

# Audited Financial Statement

Special Purpose Audit

**Jyoti SAS**

**ACCOUNTING YEAR 2022-23**

**UDIN: 23130313BGPGQU9868**

Auditor :

**Pranav Madhuri & Associates**

Chartered Accountants

36, Nutan Nagar,

Kalawad Road,

Rajkot - 360 001

Firm PAN : AAQFP 7347 F

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Mo.9979553355



# Pranav Madhuri & Associates

## Chartered Accountants

### INDEPENDENT AUDITORS' REPORT

To the Board of Director of JYOTI SAS

#### Report on the Audit of the Special purpose IND AS consolidated Financial Statements

##### Opinion

We have audited the Special purpose IND AS consolidated financial statements of Jyoti SAS ("the Company"), which comprise the balance sheet as at 31 March 2023, and consolidated statement of Profit and Loss including other comprehensive income for period ended , consolidated statement of changes in equity and consolidated statement of cash flows for the year end, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter 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 are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their state of affairs of the Company as at 31 March 2023, of consolidated loss, changes in equity and its cash flows for the for the year ended.

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

#### Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Company's Board of Director is responsible for the preparation and presentation of these Special purpose IND AS consolidated Financial Statements in terms of the requirement of the Companies Act, 2013 that gives a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Director of the companies including the group are responsible for 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







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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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, Board of Director 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 Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the







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Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

### Report on Other Legal and Regulatory Requirements

- 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 of Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of consolidated financial statement have been kept by the Company 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 Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;







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- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the director as on 31st March, 2023 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting, is not applicable as none of the company is incorporated in India.
- g) In our opinion, as none of company is incorporated in India Section 197 is not applicable.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations on its financial position in its Consolidated financial statements.
- j) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- k) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner





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whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

l) The Company has not declared or paid any dividend during the year.

### Restriction on distribution or use

The special purpose financial statements have been prepared for inclusion in the consolidated financial statements of the Parent Company. Our report is intended solely for the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements and for inclusion in offer Documents of Holding Company to be filed with the Securities and Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and Registrar of Company, Ahmedabad. Our Report should not be used, referred to, or distributed for any other purpose excluding referred above without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Pranav Madhuri & Associates**  
Chartered Accountants

*Pranav Maniar*



**(Pranav Maniar)**

Partner

Mem. No.: 130313

FRN: 139985W

UDIN : 23130313BGGQU9868

Date: 29<sup>th</sup> July 2023



**JYOTI SAS**  
**BALANCE SHEET AS AT MARCH 31, 2023**

(Rs. In Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment		357.77	352.82
Capital work-in-progress	3(a)	46.85	0.03
Intangible assets	3(b)	90.78	121.65
Other non-current assets	4	199.59	212.29
<b>Total Non - Current Assets</b>		<b>695.00</b>	<b>686.79</b>
<b>Current Assets</b>			
Inventories	5	1,072.69	966.73
Financial Assets			
Trade receivables	6	205.41	121.29
Cash and Cash Equivalents	7	159.56	23.03
Other Financial Asset	8	342.68	231.31
Other current assets	9	192.66	474.26
Current Tax Asset (Net of Provision)		-	-
<b>Total Current Assets</b>		<b>1,973.00</b>	<b>1,816.61</b>
<b>Total Assets</b>		<b>2,668.00</b>	<b>2,503.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10	1,963.27	415.43
Other Equity	11	(4,140.49)	(3,727.18)
<b>Total Equity</b>		<b>(2,177.22)</b>	<b>(3,311.76)</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Financial liabilities			
Borrowings	12A	802.69	2,015.73
<b>Total Non - Current Liabilities</b>		<b>802.69</b>	<b>2,015.73</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12B	1,966.42	1,874.92
Trade payables	13		
-Micro & Small enterprises*		-	-
-Other than Micro & Small enterprises		919.80	1,297.20
Other Financial Liabilities	14	197.02	126.93
Other Current liabilities	15	886.85	393.68
Provisions	16	72.44	106.71
Current Tax Liabilities		-	-
<b>Total Current Liabilities</b>		<b>4,042.53</b>	<b>3,799.43</b>
<b>Total Equity and Liabilities</b>		<b>2,668.00</b>	<b>2,503.40</b>

