2024, other than those with carrying amounts that are reasonable approximates of fair values:

(Rs. in Lakhs)

Particulars	Carrying value		Fair Value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(i) Loans	3.74	2,339.45	3.74	2,339.45
(ii) Other non-current financial assets	2,478.58	99.11	2,478.58	99.11
(iii) Trade receivables	7,526.28	6,152.38	7,526.28	6,152.38
(iv) Cash and cash equivalents	2.03	1.87	2.03	1.87
(v) Other bank balances	55.74	54.56	55.74	54.56
(vi) Other current financial assets	257.23	249.57	257.23	249.57
Total financial assets	**10,323.60**	**8,896.94**	**10,323.60**	**8,896.94**
(i) Borrowings (Non-current)	1,240.30	1,197.67	1,240.30	1,197.67
(ii) Lease liabilities (Non-current)	99.56	-	99.56	-
(iii) Trade payable	3,400.43	2,381.59	3,400.43	2,381.59
(iv) Lease liabilities (Current)	26.26	5.93	26.26	5.93
(v) Other current financial liabilities	847.98	920.33	847.98	920.33
(vi) Borrowings (Current)	4,995.01	4,867.42	4,995.01	4,867.42
Total financial liabilities	**10,609.54**	**9,372.94**	**10,609.54**	**9,372.94**

The management assessed that the fair value of cash and cash equivalent, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value hierarchy

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly unobservable;

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

Fair value hierarchy as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Instruments	-	42.78	-	42.78

Fair value hierarchy as at 31st March, 2023 (Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Instruments	-	(100.29)	-	(100.29)

Determination of fair values: The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value.

Derivative instruments : For forward contracts, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of respective counterparties.

44 Significant estimates and assumptions

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

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

a) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

b) Measurement of defined benefit plan & other long term benefits

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

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on management policy for increase in basic salary.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, the Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Income tax and deferred tax

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized.

f) Provision for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving/non-moving inventories has been made in the financial statements.

45 Derivatives not designated as hedging instruments

The Company evaluates the option of foreign exchange forward contracts to manage foreign exchange fluctuation risk. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings. Refer note 46 and 50 for detailed disclosure of unhedged/hedged items.

46 Foreign currency exchange rate risk:

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and long term foreign currency borrowings. The Company cover its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and the Company books forward contract against exports receivables. The Company also avails bill discounting facilities in respect of export receivables.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables upto a maximum of 12 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from USD, EUR and GBP (which are not material) form non-derivative financial instruments: "

(Rs. in Lakhs)

As at 31st March, 2024	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	-	69.07	-	69.07
Vendor Advances	191.85	-	-	-	191.85
Total	**191.85**	**-**	**69.07**	**-**	**260.92**
Liabilities					
Trade Payable & others	225.48	0.67	-	-	226.15
Total	**225.48**	**0.67**	**-**	**-**	**226.15**
Net Assets/ (Liabilities)	**(33.63)**	**(0.67)**	**69.07**	**-**	**34.77**

(Rs. in Lakhs)

As at 31st March, 2023	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	-	37.97	-	37.97
Vendor Advances	71.09	-	-	216.27	287.37
Total	**71.09**	**-**	**37.97**	**216.27**	**325.34**
Liabilities					
Trade Payable & others	181.60	-	-	-	181.60
Borrowings	1,201.75	-	-	-	1,201.75
Total	**1,383.35**	**-**	**-**	**-**	**1,383.35**
Net Assets/ (Liabilities)	**(1,312.26)**	**-**	**37.97**	**216.27**	**(1,058.02)**

Sensitivity analysis (Rs. in Lakhs)

Particulars	Foreign Currency Sensitivity							
	As at March 31, 2024				As at March 31, 2023			
	USD	Euro	GBP	SGD	USD	Euro	GBP	SGD
1% Appreciation in INR Impact on Profit & Loss	0.34	0.01	(0.69)	-	13.12	-	(0.38)	(2.16)
1% Depreciation in INR Impact on Profit & Loss	(0.34)	(0.01)	0.69	-	(13.12)	-	0.38	2.16

47 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and finance loans taken by WOS. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management consists of Risk Management Committee (RMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The RMC provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and short-term debt obligations with floating interest rates. Further, the Company also avails subvention benefits as MSME as it is registered under MSMED, Act.

Interest rate sensitivity

The Company's total interest cost the year ended 31st March, 2024 was Rs. 484.68 Lakhs and for year ended 31st March, 2023 was Rs. 376.95 Lakhs. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on PBT and equity (Rs. in Lakhs)
31st March, 2024	0.50	(27.15)
	(0.50)	27.15
31st March, 2023	0.50	(26.61)
	(0.50)	26.61

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue.

The Company covers its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and the Company books forward contract against exports receivable. The Company also avails bill discounting facilities in respect of export receivables.

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of steel. Due to significant volatility of the price of the steel, the Company has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in case of such pass-through arrangement.

Commodity price sensitivity

The Company revises its prices to customers on quarterly basis by considering average raw materials prices prevailing in the previous quarter implying it passes through any increase in prices thereby minimising the impact on the profit and loss and equity of the Company.

Credit risk

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

Expected credit loss and Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Further, the Company's customers includes companies having long standing relationship with the Company. Outstanding customer receivables are regularly monitored and reconciled. Three customers accounted for more than 10% of the total receivables as at 31st March, 2024 (One customer for 31st March 2023). An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data, past trend and standard percentage norms. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company does not hold collateral as security . Majority of the export receivable are covered under the insurance cover. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. No allowance has been made for expected credit loss.

Liquidity risk

As per the Company's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Company evaluates the option of refinancing entire or part of repayments for extended maturity. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Company.

The table below summarises the maturity profile of the Company's financial liabilities:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year		
Borrowings (Current)	4,995.01	4,867.42
Trade and other payables	3,400.43	2,381.59
Lease liabilities (Current)	26.26	5.93
Other financial liabilities	847.98	920.33
	9,269.68	**8,175.27**
1 to 5 years		
Borrowings (Non-current)	1,240.30	1,197.67
Lease liabilities (Non-current)	99.56	-
	1,339.86	**1,197.67**
Total	**10,609.54**	**9,372.94**

48 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for the shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the Balance Sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt*	6,235.31	6,065.09
Total capital (total equity other than OCI)	12,445.43	10,805.16
Net debt to equity ratio	**0.50**	**0.56**

* Total debt = Non-current borrowings + Current borrowings

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2024 and 31st March, 2023.

49. Segmental disclosure

The Group is primarily engaged in manufacturing of closed die steel forging & processing and generating power from wind turbine generator and solar power generating system.

(Rs. in Lakhs)

	Particulars	Closed die forging and processing	Power generation	Total
49.1	**Segment Revenue-Gross**			
	External revenue	24,939.10	182.26	**25,121.36**
	Previous year	24,393.13	197.68	24,590.81

(Rs. in Lakhs)

	Particulars	Closed die forging and processing	Power generation	Total
49.2	**Segment Results**			
	Segment total	2,670.98	129.53	**2,800.51**
	Previous year	3,037.68	115.80	3,153.49
	Unallocated corporate expenses net of unallocated income			**(242.07)**
	Previous year			95.84
	Finance costs			**601.00**
	Previous year			543.48
	Profit before tax			**2,441.58**
	Previous year			2,514.17
	Tax expense			**628.57**
	Previous year			649.05
	Profit for the year (before OCI)			**1,813.01**
	Previous year (before OCI)			1,865.12

(Rs. in Lakhs)

	Particulars	Closed die forging and processing	Power generation	Total
49.3	**Other information**			
	Segment assets	**18,289.30**	**2,155.46**	**20,444.75**
	Previous year	18,285.43	1,496.83	19,782.27
	Unallocated corporate assets			**3,077.50**
	Previous year			759.15
	Segment liabilities	**4,727.37**	**730.65**	**5,458.02**
	Previous year	3,444.24	36.79	3,481.03
	Unallocated corporate liabilities			**5,848.26**
	Previous year			6,432.93
	Depreciation/amortization	**710.72**	**56.07**	**766.78**
	Previous year	562.96	56.11	619.07
	Capital expenditure	**1,056.46**	**1,190.45**	**2,246.91**
	Previous year	925.37	472.25	1,397.61

49.4 Secondary segment: Geographical information

i) Sales, service income and other operating revenue by geographical market:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within India	12,641.84	12,847.59
Outside India	12,479.52	11,743.22
Total	**25,121.36**	**24,590.81**

ii) Trade receivable at year end

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Locations		
India	1,761.08	1,216.00
Outside India	5,765.20	4,936.38
Total	**7,526.28**	**6,152.38**

iii) Reliance on major customers: One customer represents more than 10% of the total revenue. Total revenue from this major customer amounts to Rs. 2,422.11 Lakhs. In case of previous year also, one customer represented more than 10% of total revenue whose revenue amounted to Rs. 2,520.09 Lakhs.

Notes:

a) The operating segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

b) The business segment comprise the following:

a) Closed Die Forging and Processing

b) Power Generation

c) The geographical information considered for disclosure are: Sales within India and Sales outside India

50 Hedge Accounting

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company's manages currency risk as per trends and experiences. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item :

(Rs. in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying Amount	Changes in Amount of fair value	Hedge Maturity Date	Disclosure in Balance Sheet
Trade Receivables hedged by Forward Contracts as at 31st March, 2024	5,753.84	5,975.43	221.60	Upto March, 2025	Other current financial liabilities
Trade Receivables hedged by Forward Contracts as at 31st March, 2023	4,829.42	4,898.41	68.98	Upto March, 2024	Other current financial assets

i) The following are the outstanding forward contracts

Currency	Buy/ Sell	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)
		As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
USD	Sell	60.49	5,083.92	50.75	4,176.63
EURO	Sell	20.16	1,872.89	32.00	2,845.13

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)
	As at March 31, 2024		As at March 31, 2024	
A) Trade Receivables and Vendor advances				
GBP (Trade receivables)	0.66	69.07	0.37	37.97
SGD (Vendor advances)	-	-	3.50	216.27
USD (Vendor advances)	2.33	191.85	0.87	71.09
B) Trade Payables				
USD	2.70	225.48	2.21	181.60
EURO	0.01	0.67	-	-
C) Borrowings				
USD	-	-	14.63	1,201.75

51. Expenditure on research & development (charged to the Statement of P & L) (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Professional fees	13.98	16.04
Tours & travels	-	0.34
Motor car expenses	1.65	1.18
Repairs & maintenance	1.49	1.14
Materials stores & spares	4.80	4.39
Other expenses	1.42	1.07
Total	**23.34**	**24.16**

52 CSR expenditure (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Amount required to be spent by the Company during the year	40.02	35.09
(b) Amount of expenditure incurred during the year	40.25	35.30
i) On specified purposes	40.25	35.30
(c) Shortfall at the end of the year	-	-
(d) Total of previous year's shortfall*	-	-
(e) Reason for shortfall	N.A.	N.A.
(f) Nature of CSR activities	" Health Care Education and Skill Development Ensuring environmental sustainability, ecological balance "	

*(Refer note 55.2 for cash flow on account of CSR expenditure)

52.1 Since the Company has spent in excess of the amount which was required to be spent for 2023-24, the Company is entitled to carry forward the amount spent of Rs. 0.23 Lakhs (Previous Year - Rs. 0.21 Lakhs) to subsequent three financial years respectively which can be set off against CSR obligations of these years. However, for accounting purpose, cumulative excess amount spent of Rs. 0.23 Lakhs (Previous Year - Rs.0.21 Lakhs) is not considered as prepaid expenses.

53 Defined benefits and other long term benefit plans

(a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided on the employee's length of service and salary retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefits payments.

I. Liability risks

(a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increase provided at the management's discretion may lead to uncertainties in estimating this increasing risk.

II. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Mortality table	IALM (2012-14) Ult	IALM (2012-14) Ult
Discount rate	7.19%	7.44%
Expected rate of return on plan assets	7.44%	7.25%
Rate of increase in compensation levels	5.50%	5.00%
Expected average remaining working lives (in years)	10.00	14.00
Employee attrition rate	For Service 2 years and below : 20% p.a.; For Service 3 to 4 years : 10% p.a. and For Service 5 years and above : 4% p.a.	For Service 2 years and below : 20% p.a.; For Service 3 to 4 years : 10% p.a. and For Service 5 years and above : 4% p.a.

Changes in the present value of the defined benefit obligation recognised in the Balance Sheet are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	699.90	614.28
Interest expense	52.07	44.53
Current service cost	47.17	41.01
Benefits paid	(69.32)	(54.00)
Remeasurements on obligation [Actuarial Loss]	64.41	54.08
Closing defined benefit obligation	**794.24**	**699.90**

Changes in the fair value of plan assets recognised in the Balance Sheet are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	726.06	681.22
Interest income	54.02	49.39
Contributions	73.32	57.03
Benefits paid	(69.32)	(54.00)
Return on plan assets, excluding amount recognised in interest income-Loss	(6.11)	(7.59)
Closing fair value of plan assets	**777.97**	**726.06**

Net Interest (Income/Expense)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expense - obligation	52.07	44.53
Interest Income - plan assets	(54.02)	(49.39)
Net Interest income for the year	**(1.95)**	**(4.85)**

Remeasurement for the year [Actuarial (Gain)/Loss]

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Experience Loss on plan liabilities	28.65	50.73
Demographic Loss on plan liabilities	-	10.20
Financial (Gain) / Loss on plan liabilities	**35.76**	**(6.85)**

Amount recognised in statement of other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement for the year - obligation - Loss	64.41	54.08
Remeasurement for the year - plan assets - Loss	6.11	7.59
Total Remeasurement cost/(credit) for the year recognised in OCI	**70.52**	**61.66**

The amounts to be recognised in the Balance Sheet (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the end of the year	794.24	699.90
Fair value of plan assets as at the end of the year	777.97	726.06
Net asset/(liability) to be recognised in the Balance Sheet	**(16.27)**	**26.16**

Expense recognised in the Statement of Profit and Loss (Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	47.17	41.01
Sub Total	47.17	41.01
Net Interest income	(1.95)	(4.85)
Net periodic benefit cost recognised in the Statement of Profit and Loss	**45.23**	**36.15**

Reconciliation of net assets/(liability) recognised: (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the year	26.16	66.95
Company contributions	73.32	57.03
Expense recognised at the end of year	(45.23)	(36.15)
Amount recognised outside profit & loss for the year (OCI)	(70.52)	(61.66)
Net asset/(liability) recognised at the end of the year	**(16.26)**	**26.16**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by insurer	100%	100%

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased/increased in present value of obligation (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	47.43	41.68
Increase by 1%	(42.63)	(37.56)

B) Impact of change in salary increase rate when base assumption is decreased/increased in present value of obligation (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	(49.36)	(43.79)
Increase by 1%	54.48	48.20

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments [gross liability] to the defined benefit plan in future years:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	83.43	73.75
After one year but not more than five years	343.89	290.82
After Five years but not more than ten years	440.35	400.39

(b) Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy/rules of the Company. The total liability for leave benefits as at year end is Rs.152.95 Lakhs (Previous year : Rs.142.23 Lakhs).

(c) Bifurcation of liability as per Schedule III of the Companies Act 2013 :

(Rs. in Lakhs)

Particulars	Gratuity		Leave benefits	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current Assets	-	26.16	-	-
Current liability	(16.26)	-	(68.15)	(64.55)
Non-current liability	-	-	(84.80)	(77.68)
Net liability/assets	**(16.26)**	**26.16**	**(152.95)**	**(142.23)**

54 Defined contribution plan

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund and ESIC. Under the defined contribution plan, provident fund, ESIC and LWF is contributed to the government administered fund. The Company has no obligation, other than the contribution payable to the provident fund, Pension fund, ESIC and LWF.

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Provident fund	42.97	40.19
Pension fund	76.37	71.23
Employees' state insurance (ESIC)	5.77	6.35
Labour welfare fund (LWF)	0.34	0.39
Total	**125.45**	**118.16**

55 Cash flow statement related

55.1 Aggregate outflow on account of direct taxes paid (net of refund) is Rs. 524.99 Lakhs (Previous year : Rs. 733.22 Lakhs).

55.2 Net cash inflow from operating activity netted off with Corporate Social Responsibility (CSR) expenditure of Rs. 40.25 Lakhs (Previous year : Rs. 35.30 Lakhs) (Refer note 52).

55.3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	Cash flows	Non cash changes	As at March 31, 2024
Short term borrowings	4,867.42	127.59	-	4,995.01
Lease liabilities	5.93	(36.00)	155.89	125.82
Long term borrowings	1,197.67	45.83	(3.19)	1,240.30
Total liabilities from financing activities	**6,071.02**	**137.42**	**152.70**	**6,361.13**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	Cash flows	Non cash changes	As at March 31, 2024
Short Term Borrowings	4,893.65	(33.85)	7.61	4,867.42
Lease liabilities	39.49	(36.00)	2.44	5.93
Long Term Borrowings	1,454.97	(248.64)	(8.65)	1,197.67
Total Liabilities from financing activities	**6,388.12**	**(318.48)**	**1.40**	**6,071.02**

56 Ratios

Particulars	Formulae used (Numerator / Denominator)	Ratio		% Change	Reason for change by more than 25%
		As at March 31, 2024	As at March 31, 2023		
(a) Current ratio	Current Assets/ Current Liabilities	1.34	1.33	0.94%	N.A.
(b) Debt equity ratio	Debt/ Equity	0.52	0.57	-8.84%	N.A.
(c) Debt Service Coverage Ratio	Earning for debt service/ Debt Service	2.20	2.37	-7.39%	N.A.
(d) Return on Equity Ratio	Net Income/ Avg Equity	16	19	-15.45%	N.A.
(e) Inventory turnover ratio (annualised)	Net Sales/ Avg Inventory	6.08	6.68	-8.94%	N.A.
(f) Trade Receivables turnover ratio (annualised)	Net Credit Sales/ Avg Trade Receivables	3.67	4.04	-9.07%	N.A.
(g) Trade payables turnover ratio (annualized)	Net Purchase/ Avg Trade Payables	4.22	5.30	-20.25%	N.A.
(h) Net capital turnover ratio (annualised)	Net Sales/ Working Capital	7.71	8.94	-13.75%	N.A.
(i) Net profit ratio	Net Profit/ Sales	7.22	7.58	-4.85%	N.A.
(j) Return on Capital employed	EBIT/ Capital Employed (comprising of net worth + total debt + deferred tax liability)	16.02	18.73	-14.48%	N.A.
(k) Return on investment	Interest income / Average of Loan given to WOS	7.97	7.13	11.83%	N.A.

57 The Board of directors has recommended a final dividend of Rs.2 per equity share on face value of Rs. 10/- each for financial year 2023-24 on board meeting held on 17th May 2024, subject to approval of shareholders in ensuing Annual General Meeting. The total estimated equity dividend to be paid is Rs. 345.40 Lakhs. Further, during the year, the Company has paid final dividend of Re.1 per equity share declared for the year ended 31st March, 2023 post approval of the shareholders at the AGM held on 4th August, 2023.

58 Subsequent Events: There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.

59 As on 31st March, 2024, the Company has not been declared wilful defaulter by any bank/ financial institution or other lender.

60 The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.

61 The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

62 No proceedings have been initiated or are pending against the Company as on 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

63 The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.

64 The Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

Notes referred to herein above form an integral part of the standalone financial statements.
As per our report of even date attached

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pradeep Metals Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pradeep Metals Limited** (hereinafter referred to as "the Holding Company") and wholly owned subsidiary and step down subsidiary [the Holding Company and its wholly owned subsidiary (WOS) and step down subsidiary (SDS) together referred to as "the Group"] comprising the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (together referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the group, as at 31st March, 2024, and their consolidated profit including other comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Reference is invited to Note 7.2 of the consolidated financial statement. In respect of Step down Subsidiary (SDS), ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDS's products and these inventories have realizable value greater than cost. Based on the management estimate provision is made wherever considered necessary. We have relied on the management for the demand estimate and expected price realization.

Our opinion is not modified in the above matter. The above matter was also reported under 'Emphasis of Matter' paragraph in our audit report for the earlier years and our opinion was not modified in earlier years also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter & how our audit addressed the key audit matter
Inventory valuation (WIP)

Holding Company:

The nature of items produced by the Holding Company are customized and are unique (i.e. non standardized items), this poses a challenge of inventory valuation especially in respect of in work in progress (WIP). As at 31st March, 2024, WIP value is Rs.2,342.24 Lakhs. The Holding Company has multiple control points which include detailed recording of movement of WIP items in ERP System, periodical physical verification and ascertainment of stage of WIP by the management.

As part of our audit procedures, we have performed test verification of the closing inventory and also performed analytical test to validate the closing stock quantities and values of WIP. Our analytical test included (a) verification of the overall input-output ratio and inquiring the reasons for difference between standard and actual consumption & yield, (b) verifying the accuracy of the closing stock valuation work sheets (c) basis of ascertainment of stage of completion and (d) assessing the accuracy and completeness of the information used by management in comparing the cost of WIP inventory with net realizable value. The deviations were not significant and satisfactory explanation was provided to us.

Other matters

We did not audit the financial statements of WOS and SDS for the year ended 31st March, 2024 included in the consolidated statement, whose financial statements reflect total assets of Rs.10,161.32 Lakhs as at 31st March, 2024, total revenues (including other income) of Rs. 7,331.65 Lakhs and share of total profit after tax amounting to Rs. 302.05 Lakhs for year ended 31st March, 2024, and net cash inflow of Rs. 306.78 Lakhs for the year ended 31st March, 2024, as considered in the consolidated financial statements. We have carried out limited review of the unaudited standalone financial statements of WOS and SDS for the year ended 31st March, 2024. The unaudited financial statements / financial information of WOS and SDS are certified by the Company's management and have been prepared by the Company in accordance with Ind AS. Our opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the statement as stated in this paragraph, is based solely on such management certified unaudited financial statements. Our opinion on the consolidated financial results is not modified in respect of the above matter.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

As a 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company (where applicable) 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we state that reporting under CARO is not applicable to WOS and SDS (foreign subsidiaries) of the Holding Company.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit for the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated

Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India, hence, Section 164(2) of the Act is not applicable to the WOS and SDS.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that WOS and SDS are incorporated outside India, such reporting requirements are not applicable to WOS and SDS. In respect of the Holding Company, our report on adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls is as per “Annexure A”;

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, the remuneration paid / provided by the Holding Company to its directors for the year ended 31st March, 2024 is in accordance with the provisions of section 197 read with Schedule V 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) group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer note 34(A), 34(B), 34(C) and 34(D) to the consolidated financial statements.

   ii) The group did not have any long term contract including derivative contract for which there are any material foreseeable losses.

   iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. Further, the subsidiaries are incorporated outside India and hence, this reporting is not applicable to them.

   iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated outside India, whose financial statements have been audited / reviewed under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 56 to the consolidated financial statements);

   (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated outside India, whose financial statements have been audited / reviewed under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, 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 (Refer note 56 to the consolidated financial statements);

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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. a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for records retention is not applicable for the financial year ended 31st March, 2024. Reporting with respect to audit trail is not applicable to WOS and SDS (foreign subsidiaries) of the Holding Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Bhavin Kapadia
Partner
Membership No.: 118991
UDIN: 24118991BKFQU4252
Place: Mumbai
Date: 17th May 2024

Annexure A to Independent Auditors' Report of even date on the Consolidated Financial Statements of Pradeep Metals Limited

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

Opinion

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Holding Company") as of 31st March, 2024 in conjunction with our audit of the consolidated financial statement of the Group for the year ended on that date. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies (WOS and SDS).

In respect of inventory (recording of WIP and allocation of overheads) internal financial controls needs to be further strengthened to commensurate with the size of the Holding Company and nature of its business. This matter was reported in earlier year also.

In our opinion, read with our comment with respect to inventory above, the Holding 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 31st March, 2024, based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

The Holding 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Holding 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 Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated 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.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Bhavin Kapadia
Partner
Membership No.: 118991
UDIN: 24118991BKFQUR4252
Place: Mumbai
Date: 17th May 2024

Consolidated Balance Sheet as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4.1	8,076.96	6,750.45
(b) Right of use assets	4.2	159.04	42.80
(c) Capital work-in-progress	4.5	90.52	450.49
(d) Other intangible assets	4.1	166.94	232.72
(e) Goodwill on consolidation		147.67	147.67
(f) Financial assets			
(i) Other financial assets	5	241.78	99.11
(g) Income tax assets (net)		118.22	168.69
(h) Other assets	6	838.82	912.15
		9,839.95	**8,804.08**
II. Current assets			
(a) Inventories	7	6,180.07	5,789.07
(b) Financial assets			
(i) Trade receivables	8	6,611.20	5,400.98
(ii) Cash and cash equivalents	9	464.21	152.87
(iii) Bank balances other than (ii) above	9	55.74	54.56
(iv) Loans	10	4.00	9.35
(v) Other financial assets	1	254.68	234.12
(c) Other assets	12	575.77	431.64
		14,145.67	**12,072.58**
TOTAL ASSETS		**23,985.62**	**20,876.66**
EQUITY AND LIABILITIES			
III. Equity			
(a) Equity share capital	13.2	1,727.00	1,727.00
(b) Other equity	14	9,663.51	7,716.56
TOTAL EQUITY		**11,390.51**	**9,443.56**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	37	99.56	-
(ib) Term loans	15	1,875.42	2,111.25
(b) Provisions	16	84.80	77.68
(c) Deferred tax liabilities (net)	17.4	321.26	281.90
		2,381.04	**2,470.83**
V. Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	37	26.26	5.93
(ib) Short-term borrowings	18	5,331.56	5,156.44
(ii) Trade payable	19		
- Due to micro and small enterprises		132.04	61.48
- Due other than to micro and small enterprises		3,648.21	2,576.60
(iii) Other financial liabilities	20	740.42	891.69
(b) Other liabilities	21	251.02	205.41
(c) Provisions	22	84.56	64.70
		10,214.07	**8,962.24**
TOTAL LIABILITIES		**12,595.11**	**11,433.08**
TOTAL EQUITY & LIABILITIES		**23,985.62**	**20,876.66**
Material accounting policies & other notes	**1 to 59**		

Notes referred to herein above form an integral part of the consolidated financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Consolidated Statement of Profit and Loss for the year ended on 31st March, 2024

(Rs. in Lakhs except share and per share data)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	23	27,666.86	26,782.31
Other income	24	372.60	255.76
Total Income		**28,039.46**	**27,038.06**
EXPENSES			
Cost of material consumed	25	13,120.74	12,288.10
Changes in inventories of work-in-progress, finished goods and scrap	26	(181.42)	(335.29)
Manufacturing expenses	27	5,429.77	5,551.75
Employee benefit expenses	28	3,917.06	3,442.05
Finance costs	29	725.46	656.05
Depreciation and amortization expense	4.1	969.18	848.08
Other expenses	30	1,233.15	1,244.95
Total Expenses		**25,213.94**	**23,695.69**
Profit before exceptional items and tax		**2,825.52**	**3,342.37**
Less: Exceptional items	31	-	107.45
Profit before tax		**2,825.52**	**3,234.92**
Tax expense:			
- Current tax		570.50	698.24
- Deferred tax charge / (credit)		39.37	(57.03)
- Income tax of earlier years (net)		(12.77)	(29.11)
		597.10	612.11
Net Profit for the year ended (A)		**2,228.42**	**2,622.82**
Other Comprehensive Income	32		
(i) Items that will not be reclassified to profit or loss			
- Remeasurement losses on defined benefit plans		(70.52)	(61.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss		17.75	15.52
Total (1)		**(52.77)**	**(46.14)**
(i) Items that will be reclassified to profit or loss			
-Exchange loss on translation of foreign operations (net)		(56.00)	(217.86)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	
Total (2)		**(56.00)**	**(217.86)**
Other Comprehensive Income (1+2) (B)		**(108.77)**	**(264.00)**
Total Comprehensive Income (A+B)		**2,119.65**	**2,358.82**
Earnings per equity share	33		
(a) Basic (Face value of Rs. 10 each)		12.90	15.19
(b) Diluted (Face value of Rs. 10 each)		12.90	15.19
Material accounting policies & other notes	**1 to 59**		