See Accompanying notes to Consolidated Financial Statements

For M/s Pranav Madhuri & Associates

Chartered Accountants

Pranav Atul Maniar

Partner

Membership No. 130313

Firm's Reg. No.: 139985W

UDIN : 23130313BGPGQU9868

Place : Rajkot

Date : 29th July 2023

For & on behalf of Jyoti SAS

*Prakramsinh G. Jadeja*

Prakramsinh G. Jadeja

Director

Place : Rajkot

Date : 29th July 2023

**JYOTI SAS**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON MARCH 31, 2023**

(Rs. In Million)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue</b>			
Revenue from operations	17	1,237.73	980.39
Other income	18	304.46	15.15
<b>Total Income</b>		<b>1,543.19</b>	<b>995.53</b>
<b>Expenses</b>			
Cost of material consumed	19	551.28	582.02
Changes in inventories of finished goods and work-in progress	20	(62.92)	(135.88)
Employee benefits expense	21	622.11	599.18
Finance costs	22	273.44	233.91
Depreciation and amortization expense	3	79.57	92.90
Other expenses	23	319.22	250.98
<b>Total Expenses</b>		<b>1,782.70</b>	<b>1,622.11</b>
<b>Profit Before Tax</b>		<b>(239.51)</b>	<b>(627.57)</b>
Current tax		-	-
Prior Year Tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		<b>(239.51)</b>	<b>(627.57)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified to profit or loss</b>			
(i) Foreignn Currency Translation Reserve		-	-
<b>Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gains/(losses) on post employment defined benefit plans		-	-
<b>Total Other Comprehensive Income/(loss)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>(239.51)</b>	<b>(627.57)</b>
<b>Earning per share</b>			
Basic	24	(4.88)	(12.79)
Diluted		(4.88)	(12.79)
<b>See Accompanying notes to Consolidated Financial Statements</b>			

For M/s Pranav Madhuri & Associates  
Chartered Accountants

Pranav Atul Maniar  
Partner

Membership No. 130313  
Firm's Reg. No.: 139985W  
UDIN : 23130313BGPGQU9868



Place : Rajkot  
Date : 29th July 2023

For & on behalf of Jyoti SAS

Parakramsinh G. Jadeja  
Director

Place : Rajkot  
Date : 29th July 2023



**JYOTI SAS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2023**

(Rs. In Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from Operating Activities</b>		
Net Profit before tax	(239.51)	(627.57)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expenses	79.57	92.90
Other Income	(304.46)	(15.15)
Finance Cost	273.44	233.91
FCTR & Other prior period errors	-	16.37
<b>Operating Profit before changes in current &amp; non current liabilities</b>	<b>(190.95)</b>	<b>(299.54)</b>
<b>Adjustments for :</b>		
Increase/(decrease) in current & non current liabilities	282.99	(997.83)
(Increase)/decrease in current & non current assets	(7.90)	933.00
<b>Cash generated from Operations</b>	<b>84.15</b>	<b>(364.37)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash generated/(used) in operating activities</b>	<b>84.15</b>	<b>(364.37)</b>
<b>B. Cash flow from Investing Activities</b>		
Movement in Property, Plant & Equipment (Net of Capital Adv)	(100.48)	291.40
<b>Net cash generated/used in investing activities</b>	<b>(100.48)</b>	<b>291.40</b>
<b>C. Cash flow from Financing Activities</b>		
Increase/ (Decrease) in Non Current Borrowings	(1,213.04)	(346.84)
Increase/ (Decrease) in Current Borrowings	91.50	588.12
Finance Cost paid	(273.44)	(233.91)
Change in Share Capital	1,547.84	(7.10)
<b>Net cash generated/used in financing activities</b>	<b>152.86</b>	<b>0.26</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>136.53</b>	<b>(72.70)</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>23.03</b>	<b>95.73</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>159.56</b>	<b>23.03</b>

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set it out in Indian Accounting Standard 7 - Statement of Cash Flow.