Notes referred to herein above form an integral part of the consolidated financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Consolidated Cash Flow Statement for the year ended 31st March, 2024

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation		2,825.52		3,234.92
Adjustments for:				
Depreciation and amortization	969.18		848.08	
Allowance for doubtful debts / (utilised) (net)	(1.20)		0.85	
Amount no longer payable written back	(47.25)		(3.19)	
Unrealised foreign exchange (gain) / loss (net)	(102.88)		105.28	
Provision for slow-moving / non-moving inventories (net)	93.52		80.57	
(Gain)/Loss on sale/discard of property, plant & equipment (net)	(15.29)		39.61	
Impairment of investment / goodwill	-		135.00	
Interest expenses	725.46		656.05	
Interest income	(2.53)		(2.25)	
		1,619.01		1,859.99
Operating profit before changes in assets and liabilities		**4,444.53**		**5,094.92**
Movements in working capital : [Current and Non-current]				
Increase in other financial assets and other assets	(195.90)		(71.96)	
Increase in inventories	(484.52)		(688.72)	
Increase in trade receivable	(1,127.99)		(288.14)	
Increase in trade payable, other current liabilities and provisions	1,046.51	(761.89)	362.91	(685.92)
		3,682.64		**4,408.99**
Adjustment for:				
Direct taxes paid (net of refund)		**(525.01)**		**(733.05)**
Net cash generated from operating activities…(A)		**3,157.64**		**3,675.94**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, plant & equipment and intangible assets (Including capital advances and work in progress)	(1,833.14)		(1,871.94)	
Sale / discard of Property, plant & equipment	-		19.77	
Increase in other bank balances and non-current assets [Other than cash and cash equivalent]	(1.36)		(6.05)	
Interest received	2.53		2.25	
	(1,831.97)		**(1,855.97)**	
Adjustment for:				
Direct taxes paid [including tax deducted at source]	-		(0.17)	
Net cash used in investing activities…(B)		**(1,831.97)**		**(1,856.15)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	1,055.03		380.96	
Repayment of long term borrowings	(1,017.09)		(1,257.09)	
Payment of lease liabilities	(36.00)		(36.00)	
Increase / (Decrease) in working capital loan (net)	(121.67)		19.58	
Dividend paid	(173.31)		(429.11)	
Interest paid	(721.29)		(650.74)	
Net cash used in financing activities…(C)		**(1,014.32)**		**(1,972.41)**
Net increase/(decrease) in cash and cash equivalents…(A+B+C)		**311.34**		**(152.61)**
Cash and cash equivalents at the beginning of the year	152.87		305.48	
Cash and cash equivalents at the end of the year	464.21		152.87	
Net increase / (decrease) in cash and cash equivalents		**311.34**		**(152.61)**
Material accounting policies & other notes 1 to 59				

Notes referred to herein above form an integral part of the consolidated financial statements. As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Consolidated Statement of changes in equity for the year ended 31st March, 2024

(Rs. in Lakhs)

Particulars	Equity share capital (A)	Attributable to Owners: Reserves and Surplus: Security Premium	Capital reserve	General reserves	Retained earnings	Other Comprehensive: Foreign currency transaction reserve	Defined benefit obligation	Total Other Equity (B)	Total (A+B)
For the year ended 31st March, 2023									
Balance at 1st April, 2022	1,727.00	515.98	13.94	211.60	5,152.76	(147.04)	42.25	5,789.49	7,516.49
Profit for the year	-	-	-	-	2,622.82	-	-	2,622.82	2,622.82
Remeasurements loss on defined benefit plan	-	-	-	-	-	-	(46.14)	(46.14)	(46.14)
Exchange differences on translation of foreign operations & Adjustments	-	-	-	-	-	(217.86)	-	(217.86)	(217.86)
Transaction with owners in their capacity as owners									
Interim equity dividend (FY 2022-23)	-	-	-	-	(259.05)	-	-	(259.05)	(259.05)
Final equity dividend (FY 2021-22)	-	-	-	-	(172.70)	-	-	(172.70)	(172.70)
Balance as at 31st March, 2023	**1,727.00**	**515.98**	**13.94**	**211.60**	**7,343.84**	**(364.90)**	**(3.89)**	**7,716.56**	**9,443.56**
For the year ended 31st March, 2024									
Balance at 1st April, 2023	1,727.00	515.98	13.94	211.60	7,343.84	(364.90)	(3.89)	7,716.56	9,443.56
Profit for the year	-	-	-	-	2,228.42	-	-	2,228.42	2,228.42
Remeasurements loss on defined benefit plan	-	-	-	-	-	-	(52.77)	(52.77)	(52.77)
Exchange differences on translation of foreign operations & Adjustments	-	-	-	-	-	(56.00)	-	(56.00)	(56.00)
Final equity dividend (FY 2022-23)	-	-	-	-	(172.70)	-	-	(172.70)	(172.70)
Balance as at 31st March 2024	**1,727.00**	**515.98**	**13.94**	**211.60**	**9,399.55**	**(420.90)**	**(56.66)**	**9,663.51**	**11,390.51**

Material accounting policies & other notes **1 to 59**

i) Securities premium
Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

ii) Capital reserve
Capital reserve represents capital surplus and not normally available for distribution as dividend.

iii) General reserve
General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iv) Retained earnings
Retained earnings represent the accumulated earnings net of losses, if any, made by the Group over the years.

v) Other comprehensive Income - Defined benefit obligation
The reserve represents the remeasurement gains / (losses) arising from the actuarial valuation of the defined benefit obligations of the Holding Company. The remeasurement gains / (losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

vi) Other comprehensive Income - Foreign Currency Translation Reserve
Exchange differences relating to the translation of the results and net assets of the group's foreign operation from their functional currencies to the group's presentation currency (i.e. Rs.) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the investment is disposed-off.

Notes referred to herein above form an integral part of the consolidated financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Notes on Consolidated Ind AS financial statements for the year ended 31st March, 2024

1. Background

Pradeep Metals Limited (hereinafter referred to as 'the Parent Company', 'the Company' or 'Holding Company') is a public Company incorporated in India. The Company's shares are listed on Bombay Stock Exchange in India. Holding Company together with its Wholly Owned Subsidiary ('WOS') and Step Down Subsidiary ('SDS') ('WOS and SDS are referred to as subsidiaries') is referred to as "the Group". The Group is engaged in the manufacturing and selling of forged and machined components for various sectors. The Group caters to both domestic and international markets.

The financial statements were authorized for issue in accordance with a resolution of the Directors on 17th May, 2024.

2. Basis of preparation

2.1. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 with relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India.

The unaudited financial statements / financial information of WOS and SDS were subject to limited review by the auditors of Holding Company and certified by the Holding Company's management and have been prepared in accordance with Ind AS.

The Group has consistently applied the accounting policies used in the preparation of its consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further, in accordance with the amendments to the Companies (Indian Accounting Standards) Rules, 2023, the company has disclosed material accounting policies as against the significant accounting policies. Considering the nature of transactions and business operation of the Company, accounting policies related to 'Leases' 'Investment in equity instrument at FVTOCI' and 'Business Combinations' are not forming part of material accounting policies.

2.2. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee

b. Rights arising from other contractual arrangements

c. The Group's voting rights and potential voting rights

d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The subsidiaries considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. No.	Name of the entity	Country of incorporation	Proportion of interest (including beneficial interest) / voting power (either directly/ indirectly through subsidiary)	
			As at March 31, 2024	As at March 31, 2023
(A)	**Wholly Owned Subsidiary company [WOS]**			
1.	Pradeep Metals Limited Inc.	USA	100%	100%
(B)	**Step Down Subsidiary [SDS]**			
1.	Dimensional Machine Works, LLC	USA	100%	100%

Consolidation Procedure

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Ind AS 103 - Business combinations explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Consolidated Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

i. Derecognizes the assets (including goodwill) and liabilities of the subsidiary

ii. Derecognizes the carrying amount of any non-controlling interests

iii. Derecognizes the cumulative translation differences recorded in equity

iv. Recognizes the fair value of the consideration received

v. Recognizes the fair value of any investment retained

vi. Recognizes any surplus or deficit in the consolidated statement of profit and loss

vii. Reclassifies the parent's share of components previously recognized in OCI to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3. Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in Indian Rupees which is also the Holding Company's functional currency. All amounts are rounded to the nearest rupees in Lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

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

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

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

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

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in “Ind AS 113 Fair Value Measurement”.

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Group has estimated the useful life, residual value and method of depreciation / amortization of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Group. Further, the Group has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortization and decommissioning costs are critical to the Group’s financial position and performance.

ii) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iv) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

v) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the consolidated statement of profit and loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized.

vi) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on management policy for increase in basic salary.

vii) Provision for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statement.

viii) Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Group has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Group believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Group and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate. On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Material Accounting Policies

3.1. Presentation and disclosure of consolidated financial statement

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in consolidated statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013, except for the plant and machinery as per the table given below, for which on the basis of internal technical assessment made by the management, the depreciation has been provided considering the useful life of the plant.

The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Particulars	Useful life
Machinery for heavy production/press/cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Second hand CNC machines	10 Years
Solar power generation plant	25 Years
Individual assets whose cost does not exceed five thousand rupees	Nil Depreciated fully in the year of capitalisation

The useful lives of the property, plant and equipment not covered in table above and are in accordance with schedule II are as follows:

Particulars	Useful life
Factory Building on leasehold land	Lower of 30 Years or balance lease period
Electrical Installation	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor Vehicles	8 Years
Windmill	22 Years

The Assets of WOS and SDS are depreciated considering the following useful life:

Particulars	Useful life
Building	30 Years
Plant & Machinery	7 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Second hand vehicles	5 Years
Computers	3 Years

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". Cost of assets under construction / acquisition / not put to use at the Balance Sheet date are disclosed under "Capital work-in-progress"

De-recognition

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

3.3. Intangible assets and amortization

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible Asset		Estimated useful life
(a)	ERP Software	10 Years
(b)	Other Software	3 Years
(c)	Computer Software [SDS]	5 Years
(d)	Microwave Composite Heating Furnace project (SDF Technology)	7 years

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. Research and development costs

Research costs are expensed as incurred. Development expenditures are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
  - Its intention to complete and its ability and intention to use or sell the asset
  - How the asset will generate future economic benefits
  - The availability of resources to complete the asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
  - The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Inventories

Inventories consists of raw materials, consumables, dies, work-in-progress and scrap. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable 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.

Dies are valued at cost or net realizable value whichever is less. Cost includes material cost and labour cost. Costs are determined on specific identification basis.

Scrap is valued at net realizable value.

3.6. Revenue recognition

The policies for Revenue as presented in the consolidated financial statements are as under:

- Revenue from operation
  - The Group recognizes revenue when the amount can be reliably measured, to the extent it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below
  - Sale of goods is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products. Revenue is measured at the transaction price allocated to that performance obligation, net of Goods and Service Tax (GST), returns and allowances, trade, volume & other discounts

    Accumulated experience is used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives. No element of financing is deemed present as the sales are made with normal credit terms.
  - Revenue from export sales are recognized upon transfer of control of promised products to customers usually on the basis of dates of shipping bills or bill of lading depending on the shipment terms.
  - Sale of services is recognized upon rendering of services and revenue from fixed price, fixed time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized over the period of contract on pro-rata basis.

- ❒ Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.
- ❒ Export incentives / benefits are recognized as income in Consolidated Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods/sale of license in open market.
- ❒ Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered.

- **Other income**
  - ❒ Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders/board of directors approve the dividend as applicable.
  - ❒ Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

3.7. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions. When the grant or subsidy relates to revenue, it is recognized as income or adjusted against expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. In case of Exports Promotion Capital Goods (EPCG) scheme, government grants is recognised in the statement of profit and loss over the period of fulfilment of export obligation. Where the grant relates to an asset, it is deducted from the cost of the asset and the net amount of the asset is capitalized.

3.8. Foreign currency transaction

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items is recognized as income or expense in the year in which they arise.
- Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognized in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognized in consolidated statement of profit and loss or other comprehensive income is also recognized in consolidated statement of profit or loss or other comprehensive income respectively).
- Translation of foreign operations

Financial statements of foreign operations are translated as under:

a. Assets and Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the average rate prevailing during the year.

b. Revenue and expenses at average rates prevailing during the year. Off Balance Sheet items are translated into Indian Rupees at year-end rates.

c. Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

3.9. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the consolidated statement of profit and loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

  The defined contribution plan is a post-employment benefit plan under which the Holding company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Holding Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Holding Company's contribution to defined contribution plans are recognized in the consolidated statement of profit and loss in the period in which the employee renders the related service.

  b. Post-employment benefit and other long term benefits

  The Holding Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Holding Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Provision for casual leave is made on arithmetic basis.

  For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

  The expected return on plan assets is the Holding Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

  The interest cost on defined benefit obligation and expected return on plan assets is recognized under finance cost.

  Gains or losses on the curtailment or settlement of defined benefit plan are recognized when the curtailment or settlement occurs.

  Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the consolidated statement of profit and loss as income or expense.

3.10 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

3.11 Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12 Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside consolidated profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside consolidated profit or loss.

Provision for current tax is made as per the provisions of governing tax laws. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

The Group has adopted the amendments with respect to Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1st April, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences – e.g., leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at 1st April 2022 and thereafter.