See Accompanying notes to Consolidated Financial Statements

For M/s Pranav Madhuri & Associates

Chartered Accountants

Pranav Atul Maniar  
Partner

Membership No. 130313

Firm's Reg. No.: 139985W

UDIN : 23130313BGPQ9868

Place : Rajkot

Date : 29th July 2023

For & on behalf of Jyoti SAS

Parakramsinh G. Jadeja  
Director

Place : Rajkot

Date : 29th July 2023

**JYOTI SAS**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

**A Equity Share Capital**

(Rs. In Million)

As at the April 1, 2021	Changes during 2021-22	As at the March 31, 2022	As at the April 1, 2022	Changes during 2022-23	As at the March 31, 2023
408.00	0.74	415.43	415.43	1547.84	1963.27

**B Other Equity**

(Rs. In Million)

**Other Equity (Cont.)**

Particulars	As at the April 1, 2021	Total Comprehensive Income for the year	Transfer to / from Retained Earnings	Adjustments on Prior Period Errors/GAAP Adj	As at the March 31, 2022
<b>Reserves &amp; Surplus</b>					
Foreign Currency Translation Reserve	1.47	16.37	-	-	17.84
Capital Reserve on Consolidation	346.10	23.28	-	-	369.38
Retained Earnings	(3,698.22)	(627.57)	-	211.39	(4,114.40)
Revaluation Reserve	-	-	-	-	-
<b>Total</b>	<b>(3,350.65)</b>	<b>(587.92)</b>	<b>-</b>	<b>211.39</b>	<b>(3,727.18)</b>

**Other Equity**

(Rs. In Million)

Particulars	As at the April 1, 2022	Total Comprehensive Income for the year	Transfer to / from Retained Earnings	Adjustments on Prior Period Errors/GAAP Adj	As at the March 31, 2023
<b>Reserves &amp; Surplus</b>					
Securities Premium	-	-	-	-	-
Foreign Currency Translation Reserve	17.84	(253.20)	0.00	0.00	(235.36)
Capital Reserve on Consolidation	369.38	21.60	0.00	0.00	390.96
Retained Earnings	(4,114.40)	(240.39)	0.00	58.70	(4,296.09)
Revaluation Reserve	-	-	-	-	-
<b>Total</b>	<b>(3,727.18)</b>	<b>(471.99)</b>	<b>-</b>	<b>58.70</b>	<b>(4,140.49)</b>

See Accompanying notes to Consolidated Financial Statements

For M/s Pranav Madhuri & Associates

Chartered Accountants

Pranav Atul Maniar

Partner

Membership No. 130313

Firm's Reg. No.: 139985W

UDIN : 23130313BGPGQU9868

Place : Rajkot

Date : 29th July 2023



For & on behalf of Jyoti SAS

Parakramsinh G. Jadeja  
Director

Place : Rajkot

Date : 29th July 2023



**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. In Million)

**4 Other Non-Current Assets**

Particulars	As at the March 31, 2023	As at the March 31, 2022
<b>( Unsecured, considered good unless otherwise stated )</b>		
Security Deposit*	158.89	173.79
Capital Advances	-	-
Other Advances	40.70	38.50
Prepaid Expense*	-	-
<b>Total</b>	<b>199.59</b>	<b>212.29</b>

(\* For Related Party Transactions Refer Note No. 38 )

**5 Inventories**

Particulars	As at the March 31, 2023	As at the March 31, 2022
<b>Inventories are measured at lower of Cost and NRV</b>		
Raw materials (including in Transit)/Manufactured Components	265.78	256.88
Work-in-progress	144.65	249.93
Finished goods	283.59	279.08
Stores and spares	378.67	180.83
<b>Total</b>	<b>1,072.69</b>	<b>966.73</b>

**6 Trade Receivables**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Unsecured, considered good	205.41	121.29
Credit Impaired	-	-
	205.41	121.29
Less: Expected Credit Loss	-	-
<b>Total</b>	<b>205.41</b>	<b>121.29</b>

Particulars	As at the March 31, 2023	As at the March 31, 2022
Included in the financial statements above:		
- Undisputed trade receivables considered good		
Less than 6 months	79.74	85.01
6 months - 1 year	-51.79	-52.15
1-2 years	-7.65	21.74
2-3 years	12.71	7.76
More than 3 years	172.40	58.93
Less Credit Impaired	-	-
<b>Total</b>	<b>205.41</b>	<b>121.29</b>
- Disputed trade receivables considered good		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Less Credit Impaired	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. In Million)

**7 Cash and Cash Equivalents**

Particulars	As at the March 31, 2023	As at the March 31, 2022
<b>Cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks	159.56	23.03
<b>Total</b>	<b>159.56</b>	<b>23.03</b>

**8 Other Financial Assets- Current**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Unbilled Revenue Receivable	342.68	231.31
<b>Total</b>	<b>342.68</b>	<b>231.31</b>

\* ( For Related Party Transactions Refer Note No. 38 )

**9 Other Current Assets**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Prepaid Expense	20.21	372.43
Balance with Statutory Authorities	4.61	-
Advances To Suppliers	167.84	101.83
<b>Total</b>	<b>192.66</b>	<b>474.26</b>

**11 Other Equity**

Particulars	As at the March 31, 2023	As at the March 31, 2022
<b>Capital Reserve on Consolidation</b>	<b>390.96</b>	<b>369.38</b>
Capital Reserve on Consolidation arises when value of net assets acquired exceeds the cost of investment made		
<b>Retained Earnings</b>		
As Per Last Balance Sheet	-4,114.40	-3,698.22
Less : Adjustments due to GAAP Adj	58.70	211.39
Add : Net Profit For The Year	-240.39	-627.57
	<b>(4,296.09)</b>	<b>(4,114.40)</b>

(Retained Earnings comprise of the company's undistributed earnings after taxes and other comprehensive income. The items of Other Comprehensive income consists of remeasurement of net defined benefit liability/ asset)

**Other Comprehensive Income**

**Foreign Currency Translation Reserve**

As per Last Balance Sheet	17.84	1.47
Add: Changes (Net) for current year	(253.20)	16.37
	<b>(235.36)</b>	<b>17.84</b>

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve.

<b>Total</b>	<b>(4,140.49)</b>	<b>(3,727.18)</b>
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**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. In Million)

**12 Borrowings**

**A Non Current**

Particulars	As at the March 31, 2023	As at the March 31, 2022
<b>Secured - At amortised cost</b>	-	-
Term Loans- from Banks	134.20	26.11
(Term loans are secured by first charge on pari passu basis on the Company's immovable & movable assets and second charge on inventory, receivables & other current assets, both present and future)		
	134.20	26.11
<b>Unsecured - At amortised cost</b>		
Loans and Advances From Related Parties*	668.49	1,989.62
	668.49	1,989.62
<b>Total</b>	<b>802.69</b>	<b>2,015.73</b>

\* ( For Related Party Transactions Refer Note No. 38 )

**B Current**

Particulars	As at the March 31, 2023	As at March 31, 2022
<b>Secured - At amortised cost</b>		
<b>Loan Repayable on Demand</b>		
<b>From Banks</b>	1,293.25	1,248.53
(The Parent Company's loans repayable on demand (Working Capital Limits) are secured by first charge on pari passu basis over Parent Company's stock & book debts and second charge on pari passu basis over Parent Company's immovable and movable assets)		
(The borrowings of subsidiary is secured by pledge on its current assets including stock and book debts/ receivables/invoices and business pledge of Euro 10 Million and first rank mortgage on Factory Building. The same is also secured by corporate guarantee of Parent Company and personal guarantee of Promoter Directors of Parent Company)		
Current Maturity of Long Term Borrowings - Secured	13.20	-
Interest Accrued but not due	2.70	37.97
	-	-
<b>Unsecured - At amortised cost</b>		
Loans and Advances From Others (Current)	657.28	588.42
<b>Total</b>	<b>1,966.42</b>	<b>1,874.92</b>



**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. In Million)

**13 Trade payables**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Trade payable - Micro and small enterprise*	-	-
Trade payable	919.80	1,297.20
<b>Total</b>	<b>919.80</b>	<b>1,297.20</b>

\* The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. Details to the extent available has been reported. (Refer Note No. 35)

Included in the financial statements above:		
Trade payables		
Trade payable - Other than Micro and small enterprise#		
Less than 1 year	622.76	1,005.89
1-2 years	43.36	77.59
2-3 years	74.08	69.91
More than 3 years	179.59	143.81
<b>Total</b>	<b>919.79</b>	<b>1,297.20</b>

**14 Other financial liabilities**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Expenses Payable	141.80	127.93
Payables for Capital Expenditure	56.22	-
<b>Total</b>	<b>197.02</b>	<b>126.93</b>

**15 Other Current Liabilities**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Advances against Sales	598.77	-
Statutory Dues	271.49	319.40
Income Received in Advance	16.59	74.29
<b>Total</b>	<b>886.85</b>	<b>393.68</b>

**16 Provisions- Current**

Particulars	As at the March 31, 2023	As at the March 31, 2022
Provision for Employee benefits	72.44	106.71
<b>Total</b>	<b>72.44</b>	<b>106.71</b>