However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1st April 2022 as a result of the change.

3.13 Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14 Cash flow statement

Cash flows are reported using the indirect method, where by consolidated net 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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.15 Provisions, contingent liabilities, contingent assets

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Group does not recognize a contingent asset but discloses its existence in the consolidated financial statements if the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

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

3.16 Earnings per share

Basic earnings per share is computed using the consolidated net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the consolidated net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive.

3.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets 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 consolidated 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 consolidated profit or loss are recognized immediately in consolidated statement of profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

3.17.1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through consolidated 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.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized 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 gross carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in consolidated statement of profit or loss and is 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 Group 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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in consolidated statement profit or loss. The net gain or loss recognized in consolidated statement of 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 recognized when the Group’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 Group recognizes loss allowances using the expected credit loss (ECL) model based on ‘simplified approach’ for the financial assets which are not fair valued through consolidated profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in consolidated statement of profit and loss.

De-recognition of financial asset

The Group de-recognizes 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On de-recognition 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 recognized in other comprehensive income and accumulated in equity is recognized in consolidated statement of profit or loss if such gain or loss would have otherwise been recognized in consolidated statement of profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group 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 recognizes 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 recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in consolidated statement of profit or loss if such gain or loss would have otherwise been recognized in consolidated statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.17.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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 Group are recognized at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized 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 de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group 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 recognized by the Group 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 Group 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 recognized by the Group 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 Group'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 re-measurement recognized in consolidated statement of profit or loss. The net gain or loss recognized in consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' 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 recognized 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 consolidated profit or loss, in which case these effects of changes in credit risk are recognized in consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is always recognized in consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to consolidated statement of profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through consolidated profit or loss are recognized in consolidated statement of profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized 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 amortized 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 gross 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 Group 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 recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

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

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with 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 de-recognized and the consideration paid and payable is recognized in consolidated statement of profit or loss.

3.18 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

4 Property, plant & equipment and intangible assets

4.1 As on 31st March, 2024

(Rs. in Lakhs)

Particulars	Gross Block					Depreciation / amortization						Net Block
	As at April 1, 2023	Additions	Deductions	Exchange Fluctuation	As at March 31, 2024	As at April 1, 2023	For the year	On deductions	Impairment	Exchange Fluctuation	As at March 31, 2024	As at March 31, 2024
Property, plant & equipment (Tangible assets)												
Freehold land	449.71	-	-	4.42	454.13	-	-	-	-	-	-	454.13
Factory buildings	3,203.49	128.00	-	18.24	3,349.72	449.94	118.21	-	-	1.03	569.17	2,780.55
Leasehold Improvement	47.22	-	-	0.71	47.93	47.22	-	-	-	0.71	47.93	-
Plant and machinery (P & M)	4,179.71	574.34	39.52	17.46	4,731.98	2,126.97	473.67	19.04	-	17.88	2,599.48	2,132.50
Microwave Machinery (R & D)	149.10	-	-	-	149.10	149.10	-	-	-	-	149.10	-
Wind mill	1,246.22	-	58.95	-	1,187.27	391.95	56.07	22.32	-	-	425.69	761.58
Solar Plant	-	1,190.45	-	-	1,190.45	-	31.05	-	-	-	31.05	1,159.40
Electrical installation	127.28	61.13	-	-	188.40	53.79	13.66	-	-	-	67.45	120.95
Office equipment	37.93	9.28	-	0.22	47.43	35.85	9.20	-	-	0.08	45.12	2.30
Computers	74.23	17.70	-	0.12	92.05	44.27	17.68	-	-	0.08	62.03	30.02
Furniture and fixtures	97.60	0.93	-	0.14	98.66	10.14	9.23	-	-	0.06	19.43	79.24
Vehicles	179.66	202.39	0.11	1.15	383.10	105.15	37.29	0.10	-	0.62	142.95	240.14
Dies	853.86	44.20	-	-	898.06	481.17	100.75	-	-	-	581.92	316.15
Sub-total (A)	**10,646.00**	**2,228.41**	**98.57**	**42.45**	**12,818.28**	**3,895.55**	**866.78**	**41.46**	**-**	**20.45**	**4,741.32**	**8,076.96**
Intangible assets												
Software (Other than internally generated)	151.70	3.90	-	0.44	156.04	94.82	29.11	-	-	(2.44)	121.49	34.55
Goodwill	570.81	-	-	-	570.81	570.81	-	-	-	-	570.81	-
Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	-	304.10	128.27	43.44	-	-	-	171.71	132.39
Sub-total (B)	**1,026.61**	**3.90**	**-**	**0.44**	**1,030.95**	**793.89**	**72.55**	**-**	**-**	**(2.44)**	**864.01**	**166.94**
Total [(A) + (B)]	**11,672.61**	**2,232.31**	**98.57**	**42.89**	**13,849.22**	**4,689.44**	**939.34**	**41.46**	**-**	**18.01**	**5,605.34**	**8,243.88**

4.2 Right of use asset

(Rs. in Lakhs)

Particulars	Building	Leasehold Land	Total
Gross carrying value			
Balance as at 31st March, 2022	**122.27**	**55.81**	**178.08**
Additions in 2022-2023	-	-	-
Balance as at 31st March, 2023	**122.27**	**55.81**	**178.08**
Additions in 2023-2024	146.05	-	146.05
Deletions in 2023-2024	122.27	-	122.27
Balance as at 31st March, 2024	**146.05**	**55.81**	**201.86**
Accumulated amortization			
Balance as at 31st March, 2022	**88.05**	**17.28**	**105.32**
Charge for the year 2022-23	29.35	0.60	29.94
Balance as at 31st March, 2023	**117.40**	**17.88**	**135.27**
Charge for the year 2023-2024	29.23	0.60	29.84
Deletions in 2023-2024	122.27	-	122.27
Balance as at 31st March, 2024	**24.35**	**18.48**	**42.85**
Net carrying amount			
Balance as at 31st March, 2023	4.87	37.93	42.80
Balance as at 31st March, 2024	**121.71**	**37.33**	**159.04**

4.3 Depreciation as per statement of profit & loss

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Depreciation and amortization of Property, plant & equipment and intangible assets	939.34	818.14
Depreciation on Right of use assets	29.84	29.94
Depreciation as per statement of profit & loss	**969.18**	**848.08**

4.4 As on 31st March, 2023

(Rs. in Lakhs)

Particulars	Gross Block					Depreciation / amortization						Net Block
	As at April 1, 2023	Additions	Deductions	Exchange Fluctuation	As at March 31, 2024	As at April 1, 2023	For the year	On deductions	Impairment	Exchange Fluctuation	As at March 31, 2024	As at March 31, 2024
Property, plant & equipment (Tangible assets)												
Freehold land	327.68	99.22	-	22.81	449.71	-	-	-	-	-	-	449.71
Factory buildings (Refer note 4.6)	2,871.05	239.75	-	92.69	3,203.49	329.81	118.63	-	-	1.50	449.94	2,753.55
Leasehold Improvement	43.55	-	-	3.66	47.21	43.55	-	-	-	3.66	47.21	-
Plant and machinery (P & M)	3,781.93	499.62	185.51	83.68	4,179.72	1,565.73	428.43	150.37	224.61	58.57	2,126.97	2,052.75
Microwave Machinery	149.11	-	-	-	149.11	149.11	-	-	-	-	149.11	-
Windmill	1,246.21	-	-	-	1,246.21	335.82	56.11	-	-	-	391.93	854.28
Electrical installation	102.06	25.21	-	-	127.27	43.17	10.63	-	-	-	53.80	73.47
Office equipment	27.20	9.76	0.18	1.16	37.94	3.32	15.05	0.17	-	0.21	18.41	19.53
Computers	69.04	16.73	-	(11.54)	74.23	24.14	9.86	-	-	(2.02)	31.98	42.25
Furniture and fixtures	76.81	15.20	0.81	6.40	97.60	35.86	5.54	0.77	-	(0.76)	39.87	57.73
Vehicles	124.91	52.03	6.07	8.78	179.65	80.40	21.90	5.76	-	8.62	105.16	74.49
Dies	839.94	61.65	47.73	-	853.86	418.60	85.35	22.78	-	-	481.17	372.69
Sub-total (A)	**9,659.49**	**1,019.17**	**240.30**	**207.64**	**10,646.00**	**3,029.51**	**751.50**	**179.85**	**224.61**	**69.78**	**3,895.55**	**6,750.45**
Intangible assets												
Software (Other than internally generated)	128.94	20.51	-	2.25	151.70	72.12	23.22	-	-	(0.52)	94.82	56.88
Goodwill	570.81	-	-	-	570.81	570.81	-	-	-	-	570.81	-
Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	-	304.10	84.82	43.42	-	-	-	128.24	175.86
Sub-total (B)	**1,003.85**	**20.51**	**-**	**2.25**	**1,026.61**	**727.75**	**66.64**	**-**	**-**	**(0.52)**	**793.87**	**232.74**
Total [(A) + (B)]	**10,663.34**	**1,039.68**	**240.30**	**209.89**	**11,672.61**	**3,757.26**	**818.14**	**179.85**	**224.61**	**69.26**	**4,689.42**	**6,983.19**

4.5 Movement of capital work in progress

(Rs. in Lakhs)

Particulars	2023-24				
	P & M	Land	Building	Others	Total
Opening capital work in progress	419.94	-	30.56	-	450.49
Add: Addition during the year	1,392.96	-	56.35	-	1,449.31
Less: Assets capitalized/ reversed during the year	1,722.36	-	86.91	-	1,809.27
Closing capital work in progress	**90.52**	**-**	**-**	**-**	**90.52**

(Rs. in Lakhs)

Particulars	2022-23				
	P & M	Land	Building	Others	Total
Opening capital work in progress	107.12	-	66.74	1.08	174.94
Add: Addition during the year	701.68	99.22	179.69	21.50	1,002.09
Less: Assets capitalized / reversed during the year	388.88	99.22	215.86	22.58	726.54
Closing capital work in progress	**419.94**	**-**	**30.56**	**-**	**450.49**

4.6 CWIP Ageing schedule as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	90.52	-	-	-	90.52

CWIP Ageing schedule as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	450.49	-	-	-	450.49

4.7 There are no capital-work-in-progress where completion is overdue or exceeded its cost as compared to original plan as at 31st March, 2024 and 31st March, 2023.

4.8 Details of remaining amortization period and carrying value of intangible assets is as given below:

Particulars	Carrying amount as at (Rs. in Lakhs)		Remaining useful life as at (months)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Epicore software	12.49	18.82	16	28
Microwave composite heating furnace (SDF Technology)	132.39	175.83	36	48
Other software's	22.06	38.07	11 to 36	11 to 24

4.9 First pari passu charge has been created on property, plant and equipment of the Holding Company (present and future) in respect of term loans taken by the Holding Company (Refer note 15.1). Further, second charge has been created on the property, plant and equipment for working capital facility availed by the Holding Company (Refer note 18.1). Further, exclusive charge on Land and Building of Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) in respect of Foreign Currency term loan of USD 0.998 million outstanding as on 31st March, 2024 (Outstanding as on 31st March, 2023 : USD 1.298 million). In case of SDS, finance lease obligation for machine is secured by personal guarantee given of Director of the SDS.

4.10 Property, plant and equipment held under lease

In respect of step-down subsidiary, the gross and net carrying amounts of machine under finance lease are:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cost	187.52	182.40
Accumulated depreciation	82.01	53.72
Exchange adjustment	0.75	(7.62)
Net carrying amount	**106.24**	**121.06**

4.11 Based on the management assessment, aggregate impairment provision made upto 31st March, 2023 of Rs. 810 Lakhs in regard to goodwill and tangible assets, is considered as adequate and no additional provision is required in the current year. The Management is of the view that the expected growth in the demand of the SDS's products and other steps taken, will generate sufficient cash flows to cover balance carrying value of goodwill and tangible assets.

(Rs. in Lakhs)

5	**Other non-current financial assets** (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
	Security deposits	112.14	98.74
	Deposit with bank under lien having remaining maturity more than 12 months	129.64	0.37
	Total	**241.78**	**99.11**

5.1 Bank deposits aggregating to Rs. 129.14 Lakhs ((Previous year : Nil) have been kept as margin money against Letter of credit issued for acquisition of imported plant and machinery by the Holding Company. Bank deposit of Rs.0.50 Lakhs (Previous year : Rs. 0.37 Lakhs) are under lien with bank towards guarantees issued by bank.

(Rs. in Lakhs)

6	**Other non-current assets** (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
	Capital advances		
	- Consider good	613.18	689.24
	- Considered doubtful	50.00	50.00
		663.18	739.24
	Less:- Allowance for bad and doubtful advances	(50.00)	(50.00)
		613.18	689.24
	Custom bond deposit	208.51	205.43
	Amount paid under protest	10.10	10.10
	Less : Provision for the above matter	(10.10)	(10.10)
		-	-
	Prepaid expenses	17.13	17.48
	Total	**838.82**	**912.15**

6.1 Pursuant to Hon'ble High Court order, the Holding Company had deposited back wages under protest amounting to Rs.10.10 Lakhs (previous year: Rs.10.10 Lakhs) in respect of ex-employees whose services were terminated in earlier years. As an abundant caution, the Holding Company had made contingency provision of Rs.10.10 Lakhs which had been charged to the Statement of Profit & Loss during the earlier year. The quantum of final liability cannot be ascertained at this stage and will be based on the outcome of matter under dispute.