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**3a Property, Plant & Equipment**

(Rs. In Million)

Particulars	Leasehold Land	Buildings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total	Capital work in progress
<b>For Yr ended March 31, 2022</b>								
<b>Gross carrying amount</b>								
As at April 01, 2021	240.34	261.34	373.68	18.66	33.16	4.06	<b>931.25</b>	<b>413.59</b>
Additions	0.00	6.42	2.89	0.23	0.00			
Disposals/ Other Adjustments	(124.40)	(4.40)	(82.43)	(0.30)	-0.55	(0.10)	<b>(212.18)</b>	<b>(413.60)</b>
<b>Closing Gross carrying amount</b>	<b>115.87</b>	<b>257.60</b>	<b>291.46</b>	<b>18.44</b>	<b>32.60</b>	<b>4.00</b>	<b>719.97</b>	<b>0.03</b>
<b>Accumulated Depreciation</b>								
As at April 01, 2021	-	47.39	329.05	13.97	31.71	3.22	<b>425.35</b>	-
Charge during the year	-	9.11	14.47	1.33	0.55	0.22	<b>25.68</b>	-
Disposals/ Other Adjustments	-	(1.00)	(82.03)	(0.30)	(0.60)	-	<b>(83.93)</b>	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>55.50</b>	<b>261.51</b>	<b>15.03</b>	<b>31.72</b>	<b>3.38</b>	<b>367.15</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>115.87</b>	<b>202.10</b>	<b>29.95</b>	<b>3.40</b>	<b>0.88</b>	<b>0.61</b>	<b>352.82</b>	<b>0.03</b>
<b>For Yr ended March 31, 2023</b>								
<b>Gross carrying amount</b>								
As at April 01, 2022	115.87	257.60	291.46	18.44	32.60	4.00	719.97	0.03
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43.72
Disposals/ Other Adjustments	6.77	15.05	16.82	0.77	1.91	0.23	41.56	3.10
<b>Closing Gross carrying amount</b>	<b>122.64</b>	<b>272.66</b>	<b>308.28</b>	<b>19.21</b>	<b>34.51</b>	<b>4.23</b>	<b>761.53</b>	<b>46.85</b>
<b>Accumulated Depreciation</b>								
As at April 01, 2022	-	55.50	261.51	15.03	31.72	3.38	367.15	-
Charge during the year	-	8.69	3.83	0.87	0.03	0.17	13.59	-
Disposals/ Other Adjustments	-	3.86	15.15	0.94	1.86	0.21	22.01	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>68.05</b>	<b>280.49</b>	<b>16.85</b>	<b>33.61</b>	<b>3.77</b>	<b>402.76</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>122.64</b>	<b>204.60</b>	<b>27.79</b>	<b>2.37</b>	<b>0.90</b>	<b>0.46</b>	<b>357.77</b>	<b>46.85</b>

**Ageing of Capital Work in progress**

<b>As at March 31, 2022</b>			
Particular	Less than 1 yr	1-2 Year	More than 3 yr
Projects in progress	90	-	-
<b>As at March 31, 2021</b>			
Particular	Less than 1 yr	1-2 Year	More than 3 yr
Projects in progress	253	2,630	188

(iii) Capital work in progress mainly comprise Plant & Machinery & Building.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**3b. Intangible Assets**

(Rs. In Million)

Particulars	Development Rights	Software	Total
<b>For Yr ended March 31, 2022</b>			
<b>Gross carrying amount</b>			
As at April 01, 2021	583.93	49.57	633.50
Additions	39.13		39.13
Disposals/ Other Adjustments	-76.46	-0.80	-77.26
<b>Closing Gross carrying amount</b>	<b>546.60</b>	<b>48.77</b>	<b>595.37</b>
<b>Accumulated Depreciation</b>			
As at April 01, 2021	432.36	49.49	481.85
Amortisation during the year	67.17	0.05	67.22
Disposals/ Other Adjustments	-74.56	-0.80	-75.36
<b>Closing Accumulated Depreciation</b>	<b>424.98</b>	<b>48.74</b>	<b>473.72</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>121.62</b>	<b>0.03</b>	<b>121.65</b>
<b>For Yr ended March 31, 2023</b>			
<b>Gross carrying amount</b>			
As at April 01, 2022	546.60	48.77	595.37
Additions	30.51	-	30.51
Disposals/ Other Adjustments	34.11	2.85	36.95
<b>Closing Gross carrying amount</b>	<b>611.22</b>	<b>51.62</b>	<b>662.84</b>
<b>Accumulated Depreciation</b>			
As at April 01, 2022	424.98	48.74	473.72
Amortisation during the year	65.95	0.03	65.98
Disposals/ Other Adjustments	29.51	2.85	32.36
<b>Closing Accumulated Depreciation</b>	<b>520.44</b>	<b>51.62</b>	<b>572.06</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>90.78</b>	<b>0.00</b>	<b>90.78</b>