(Rs. in Lakhs)

7. Inventories (At lower of cost or net realisable value unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Raw material - Steel	1,860.72	1,697.78
Raw materials - Dies	191.51	117.24
Work-in-progress	2,627.87	2,383.65
Finished goods	657.00	982.91
Finished goods in transit	593.08	420.85
Stock in Trade	66.74	30.77
Stores, spares and consumables	144.17	137.66
Scrap	38.98	18.21
Total	**6,180.07**	**5,789.05**

7.1 Considering impact on account of suspension of orders for navy products, in view of the management, the value of inventory of finished goods in SDS is reduced by Rs.82.83 Lakhs (USD 100,000). (Previous year: Rs.80.57 Lakhs, USD 100,000)

7.2 In case of SDS, ageing of slow/non-moving items of inventories is not available from the system. The Management is of the view that there is demand for the SDS's products and these inventories have realizable value greater than cost and hence provision is made as mentioned in note 7.1. Auditor's have relied on the management for the demand estimate and expected price realization.

7.3 During the year ended 31st March, 2024, Rs. 93.52 Lakhs (Previous year :Rs 87.42 Lakhs) was recognised as an expenses for inventories carried at Net realisable value (includes matter disclosed in note 7.1 above).

(Rs. in Lakhs)

8. Trade receivables (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good	6,611.20	5,400.98
Considered doubtful	-	-
	6,611.20	5,400.98
Less: Allowance for doubtful debts	-	-
Total	**6,611.20**	**5,400.98**

8.1 No trade receivables are due from directors or other officers of the Holding Company either severally or jointly with any other person.

8.2 Trade receivables are non - interest bearing and are generally on terms of 30 to 270 days.

8.3 Trade receivable includes export bills aggregating to Rs.172.19 Lakhs (Previous year: Rs.299.69 Lakhs) purchased / discounted by the bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short-term borrowings). The Holding Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Holding Company has retained the late payment and credit risk.

8.4 Refer note 43 for policy on expected credit loss.

8.5 The Holding Company has registered under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. The relevant provisions in respect of receivable are applicable to the Holding Company.

8.6 Trade receivables ageing schedule as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4,944.56	647.68	903.56	102.73	12.66	-	6,611.20
Total	**4,944.56**	**647.68**	**903.56**	**102.73**	**12.66**	**-**	**6,611.20**

Trade receivables ageing schedule as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4,745.22	424.01	83.32	137.32	11.11	-	5,400.98
Total	**4,745.22**	**424.01**	**83.32**	**137.32**	**11.11**	**-**	**5,400.98**

(Rs. in Lakhs)

9. Cash and cash equivalent and other bank balances	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalent		
Balances with banks		
- In current accounts	462.74	151.08
Cash on hand	1.47	1.79
Total	**464.21**	**152.87**
Other bank balances		
- In fixed deposits having remaining maturity less than 12 months	37.74	35.94
- Earmarked balances (on unpaid dividend account)	18.00	18.62
Total	**55.74**	**54.56**

9.1 Bank deposits earn interest at fixed rates.

9.2 Bank deposits aggregating to Rs. 37.74 Lakhs (Previous year : Rs. 35.94 Lakhs) are under lien with banks towards guarantees issued by bank.

(Rs. in Lakhs)

10. **Loans** (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Other loans		
Loan to employees	4.00	9.35
Total	**4.00**	**9.35**

10.1 No loans and advances are due from directors or other officers of the Group either severally or jointly with any other person.

10.2 Loans are non derivative financial assets which generate fixed interest income for the group. The carrying value may be affected by changes in the credit risk of the counter party.

(Rs. in Lakhs)

11. **Other current financial assets** (Unsecured, considered good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
Export incentive receivable	114.96	110.11
Amount recoverable from customers	28.66	37.37
Interest accrued on fixed deposits	0.18	0.20
Insurance claim receivable (Refer note 11.1)	56.08	-
Foreign currency forward contract receivable (net)	42.78	-
Other receivables (including amount refund from bank)	12.02	86.43
Total	**254.68**	**234.12**

11.1 It represents insurance claim made toward windmill owned by the Holding Company and is expected to be released in next year.

11.2 Break up of financial assets carried at amortised cost (Rs. in Lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Loans (Refer note 10)	4.00	9.35
Other financial assets (Refer note 5 & 11)	496.46	333.23
Trade receivables (Refer note 8)	6,611.20	5,400.98
Cash & cash equivalents (Refer note 9)	464.21	152.87
Other bank balance (Refer note 9)	55.74	54.56
Total	**7,631.61**	**5,950.99**

(Rs. in Lakhs)

12.

Other current assets (Unsecured, considered good unless otherwise stated)	**As at March 31, 2024**	**As at March 31, 2023**
Advance to suppliers (other than capital advance)	4.59	9.44
Considered doubtful	-	1.20
	4.59	10.64
Less:- Allowance for bad and doubtful advances	-	1.20
	4.59	9.44
Input tax credit receivable (including refund receivable)	383.94	258.22
Prepaid expenses	187.24	137.83
Advance contribution towards gratuity fund	-	26.15
Total	**575.77**	**431.65**

12.1 No advances are due from directors or other officers of the group either severally or jointly with any other person.

13. Share Capital (Rs. in Lakhs except share & per share data)

13.1

Authorised capital	**As at March 31, 2024**	**As at March 31, 2023**
Equity share capital		
18,500,000 (Previous year : 18,500,000) Equity Shares of Rs. 10 each	1,850.00	1,850.00
Preference share capital		
550,000 (Previous year : 550,000) Preference Shares of Rs.100 each	550.00	550.00
Total	**2,400.00**	**2,400.00**

(Rs. in Lakhs except share & per share data)

13.2

Issued, subscribed and paid-up capital	**As at March 31, 2024**	**As at March 31, 2023**
Issued		
17,270,000 (Previous year : 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Issued, subscribed and paid-up		
17,270,000 (Previous year : 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Total	**1,727.00**	**1,727.00**

13.3 The Holding Company (Pradeep Metals Limited) has only one class of issued shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

13.4 Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year	As at March 31, 2024	As at March 31, 2023
Shares outstanding at beginning of the year	17,270,000	17,270,000
Changes during the year	-	-
Shares outstanding at the end of the year	**17,270,000**	**17,270,000**

13.5 Equity Shares held by each shareholder holding more than 5% shares

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Pradeep Goyal	15,76,400	9.13	15,76,400	9.13
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33
Nami Capital Private Limited	1,01,94,456	59.03	1,01,94,456	59.03

13.6 Shares held by ultimate holding company

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Nami Capital Private Limited	1,01,94,456	59.03	1,01,94,456	59.03

13.7 Shares held by promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Pradeep Goyal	15,76,400	9.13	15,76,400	9.13	-	-
Mrs. Neeru P. Goyal	9,19,927	5.33	9,19,927	5.33	-	-
Nami Capital Private Limited	1,01,94,456	59.03	1,01,94,456	59.03	-	-

14. For details of Other equity, refer Consolidated Statement of changes in equity.

(Rs. in Lakhs)

15. Borrowings (Non-current)	As at March 31, 2024	As at March 31, 2023
Secured		
Term loans		
From banks		
- Foreign currency loan [Refer note 15.1(i)]	-	787.83
- Rupee loan [Refer note 15.1(i)]	1,123.20	409.84
- Vehicle loan [Refer note 15.1(iv)]	136.85	30.22
- Term loans [Refer note 15.1(ii)]	569.70	804.33
From other parties		
- Machinery loan [Refer note 15.1(iii)]	45.67	79.03
Total	**1,875.42**	**2,111.25**

15.1 Details of security provided

(i) Foreign currency loans & Rupee loans are secured by first pari passu charge created on property, plant and equipment of the Holding Company (present and future) and second charge on entire current assets of the Holding Company (Refer note 4.9). The loans are further secured by personal guarantee of Chairman & Managing Director of the Holding Company.

(ii) In case of WOS,

(a) Term Loan amounting to Rs. 819.92 Lakhs (Previous year: Rs. 1,050.84 Lakhs) is secured by (a) exclusive charged on Land and Building of WOS (b) irrevocable corporate guarantee of the Holding Company (c) Personal Guarantee of Chairman & Managing Director of the Holding Company.

(iii) In case of SDS, finance lease obligation for machine is secured by personal guarantee of Director of the SDS.

(iv) Vehicle loan is secured against security of vehicle financed and further guaranteed by personal guarantee of Chairman & Managing Director of the Holding Company and Director of SDS.

15.2 Terms of repayment and maturity profile of the term loan is as set out below:

(Rs. in Lakhs)

Borrowings	Interest Rate	As at March 31, 2024	As at March 31, 2023
Term loan XIII Repayable Nil (Previous year: 2 quarterly installments of Rs. 22.50 Lakhs each & 1 installment of balance amount)	1YMCLR+1.00%	-	69.81
Term loan XIV Repayable Nil (Previous year: 1 installment of balance amount of Rs. 3.70 Lakhs)	1YMCLR+1.00%	-	3.70
Foreign currency term loan XIV Repayable Nil (Previous year: 2 quarterly installments of Rs. 16.50 Lakhs each & 1 installments of balance amount)	6M SOFR+2%	-	38.92
Term loan XV Repayable in 2 (Previous year: 6) quarterly installments of Rs. 17.70 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.80% p.a.)	41.80	112.60
Term loan XVII (FCTL and INR) Repayable in 1 quarterly installment of Rs. 150.00 Lakhs each & 1 installment of balance amount (previous year: 3 quarterly installments of Rs. 75 Lakhs and subsequent 8 quarterly installments of Rs. 150 Lakhs)	6M SOFR+2%	-	1,162.83
	1YMCLR+1.00% (Currently 9.80% p.a.)	253.59	253.59
Term loan XVI (INR) Repayable in 6 (Previous year:10) quarterly installments of Rs. 16.70 Lakhs each & 1 installment of balance amount.	1YMCLR+1.00% (Currently 9.80% p.a.)	114.59	181.26
Term loan XIX (INR) Repayable in 4 (Previous year: Nil) quarterly installments of Rs. 15.38 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.65% p.a.)	75.12	-
Term loan XVIII (INR) Repayable in 23 (Previous year: Nil) quarterly installments of Rs. 32.00 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.65% p.a.)	739.46	-
Term loan XVII (INR) Repayable in 5 (Previous year: Nil) quarterly installments of Rs. 150.00 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.70% p.a.)	796.74	-
Vehicle loan (INR) Repayable in 84 (Previous year: Nil) equated monthly installments	(Currently 8.50% p.a.)	134.17	-
Term loan USD 998,159 (Previous year: 1,298,201) - repayable in 9 (Preivous year 14) quarterly instalments [13 instalments of USD 75,000 & 1 installment of USD 23,315]	6M SOFR + 2.65% (Currently 7.47377% p.a.)	819.92	1,050.84
Machinery Loan (USD loan) Repayable in 27 (Previous year: 39) equated monthly installments	12.05% (Fixed)	80.22	111.41
Vehicle Loan (USD loan) Repayable in 32 (Previous year: 44) equated monthly installments	12.05% (Fixed)	30.67	40.35
Total		**3,086.28**	**3,025.31**

Above figures are including current maturity as disclosed in note 18.

(Rs. in Lakhs)

16. Provisions	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Leave benefits	84.80	77.68
Total	**84.80**	**77.68**

17 Income & deferred taxes

The major components of income tax expense for the years ended 31st March, 2024 & 31st March, 2023 are as under:

17.1 Statement of profit & loss

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax	570.50	698.24
Deferred tax charge / (credit)	39.37	(57.03)
Income tax of earlier years (net)	(12.77)	(29.11)
Tax expense reported in the statement of profit & loss	**597.10**	**612.11**

17.2 Other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax related to items recognised in OCI		
Re-measurement of defined benefit plans	(17.75)	(15.52)
Deferred tax charge / (credit)	**(17.75)**	**(15.52)**

17.3 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March, 2024 and 31st March, 2023

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	2,825.52	3,234.92
Applicable income tax rate	25.17%	25.17%
	711.13	**814.16**
- Effect of expenses not deductible in determining taxable profit	26.85	45.41
- Income tax and deferred tax of earlier years (net)	(12.77)	(29.11)
Losses of subsidiaries (refer note 17.8)	(128.10)	(218.35)
Sub-total	**597.10**	**612.11**
At the effective income tax rate of	21.13%	18.92%
Tax expense reported in the consolidated statement of profit and loss	**597.10**	**612.11**

17.4 Deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	375.07	325.71
Provision for NMMC cess liability	(0.04)	(0.04)
Provision for employee benefits	(54.85)	(49.64)
Right of use asset	30.63	1.22
Lease Liabilities	(31.67)	(1.50)
Provision for Contingency	(2.54)	(2.54)
Weighted average deduction u/s 80JJAA (net of unwinding)	4.67	8.68
Net deferred tax liabilities	**321.26**	**281.90**

17.5 Reflected in the balance sheet as follows (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	(53.80)	(43.82)
Deferred tax liabilities	375.07	325.71
Deferred tax liabilities (net)	**321.26**	**281.90**

17.6 Deferred tax income (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	49.36	(60.83)
Provision for doubtful debts/advances	-	0.09
Provision for employee benefits	(5.22)	(6.90)
Right of use asset	29.41	1.04
Lease Liabilities	(30.17)	-
Weighted average deduction u/s 80JJAA (net of unwinding)	(4.01)	9.57
Net deferred tax credit	**39.37**	**(57.03)**

17.7 The Group off sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and intends either to settle on a net basis. Deferred tax asset has not been recognised on impairment in the value of investment of Rs.810 Lakhs (Previous year - Rs.810 Lakhs) and provision for doubtful capital advances Rs. 50 Lakhs (Previous year- Rs. 50 Lakhs) in the absence of reasonable certainty of its reversal in future.

17.8 In accordance with US law, the WOS of the Holding Company has opted for payment of tax on consolidated income [i.e. after considering the income from its subsidiary (SDS of Holding Company)]. Since there are significant losses in SDS, there is a net loss on consolidated basis. Accordingly, there is no tax payable by WOS. Further, no deferred tax asset is recognized on unused tax profits of Rs. 395.19 Lakhs (Previous year - Rs. 546.40 Lakhs) in absence of reasonable certainty of having taxable income (on consolidated basis) in future years.

17.9 The Holding Company applied Deferred tax related to Assets and Liabilities arising from single transaction (Amendments to Ind AS 12) from 1st April, 2023. Following the amendments, the Holding Company has recognised a separate Deferred tax asset in relation to its lease liabilities and Deferred tax liability in relation to right of use assets.

(Rs. in Lakhs)

18 Borrowings (Current)	As at March 31, 2024	As at March 31, 2023
Secured		
From bank		
Working capital loans		
- Cash credit (Repayable on demand)	1,227.96	1,246.26
- Packing credit (Repayable within 180 days)	2,720.55	2,696.43
- Bills discounted (Repayable within 30 to 270 days)	172.19	299.69
Current maturity of long term borrowings		
- Machinery Loan	34.55	32.38
- Term loan	250.22	246.51
- Rupee loan	898.10	211.12
- Vehicle loan	27.99	10.12
- Foreign currency loan	-	413.92
Total	**5,331.56**	**5,156.43**

18.1 Details of security provided on working capital loans

Working capital loans are secured by first charge by way of hypothecation of stock and book debts and second charge on entire fixed assets of the Holding Company. The Loans are further secured by personal guarantee of Chairman & Managing Director of the Holding Company.

(Rs. in Lakhs)

19. Trade Payables	As at March 31, 2024	As at March 31, 2023
- Dues to micro & small enterprises	132.04	61.48
- Dues to other than micro & small enterprises	3,648.21	2,576.60
Total	**3,780.25**	**2,638.08**

19.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises. The Group has disclosed such information only to the extent received from suppliers about their coverage under the MSMED Act. Auditor's have relied on the same.

19.2 Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) The principal amount remaining unpaid to any supplier at the end of the year.	132.04	61.48
b) Interest due remaining unpaid to any supplier at the end of the year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006.	-	-

19.3 Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled on 15 to 270 days terms. For details of balances outstanding of related parties, refer note 38.3.

19.4 Trade payables ageing schedule as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	107.66	24.38	-	-	-	-	132.04
(ii) Undisputed Others	3,334.39	258.77	-	55.05	-	-	3,648.21
Total	**3,442.05**	**283.15**	**-**	**55.05**	**-**	**-**	**3,780.25**

Trade receivables ageing schedule as at 31st March, 2023 (Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	52.71	8.77	-	-	-	-	61.48
(ii) Undisputed Others	1,552.90	999.11	8.89	15.70	-	-	2,576.60
Total	**1,605.61**	**1,007.88**	**8.89**	**15.70**	**-**	**-**	**2,638.08**

20. Other current financial liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due	11.01	13.29
Amount payable for capital goods		
- Dues to other than micro & small enterprises	35.66	73.44
Unpaid dividend	18.00	18.61
Forward contract foreign currency payable (net)	-	100.30
Accrued expenses	95.27	111.79
Salary and wages payable	507.58	473.11
Other liabilities*	72.91	101.15
Total	**740.43**	**891.69**

*Other liabilities includes directors sitting fees, interest payable and payable to employee of subsidiaries, etc.

20.1 Break up of financial liabilities carried at amortised cost (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings [Refer note 15 & 18]	7,206.98	7,267.68
Lease liabilities [Refer note 37]	125.82	5.93
Other financial liabilities [Refer note 20]	740.42	891.69
Trade payable [Refer note 19]	3,780.25	2,638.08
Total	**11,853.47**	**10,803.38**

(Rs. in Lakhs)

21 Other liabilities	As at March 31, 2024	As at March 31, 2023
Unearned revenue (Refer note 21.1)	25.12	-
Statutory liabilities	225.90	205.41
Total	**251.02**	**205.41**

21.1 Income received in advance mainly includes amount of grants (in the nature of export benefits) of Rs. 14.11 Lakhs (previous year : Nil) relating to property, plant and equipment imported under the EPCG scheme. Under such scheme, the Holding Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Holding Company would be required to pay the duty saved along with interest to the regulatory authorities. Also, Refer note 35(ii).

(Rs. in Lakhs)

22. Provision	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Leave benefits	68.15	64.55
- Gratuity	16.26	-
Provision for contingency (Refer note 22.1)	0.15	0.15
Total	**84.56**	**64.70**

(Rs. in Lakhs)

22 .1 Movement of provision for contingency	As at March 31, 2024	As at March 31, 2023
Opening balance as on 1st April	**0.15**	**0.15**
Add: Provision made	-	-
Less: Provision utilised / written back	-	-
Closing balance as on 31st March	**0.15**	**0.15**

Provision for contingency represents provision for disputed Navi Mumbai Municipal Cess ('NMMC').In respect of this matter, the Holding Company had paid Rs. 60.29 Lakhs (Previous year: Rs. 60.29 Lakhs) under protest in the earlier years and adjusted the payment under protest to the extent of expected liability though the outcome of appeal is pending to be received. Expected outflow of interest / penalty depends on outcome of the appeal filed.

(Rs. in Lakhs)

23 Revenue from operations		Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		24,798.62	23,730.62
Sale of services			
- Job work and tooling charges		115.40	109.31
	(A)	**24,914.01**	**23,839.93**
Other operating revenues			
- Export incentives		271.34	204.27
- Sale of electricity - windmill		182.27	197.68
- Amount no longer payable written back		47.25	3.19
- Scrap sales		2,252.00	2,537.23
	(B)	**2,752.85**	**2,942.38**
Total	**(A + B)**	**27,666.86**	**26,782.31**

23.1 Disclosures of Ind AS 115:

(a) Contracts with customer and significant judgment in applying the standard:

(i) The Group's operations relates to manufacturing and selling of forged and machined components for various sectors. The Group caters to both domestic and international markets. The Group applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer material accounting policies on Revenue recognition.

(ii) For details of revenue recognised from contracts with customers, refer note 23.2 below.

(iii) There are no contract assets arising from the Group's contract with customers.

(b) Disaggregation of revenue:

(i) For disaggregation of revenue, refer break-up given in note 23 above and note 45.1

(ii) Refer note 45.4(iii) for details regarding customer concentration that represents 10% or more of the Group's total revenue during the year ended 31st March, 2024 & 31st March, 2023.

(c) Performance obligation

(i) For timing of satisfaction of its performance obligations, refer note 3.6 of material accounting policies of the Group.

23.2 Reconciliation of revenue recognized with the contracted price is as follows:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contracted price	27,686.77	26,872.52
Less: Amount towards variable consideration components *	19.91	90.21
Revenue recognised	**27,666.86**	**26,782.31**

* The reduction towards variable consideration comprises of volume discounts given/reversed, etc.

(Rs. in Lakhs)

24 Other income	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
- Fixed deposit	2.15	1.73
- Others	0.38	0.53
Other miscellaneous income*	21.48	16.83
Gain on sale / discard of property, plant & equipment (net)	15.29	1.06
Interest on Income tax refund	3.21	-
Foreign exchange fluctuation gain (net)	330.09	235.61
Total	**372.60**	**255.76**

* Miscellaneous income includes sundry scrap & miscellaneous recoveries.

(Rs. in Lakhs)

25 Cost of raw materials consumed	Year ended March 31, 2024	Year ended March 31, 2023
Opening Inventory	1,697.78	1,532.11
Add : Purchases	13,283.50	12,453.01
	14,981.27	**13,985.12**
Less : Closing Inventory	1,860.72	1,697.78
Cost of raw materials consumed	**13,120.55**	**12,287.34**

(Rs. in Lakhs)

26 Changes in inventories of work-in-progress, finished goods and scrap	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Inventory		
Finished goods	965.34	854.18
Finished goods in transit	404.30	580.12
Work-in-progress	2,383.65	2,018.02
Scrap	18.19	13.95
Stock of trade Goods	30.77	0.70
(A)	**3,802.25**	**3,466.96**
Closing Inventory		
Finished goods	678.57	965.34
Finished goods in transit	571.51	404.30
Work-in-progress	2,627.87	2,383.65
Scrap	38.98	18.19
Stock of trade Goods	66.74	30.77
(B)	**3,983.67**	**3,802.25**
(Increase) / decrease in Stock of WIP, finished goods and scrap (A-B)	**(181.42)**	**(335.29)**

(Rs. in Lakhs)

27	Manufacturing expenses	Year ended March 31, 2024	Year ended March 31, 2023
	Dies expenses	348.38	201.75
	Consumption of Stores & Spares	1,027.02	1,005.72
	Other freight inward and other expenses	114.10	93.59
	Power, fuel and water (net)	1,199.34	1,606.66
	Insurance expenses	108.95	88.31
	Repairs and maintenance		
	- Plant and machinery	223.71	232.95
	- Windmill maintenance charges	34.33	25.27
	- Building	69.42	61.76
	Contract labour expense (net)	590.44	553.73
	Job work expenses	1,615.87	1,586.40
	Rent	98.21	95.61
	Total	**5,429.77**	**5,551.75**

(Rs. in Lakhs)

28	Employee benefit expense	Year ended March 31, 2024	Year ended March 31, 2023
	Salaries, wages and bonus (including managerial remuneration)	3,538.09	3,100.18
	Contribution to provident and other funds	209.05	194.23
	Gratuity	45.23	36.15
	Leave benefits	28.04	14.36
	Workmen and staff welfare expenses	96.66	97.12
	Total	**3,917.06**	**3,442.05**

(Rs. in Lakhs)

29	Finance costs	Year ended March 31, 2024	Year ended March 31, 2023
	Interest on bank facilities	605.22	485.97
	Foreign exchange loss (attributable to finance cost) (refer note no 29.1)	5.08	54.19
	Other interest costs*	9.86	2.17
	Bank charges	105.30	113.71
	Total	**725.46**	**656.05**

*Other interest costs mainly includes interest on leasehold properties in accordance with Ind AS 116- Leases.

29.1 The foreign exchange loss relates to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost.

(Rs. in Lakhs)

30	Other expenses	Year ended March 31, 2024	Year ended March 31, 2023
	Freight outward	360.84	435.71
	Professional and legal fees	423.66	306.02
	Relocation expenses	-	1.22
	Travelling and conveyance	73.56	76.77
	Rent	-	10.86
	Rates and taxes	79.83	79.85
	Repairs and maintenance - Others	31.55	45.73
	Payment to auditors (Refer note 30.1)	34.51	30.24
	Directors sitting fees	15.75	12.75
	Commission to other directors	8.40	6.65
	Allowance for doubtful debts / (utilised)	-	(0.35)
	Allowance for doubtful advances / (utilised)	-	1.20
	Corporate social responsibility expenses (Refer note 48)	40.25	35.30
	Donation	1.74	0.96
	Loss on sale and discard of fixed assets (net)	-	40.67
	Miscellaneous expenses	163.06	161.37
	Total	**1,233.15**	**1,244.95**

(Rs. in Lakhs)

30.1	Payment to auditors	Year ended March 31, 2024	Year ended March 31, 2023
	As auditor:		
	- Statutory audit fees	21.60	19.25
	- Tax audit	2.43	2.20
	- Others (including certification fees)	1.48	8.79
	Total	**34.51**	**30.24**

(Rs. in Lakhs)

31	Exceptional Items	Year ended March 31, 2024	Year ended March 31, 2023
	Provision for impairment of Goodwill in the SDS (refer note 4.12)	-	135.00
	Employees retention credit received (refer note 31.1)	-	(27.55)
	Total	**-**	**107.45**

31.1 During the year ended 31st March, 2023, SDS had received refund of employee related taxes for the earlier period of Rs.27.55 Lakhs (equivalent USD 35,000) from the US Government in respect of the 'Employees Retention Credit' (ERC) under 'Taxpayer Certainty and Disaster Tax Relief Act of 2020'. This was considered as exceptional item for the year ended 31st March, 2023.

32 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below (Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Tax	Total
Re-measurement losses on defined benefit plans	(70.52)	17.75	(52.77)
Total	**(70.52)**	**17.75**	**(52.77)**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Tax	Total
Re-measurement losses on defined benefit plans	(61.66)	15.52	(46.14)
Total	**(61.66)**	**15.52**	**(46.14)**

33 Earnings per equity share (Rs. in Lakhs except share and per share data)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (before OCI) (in Rs. Lakhs)	(A)	2,228.42	2,622.82
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS	(B)	17,270,000	17,270,000
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS	(C)	17,270,000	17,270,000
Basic earnings per share of face value of Rs.10/- each (in Rs.)	**(A/B)**	**12.90**	**15.19**
Diluted earnings per share of face value of Rs.10/- each (in Rs.)	**(A/C)**	**12.90**	**15.19**

34 Contingent liabilities

(A) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to the consolidated financial statements. Details of contingent liabilities not provided for are as given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Letters of guarantee issued by bank on behalf of the Holding Company	125.47	124.47
(b) Claim against the Holding Company not acknowledged as debts (net)	26.25	26.25

(i) In respect of (a) above, the Holding Company does not expect any cash outflow till such time contractual obligations are fulfilled.

(ii) In respect of (b) above, future cash out flows (including interest / penalty) are determinable on receipt of judgments from the statutory authorities / labour court.

(B) The Holding Company has received demand under the Income Tax Act, 1961 for various financial years as given below:

(Rs. in Lakhs)

Demand pertaining to financial Year	As at March 31, 2024	As at March 31, 2023
2019-20	28.56	28.56
Total	**28.56**	**28.56**

In this regard, the Holding Company has filed appeal before tax authorities. Future cash outflows, if any, in respect of the above is determinable only on disposal of appeal. In the view of the management, the possibility of liability devolving on the Company in this case is remote.

(C) Claims made by the ex-employees of the Holding Company whose services have been terminated in earlier years are not acknowledged as debt. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable. The possibility of any liability devolving on the Group is remote and hence, no disclosure as contingent liability in considered necessary.

(D) During the previous year, the WOS had received Anti-dumping duty demand order raised by U.S. Customs and Border Protection amounting to USD 85,201.72 (excluding interest) ("equivalent to Rs. 70.06 Lakhs) (Previous year: USD 85,201.72 (equivalent to Rs. 70.01 Lakhs)) in respect of classification of stainless-steel flanges imported from the Holding Company to United States during for the period 28th March, 2018 to 30th September, 2019. WOS had filed their response with the Authority and final outcome is awaited. In the view of the management and based on expert's opinion obtained by the WOS, the possibility of liability devolving on the WOS in this case is remote and hence, no disclosure as contingent liability in considered necessary.

35 Capital and other commitments

(i) Capital commitment for tangible assets (net of advance paid) - Rs. 1,097.68 Lakhs (Previous year: Rs. 1,171.10 Lakhs) and for intangible assets (net of advance paid) - Nil (Previous year: Nil).

(ii) The Holding Company has imported a machinery under the export promotion capital goods (epcg) scheme to utilise the benefit of a zero customs duty rate. These benefits are subject to future exports. Such pending export obligations at year end aggregate to Rs. 84.71 Lakhs Lakhs (Previous year : Nil).

36 Borrowings secured against current assets

During the year, the Holding Company has taken borrowings from banks on the basis of security of current assets. Discrepancies in quarterly returns or statements of current assets filed by the Holding Company to bank with the books of account which are not material (0.45% on average basis) are as mentioned below:

(Rs. in Lakhs)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement filed by the Holding Company	Amount as per Standalone books of accounts of the Holding Company	Reason for material discrepancies
30th June 2023	Union Bank of India	Inventory and trade receivables	9,031.38	8,990.49	40.89	Mainly on account of: 1) Quarterly provisioning made for Slow-moving and non-moving inventories 2) Exclusion of receivable standing in books on account of sale of windmill power
30th September 2023	Union Bank of India	Inventory and trade receivables	9,622.16	9,542.31	79.85	
31st December 2023	Union Bank of India	Inventory and trade receivables	11,056.67	11,043.01	13.66	

37 **Leases:**

Company as lessee:

I) Disclosures as per Ind AS 116- Leases

a) The Holding Company has taken factory premises and machinery under lease agreements and the Holding Company has obtained land on leasehold basis from local authorities.

b) For lease arrangement with lease terms of 12 months or less, the Holding Company has applied the 'short-term lease' recognition exemptions.

(Rs. in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	**2023-24**	**2022-23**
Lease payment not later than one year	26.26	5.93
Lease payment later than one year and not later than five years	99.56	-
Total	**125.82**	**5.93**

c) For addition, depreciation and carrying value of right of use asset, refer note 4.2.

d) Disclosure with respect to lease under Ind AS-116 Leases: (Rs. in Lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Interest expense on lease liabilities	9.84	9.67
Lease expenses in case of short term leases and low value leases	98.21	106.47
Lease expenses debited to lease liabilities	119.89	33.56
Total cash outflow for leases [incl. short term & low value leases]	**227.94**	**149.70**

e) Disclosure in Balance Sheet:

(Rs. in Lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Right-of-use assets (gross block)	201.86	178.08
Right-of-use assets (net book value)	159.04	42.80
Financial liability- Lease liabilities - current	26.26	5.93
Financial liability -Lease liabilities - non-current	99.56	-

38 **Related party disclosure**

38.1 **Name of the related parties and related party relationship** (Rs. in Lakhs)

Description of relationship	**Name of the Related Party**
Enterprise having control over the Holding Company (Ultimate holding company)	Nami Capital Private Limited
Director/Key management personnel (KMP)	Mr. Pradeep Goyal, Chairman & Managing Director
	Dr. Kewal K. Nohria, Non-Executive Director
	Mrs. Neeru Pradeep Goyal, Non-Executive Director (Wife of Chairman & Managing Director)
	Late Mr. Suresh G. Vaidya, Independent Director (Demise on 12th April, 2023)
	Mr. Jayavardhan Dhar Diwan, Independent Director
	Mrs. Nandita Vohra, Independent Director
	Mr. Abhinav Goyal, Non- Executive Director (Son of Chairman & Managing Director Mr. Pradeep Goyal and Director Mrs. Neeru Goyal)
	Mr. Kartick Maheshwari, Independent Director
	Mr. Advait Kurlekar (w.e.f. 10th May, 2023), Independent Director

Description of relationship	Name of the Related Party
Relative of key management personnel	Mrs. Neha Goyal (Wife of Director)
Wholly Owned Subsidiary	Pradeep Metals Limited Inc., USA, Houston
Step down Subsidiary of Wholly Owned Subsidiary	Dimensional Machine Works LLC, USA, Houston
Enterprises owned or significantly influenced by key management personnel or their close members with whom transactions have taken place during the year	Dhanlabh Engineering Works Private Limited

Note: Designated Key Managerial Personnel as required Section 203 of the Companies Act, 2013 are not considered to be Key Management Personnel (Related party) for the purpose of disclosure under Ind AS 24.

38.2 Related party transactions

(Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2024	As at March 31, 2023
Dhanlabh Engineering Works Private Limited	Labour charges paid	99.85	98.54
	Job Work and tooling charges	8.01	6.79
	Sale of products	4.23	14.21
	(Rent expenses (amortisation of RoU)	42.48	42.48
	(Electricity charges (Reimbursement)	18.84	17.71
	Sale of scrap	-	2.19
Nami Capital Private Limited	(Dividend paid (including interim dividend)	101.94	229.38
Mrs. Neeru Goyal	Sitting fees paid	1.25	1.00
	(Dividend paid (including interim dividend)	9.20	20.70
Dr. Kewal K. Nohria	Sitting fees paid	3.00	2.50
	(Dividend paid (including interim dividend)	6.74	15.17
	Commission	1.75	1.40
Late Mr. Suresh G. Vaidya	Sitting fees paid	-	2.50
	Commission	-	1.40
Mr. Jayavardhan Dhar Diwan	Sitting fees paid	3.00	2.25
	Commission	1.75	1.40
Mr. Kartick Maheshwari	Sitting fees paid	2.75	1.50
	Commission	1.75	1.05
Mrs. Nandita Vohra	Sitting fees paid	2.75	2.00
	Commission	1.75	1.40
Mr. Advait Kurlekar	Sitting fees paid	1.75	-
	Commission	1.40	-
Mr. Pradeep Goyal	(Remuneration (including other allowances)	152.94	123.48
	Incentive	60.00	55.00
	(Dividend paid (including interim dividend)	15.76	35.47
Mr. Abhinav Goyal	(Remuneration (including other allowances)	182.78	186.68
	Sitting fees paid	1.25	1.00
Mrs. Neha Goyal	(Remuneration (including other allowances)	125.91	104.02

Note: Sitting fees, commission, remuneration and incentive pay forms part of short term employee benefits.

* Does not include Leave encashment since the same is considered for all employees (including the Chairman & Managing Director) of the Holding Company as a whole.

38.3 Balance outstanding as at the year end (Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2024	As at March 31, 2023
Dhanlabh Engineering Works Private Limited	Trade payable	16.05	19.03
	Lease liability	125.82	5.93
	Trade receivable	-	0.98
Dr. Kewal K. Nohria	Commission payable	1.58	1.40
Late Mr. Suresh G. Vaidya	Commission payable	-	1.40
Mr. Jayavardhan Dhar Diwan	Commission payable	1.58	1.40
Mr. Kartick Maheshwari	Commission payable	1.58	1.05
Mrs. Nandita Vohra	Commission payable	1.58	1.40
Mr. Advait Kurlekar	Commission payable	1.26	-
Mr. Pradeep Goyal	Remuneration payable	11.18	4.40
	Incentive payable	31.96	55.00
Mr. Abhinav Goyal	Remuneration payable	4.37	-
	Sitting fees payable	-	0.69
Mrs. Neha Goyal	Remuneration payable	2.68	-

Note: In addition to above transactions, Chairman & Managing Director of the Holding Company has given personal guarantee for loan facilities taken by the Holding Company from UBI and by WOS of the Company, No guarantee charges are payable by the Group. (Refer note 15.1 & 18.1)

38.4 All transactions were made on normal commercial terms and conditions and at market rates.

39 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of 31st March, 2024, other than those with carrying amounts that are reasonable approximates of fair values:

(Rs. in Lakhs)

Particulars	Carrying value		Fair Value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(i) Loans	4.00	9.35	4.00	9.35
(ii) Other non-current financial assets	241.78	99.11	241.78	99.11
(iii) Trade receivables	6,611.20	5,400.98	6,611.20	5,400.98
(iv) Cash and cash equivalents	464.21	152.87	464.21	152.87
(v) Other bank balances	55.74	54.56	55.74	54.56
(vi) Other current financial assets	254.68	234.11	254.68	234.11
Total financial assets	**7,631.61**	**5,950.98**	**7,631.61**	**5,950.98**
(i) Borrowings (Non-current)	1,875.42	2,111.25	1,875.42	2,111.25
(ii) Lease liabilities (Non-current)	99.56	-	99.56	-
(iii) Trade payable	3,780.25	2,638.08	3,780.25	2,638.08
(iv) Lease liabilities (Current)	26.26	5.93	26.26	5.93
(v) Other current financial liabilities	740.42	891.69	740.42	891.69
(vi) Borrowings (Current)	5,331.56	5,156.44	5,331.56	5,156.44
Total financial liabilities	**11,853.47**	**10,803.39**	**11,853.47**	**10,803.39**

The Management assessed that the fair value of cash and cash equivalent, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value hierarchy

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly unobservable;

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

Fair value hierarchy as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets Derivative Instruments	-	42.78	-	42.78

Fair value hierarchy as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets Derivative Instruments	-	(100.29)	-	(100.29)

Determination of fair values: The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value.

Derivative instruments : For forward contracts, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of respective counterparties.

40 Significant estimates and assumptions

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

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

a) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

b) Measurement of defined benefit plan & other long term benefits

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

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

c) Fair value measurement of financial instruments

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

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Income tax and deferred tax

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the consolidated statement of profit and loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized.

f) Provision for inventories

The Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. The Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statements.

41 Derivatives not designated as hedging instruments

The Group evaluates the option of foreign exchange forward contracts to manage foreign exchange fluctuation risk. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings. Refer note 46 for detailed disclosure of unhedged / hedged items.

42 Foreign currency exchange rate risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's export revenue and foreign currency borrowings. The Group cover its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and group books forward contract against exports receivable. The Group also avails bill discounting facilities in respect of export receivables.

Since a major part of the group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the group are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The group hedges all trade receivables upto a maximum of 12 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from USD, EUR, GBP and SGD (which are not material) forming part of non-derivative financial instruments:

(Rs. in Lakhs)

As at 31st March, 2024	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	-	69.07	-	69.07
Vendor Advances	191.85	-	-	-	191.85
Total	**191.85**	**-**	**69.07**	**-**	**260.92**
Liabilities					
Trade Payable & others	0.90	0.67	-	-	1.57
Total	**0.90**	**0.67**	**-**	**-**	**1.57**
Net Liabilities	**190.95**	**(0.67)**	**69.07**	**-**	**259.35**

(Rs. in Lakhs)

As at 31st March, 2023	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	-	37.97	-	37.97
Vendor Advances	71.09	-	-	216.27	287.37
Total	**71.09**	**-**	**37.97**	**216.27**	**325.34**
Liabilities					
Borrowings	1,201.75	-	-	-	1,201.75
Total	**1,201.75**	**-**	**-**	**-**	**1,201.75**
Net Liabilities	**(1,130.66)**	**-**	**37.97**	**216.27**	**(876.41)**

Sensitivity analysis

(Rs. in Lakhs)

Particulars	**Foreign Currency Sensitivity**							
	As at March 31, 2024				**As at March 31, 2023**			
	USD	**Euro**	**GBP**	**SGD**	**USD**	**Euro**	**GBP**	**SGD**
1% Appreciation in INR Impact on Profit & Loss	(1.91)	0.01	(0.69)	-	11.31	-	(0.38)	(2.16)
1% Depreciation in INR Impact on Profit & Loss	1.91	(0.01)	0.69	-	(11.31)	-	0.38	2.16

43 Financial risk management objectives and policies

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Risk Management Committee (RMC) that advises on financial risks and the appropriate financial risk governance framework for the Group. The RMC provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market risk

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

Interest rate risk

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

Further, the Holding Company also avails subvention benefits as MSME as it is registered under MSMED Act.

Interest rate sensitivity

The Group's total interest cost the year ended 31st March, 2024 was Rs. 605.22 Lakhs and for year ended 31st March, 2023 was Rs. 485.97 Lakhs. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on PBT and equity (Rs. in Lakhs)
31st March, 2024	0.50	(34.32)
	(0.50)	34.36
31st March, 2023	0.50	(35.95)
	(0.50)	35.95

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's export revenue and long term foreign currency borrowings.

The Group manages its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and the Group keep its long term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Group may hedge its long term borrowing near to the repayment date to avoid rupee volatility in short term. The Holding Company also avails bill discounting facilities in respect of export receivables.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of steel. Due to significant volatility of the price of the steel, the Group has agreed with its customers for pass-through of increase / decrease in prices of steel. There may be lag effect in case of such pass-through arrangement.

Commodity price sensitivity

The Group revises its prices to customers on quarterly basis by considering average raw materials prices prevailing in the previous quarter implying it passes through any increase in prices thereby minimising the impact on the profit and loss and equity of the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and other receivables and deposits, foreign exchange transactions and other financial instruments.

Expected credit loss and Trade receivables

Customer credit risk is managed by the Group’s established policy, procedures and control relating to customer credit risk management. Further, the Group’s customers includes companies having long standing relationship with the Group. Outstanding customer receivables are regularly monitored and reconciled. Two customers accounted for more than 10% of the total receivables as at 31st March, 2024. No customer accounted for more than 10% of the total receivables as at 31st March, 2023. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data, past trend and standard percentage norms. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11.2. The Group does not hold collateral as security except in case of few customers. Majority of the export receivable are covered under the insurance cover. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

As per the Group’s policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Group evaluates the option of refinancing entire or part of repayments for extended maturity. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Group.

The table below summarises the maturity profile of the Group's financial liabilities:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year		
Borrowings (Current)	5,331.56	5,156.44
Trade and other payables	3,780.25	2,638.08
Lease liabilities (Current)	26.26	5.93
Other financial liabilities	740.42	891.69
	9,878.49	**8,692.14**
1 to 5 years		
Borrowings (Non-current)	1,875.42	2,111.25
Lease liabilities (Non-current)	99.56	-
	1,974.98	**2,111.25**
Total	**11,853.47**	**10,803.39**

44 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for the shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt equity ratio, which is debt divided by equity.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Group monitors capital using 'Total Debt' to 'Equity'. The Group's Total Debt to Equity are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt*	7,206.98	7,267.69
Total capital (total equity other than OCI)	6,384.79	9,548.35
Net debt to equity ratio	**1.13**	**0.76**

* Total Debt = Non-current borrowings + Current borrowings + Current maturities of Non-current borrowings

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2024 and 31st March, 2023.

45 Segmental disclosure

The Group is primarily engaged in manufacturing of closed die steel forging & processing and generating power from wind turbine generator and solar power generating system.

(Rs. in Lakhs)

	Particulars	Closed die forging and processing	Power generation	Total
45.1	**Segment Revenue-Gross**			
	External revenue	27,484.60	182.26	27,666.86
	Previous year	26,584.63	197.68	26,782.31
45.2	**Segment Result**			
	Segment total	3,169.36	129.53	3,298.90
	Previous year	3,912.66	115.80	4,028.46
	Unallocated corporate expenses net of unallocated income			**(252.08)**
	Previous year	-	-	137.48

(Rs. in Lakhs)

Particulars	Closed die forging and processing	Power generation	Total
Finance costs			**725.46**
Previous year			656.05
Profit before tax			**2,825.50**
Previous year			3,234.92
Tax expense			**597.10**
Previous year			612.11
Profit for the year (before OCI)			**2,228.42**
Previous year (before OCI)			2,622.81
45.3 **Other information**			
Segment assets	**21,062.35**	**2,155.46**	**23,217.80**
Previous year	19,003.81	1,496.83	20,500.64
Unallocated corporate assets			**767.81**
Previous year			376.01
Segment liabilities	**5,126.39**	**730.65**	**5,857.01**
Previous year	3,845.66	36.79	3,882.45
Unallocated corporate liabilities			**6,738.07**
Previous year			7,550.63
Depreciation/amortization	**913.11**	**56.07**	**969.18**
Previous year	791.97	56.11	848.08
Capital expenditure	**1,132.38**	**1,190.45**	**2,322.83**
Previous year	1,017.92	472.25	1,490.17

45.4 Secondary segment: Geographical information

i) Sales, service income and other operating revenue by geographical market:

(Rs. in Lakhs)

Locations	Year ended March 31, 2024	Year ended March 31, 2023
Within India	12,641.84	12,847.59
Outside India	15,025.02	13,934.71
Total	**27,666.86**	**26,782.31**

ii) Trade receivable at year end

(Rs. in Lakhs)

Locations	Year ended March 31, 2024	Year ended March 31, 2023
India	1,761.08	1,475.99
Outside India	4,850.12	3,924.99
Total	**6,611.20**	**5,400.98**

iii) Reliance on major customers:

No customer represented more than 10% of total revenue for the year ended 31st March, 2024 and 31st March, 2023.

Notes:

a) The operating segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

b) The business segment comprise the following:

i) Closed Die Forging and Processing

ii) Power Generation

c) The geographical information considered for disclosure are: Sales within India and Sales outside India.

46 Hedge accounting

The Holding Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Holding Company. The Holding Company manages currency risk as per trends and experiences. The Holding Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Holding Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item : (Rs. in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying Amount	Changes in Amount of fair value	Hedge Maturity Date	Disclosure in Balance Sheet
Foreign currency risk					
Trade Receivables hedged by Forward Contracts as at 31st March, 2024	5,753.84	5,975.43	221.60	Upto March, 2025	Other current financial liabilities
Trade Receivables hedged by Forward Contracts as at 31st March, 2023	4,829.42	4,898.41	68.98	Upto March, 2024	Other current financial assets

i) The following are the outstanding forward contracts

Currency	Buy/ Sell	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)
		As at March 31, 2024		As at March 31, 2023	
USD	Sell	60.49	5,083.92	50.75	4,176.63
EURO	Sell	20.16	1,872.89	32.00	2,845.13

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)	In Foreign Currency (in Lakhs)	(Rs. in Lakhs)
	As at March 31, 2024		As at March 31, 2023	
A) Trade Receivables and Vendor advances				
EURO (Trade receivables)	-	-	-	-
GBP (Trade receivables)	0.66	69.07	0.37	37.97
SGD (Vendor advances)	-	-	3.50	216.27
USD (Vendor advances)	2.33	191.85	0.87	71.09
EURO (Vendor advances)	-	-	-	-
B) Trade Payables				
USD	0.01	0.90	-	-
EURO	0.01	0.67	-	-
GBP	-	-	-	-
C) Borrowings				
USD	-	-	14.63	1,201.75

47 Expenditure on research & development (charged to the Statement of P & L) (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Professional fees	13.98	16.04
Tours & travels	-	0.34
Motor car expenses	1.65	1.18
Repairs & maintenance	1.49	1.14
Materials stores & spares	4.80	4.39
Other expenses	1.42	1.07
Total	**23.34**	**24.16**

48 CSR expenditure (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Amount required to be spent by the Holding Company during the year	40.02	35.09
(b) Amount of expenditure incurred during the year	40.25	35.30
i) On specified purposes	40.25	35.30
(c) Shortfall at the end of the year	-	-
(d) Total of previous year's shortfall*	-	-
(e) Reason for shortfall	N.A.	N.A.
(f) Nature of CSR activities	Health Care Education and Skill Development Ensuring environmental sustainability, ecological balance	

*(Refer note 51.2 for cash flow on account of CSR expenditure)

Since the Holding Company has spent in excess of the amount which was required to be spent for 2023-24, the Holding Company is entitled to carry forward the amount spent of Rs. 0.23 Lakhs (Previous Year - Rs. 0.21 Lakhs) to subsequent three financial years respectively which can be set off against CSR obligations of these years. However, for accounting purpose, cumulative excess amount spent of Rs. 0.23 Lakhs (Previous Year - Rs. 0.21 Lakhs) is not considered as prepaid expenses.

49 Defined benefits and other long term benefit plans

(a) Gratuity plan

Funded scheme

The Holding Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided on the employee's length of service and salary retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefits payments.

I. Liability risks

(a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralize valuation swings caused by interest rate movements.

(b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice have a significant impact on the defined benefit liabilities.

(c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increase provided at the Management's discretion may lead to uncertainties in estimating this increasing risk.

II. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Holding Company has no control over the management of funds but this option provides a high level of safety for the total corpus.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The principal assumptions used in determining gratuity for the Holding Company's plan is shown below:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Mortality table	IALM (2012-14) Ult	IALM (2012-14) Ult
Discount rate	7.19%	7.44%
Expected rate of return on plan assets	7.44%	7.25%
Rate of increase in compensation levels	5.50%	5.00%
Expected average remaining working lives (in years)	10.00	14.00
Employee attrition rate	For Service 2 years and below : 20% p.a.; For Service 3 to 4 years : 10% p.a. and For Service 5 years and above : 4% p.a.	For Service 2 years and below : 20% p.a.; For Service 3 to 4 years : 10% p.a. and For Service 5 years and above : 4% p.a.

Changes in the present value of the defined benefit obligation recognised in the Balance Sheet are as follows:

(Rs. in Lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Present value of obligation as at the beginning of the year	699.90	614.28
Interest expense	52.07	44.53
Current service cost	47.17	41.01
Benefits paid	(69.32)	(54.00)
Remeasurements on obligation [Actuarial Loss]	64.41	54.08
Closing defined benefit obligation	**794.24**	**699.90**

Changes in the fair value of plan assets recognised in the Balance Sheet are as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	726.06	681.22
Interest income	54.02	49.39
Contributions	73.32	57.03
Benefits paid	(69.32)	(54.00)
Return on plan assets, excluding amount recognised in interest income - loss	(6.11)	(7.59)
Closing fair value of plan assets	**777.98**	**726.06**

Net Interest (Income/Expense) (Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Expense - Obligation	52.07	44.53
Interest Income - Plan assets	(54.02)	(49.39)
Net Interest Income for the year	**(1.95)**	**(4.85)**

Remeasurement for the year [Actuarial (Gain)/Loss] (Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Experience Loss on plan liabilities	28.65	50.73
Demographic Loss on plan liabilities	-	10.20
Financial (Gain) / Loss on plan liabilities	35.76	(6.85)

Amount recognised in statement of other comprehensive income (OCI) (Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurement for the year - obligation - loss	64.41	54.08
Remeasurement for the year - plan assets - loss	6.11	7.59
Total Remeasurement cost/(credit) for the year recognised in OCI	**70.52**	**61.66**

The amounts to be recognised in the Balance Sheet (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the end of the year	794.24	699.90
Fair value of plan assets as at the end of the year	777.98	726.06
Net asset/(liability) to be recognised in the Balance Sheet	**(16.26)**	**26.16**

Expense recognised in the Statement of Profit and Loss (Rs. in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	47.17	41.01
Sub Total	**47.17**	**41.01**
Net Interest income	(1.95)	(4.85)
Net periodic benefit cost recognised in the Statement of Profit and Loss	**45.23**	**36.15**

Reconciliation of net assets/(liability) recognised:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the year	26.16	66.94
Company contributions	73.32	57.03
Expense recognised at the end of year	(45.23)	(36.15)
Amount recognised outside profit & loss for the year (OCI)	(70.52)	(61.66)
Net asset/(liability) recognised at the end of the year	**(16.27)**	**26.15**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by insurer	100%	100%

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased/increased in present value of obligation

(Rs. in Lakhs)

Discount Rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	47.43	41.68
Increase by 1%	(42.63)	(37.56)

B) Impact of change in salary increase rate when base assumption is decreased/increased in present value of obligation

(Rs. in Lakhs)

Salary Increment rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	(49.36)	(43.79)
Increase by 1%	54.48	48.20

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments [gross liability] to the defined benefit plan in future years:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	83.43	73.75
After one year but not more than five years	343.89	290.82
After five years but not more than ten years	440.35	400.39

(b) Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy / rules of the Holding Company. The total liability for leave benefits as at year end is Rs.152.95 Lakhs (Previous year: Rs.142.23 Lakhs).

(c) Bifurcation of liability as per Schedule III of the Companies Act 2013 :

(Rs. in Lakhs)

Particulars	Gratuity		Leave benefits	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current Assets	-	26.16	-	-
Current liability	(16.26)	-	(68.15)	(64.55)
Non-current liability	-	-	(84.80)	(77.68)
Net liability / assets	**(16.26)**	**26.16**	**(152.95)**	**(142.23)**

50. Defined contribution plan

In accordance with the law, all employees of the Holding Company are entitled to receive benefits under the provident fund and ESIC. Under the defined contribution plan, provident fund, ESIC and LWF is contributed to the government administered fund. The Holding Company has no obligation, other than the contribution payable to the provident fund, Pension fund, ESIC and LWF.

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Provident fund	42.97	40.19
Pension fund	76.37	71.23
Employees' state insurance (ESIC)	5.77	6.35
Labour welfare fund (LWF)	0.34	0.39
Total	**125.45**	**118.16**

51 Cash flow statement related

51.1 Aggregate outflow on account of direct taxes paid (net of refund) is Rs. 525.01 Lakhs (Previous year: Rs. 733.22 Lakhs).

51.2 Net cash inflow from operating activity netted off with Corporate Social Responsibility (CSR) expenditure of Rs. 40.25 Lakhs (Previous year : Rs. 35.30 Lakhs) (Refer note 48).

51.3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at April 1, 2023	Cash flows	Non cash changes	As at March 31, 2024
Short-term borrowings	4,242.38	(121.68)	-	4,120.70
Lease liabilities	5.93	(36.00)	155.89	125.82
Long-term borrowings	3,025.32	64.15	(3.19)	3,086.28
Total liabilities from financing activities	**7,273.63**	**(93.53)**	**152.70**	**7,332.80**

(Rs. in Lakhs)

Particulars	As at April 1, 2022	Cash flows	Non cash changes	As at March 31, 2023
Short-term borrowings	4,215.19	19.58	7.61	4,242.38
Lease liabilities	39.49	(36.00)	2.44	5.93
Long-term borrowings	3,829.76	(795.90)	(8.55)	3,025.32
Total liabilities from financing activities	**8,084.44**	**(812.32)**	**1.51**	**7,273.63**

52 The Board of directors of Holding Company have recommended a final dividend of Rs. 2 per equity share on face value of Rs. 10/- each for financial year 2023-24 on board meeting held on 17th May, 2024, subject to approval of shareholders in ensuing Annual General Meeting. The total estimated equity dividend to be paid is Rs. 345.40 Lakhs. Further, during the year, the Holding Company has paid final dividend of Re.1 per equity share declared for the year ended 31st March, 2023 post approval of the shareholders at the AGM held on 4th August, 2023.

53 Subsequent Events: There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.

54 As on 31st March, 2024, the Group has not been declared wilful defaulter by any bank / financial institution or other lender.

55 The Group is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.

56 The Group has not advanced any funds or loaned or invested by the Group to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Group has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

57 No proceedings have been initiated or are pending against the Group as on 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

58 The Group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 and hence no disclosure is required.

59 The Group has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

Notes referred to herein above form an integral part of the standalone financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No. 118991

Place: Mumbai
Date: 17th May, 2024

For and on behalf of the Board of Directors of
Pradeep Metals Limited

Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

Neeru Goyal
Director
DIN: 05017190

Abhishek Joshi
Company Secretary
Membership No. 64446

Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E