**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**10 Share capital**

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Nos.	(Rs. In Million)	Nos.	(Rs. In Million)
<b>Authorised capital</b>				
Equity shares of ` 10 each	49,07,000	1,963	49,07,000	415
	<b>49,07,000</b>	<b>1,963</b>	<b>49,07,000</b>	<b>415</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of ` 10 each fully paid up	49,07,000	1,963	49,07,000	415
	<b>49,07,000</b>	<b>1,963</b>	<b>49,07,000</b>	<b>415</b>

**10.1 Right, Preferences & Restrictions Attached to the Shares:**

The Company has only one class of shares referred to as Equity shares having a par value of EUR 1/ each. Each holder of equity shares is entitled to one vote per share.

In the event of the Liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of the equity shares held by the shareholders.

**10.2 Reconciliation of number of shares outstanding is set out below:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Number of Shares at the beginning of the year	49,07,000	49,07,000
Shares Issued during the year	-	-
Issue of Bonus Shares	-	-
Number of Shares at the end of the year	<b>49,07,000</b>	<b>49,07,000</b>

**10.3 List of Shareholders holding more than 5% of the aggregate Ordinary Equity Shares in the Company:**

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% to total	No of Shares	% to total
JYOTI CNC AUTOMATION LIMITED	49,07,000	100.00%	49,07,000	100.00%



**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. In Million)

**17 Revenue from operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of product*	1,108.76	881.92
Sale of services	95.70	98.46
Other operating income #	33.27	0.01
<b>Total</b>	<b>1,237.73</b>	<b>980.39</b>

**18 Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income *	-	-
Gain on sale of property, plant & Equipments	-	-
Foreign Exchange Fluctuation Gain ( Net of Loss )	-	-
Gain on Investment/ Sale of Investment	-	-
Others	304.46	15.15
<b>Total</b>	<b>304.46</b>	<b>15.15</b>

\* ( For Related Party Transactions Refer Note No. 38 )

**19 Cost of material consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	535.96	559.17
Add: Purchases*	534.59	567.84
	<b>1,070.55</b>	<b>1,127.01</b>
Less: Closing stock	(549.40)	(535.96)
Foreign Currency Translation Reserve	30.14	(9.04)
<b>Total</b>	<b>551.28</b>	<b>582.02</b>

(\* For Related Party Transactions Refer Note No. 38 )

**20 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock:		
Finished goods	180.83	129.03
Work-in-progress	249.93	173.95
	<b>430.76</b>	<b>302.98</b>
Less: Closing stock		
Finished goods	378.67	180.83
Work-in-progress	144.65	249.93
	<b>523.32</b>	<b>430.76</b>
Foreign Currency Translation Reserve	29.64	(8.10)
<b>Net (increase)/decrease in inventory</b>	<b>(62.92)</b>	<b>(135.88)</b>





**JYOTI SAS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. In Million)

**21 Employee Benefits Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary and Wages*	464.11	430.38
Contribution to Provident & Other Funds	158.00	168.80
Other Employee Benefit Expenses	-	-
<b>Total</b>	<b>622.11</b>	<b>599.18</b>

**22 Finance Costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest Expenses</b>		
On Borrowings	194.62	161.70
On Lease Obligation	-	-
On Others	63.97	59.33
On MSME Trade Payables	-	-
On Delayed Payment of Income Tax	-	-
<b>Other Borrowing Cost</b>		
Bank & Other Financial Charges	14.86	12.88
Forex Fluctuation on Loan	-	-
<b>Total</b>	<b>273.44</b>	<b>233.91</b>

(\* For Related Party Transactions Refer Note No. 38 )

**23 Other Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Manufacturing &amp; Other Direct Expenses</b>		
Consumption of Stores & Spares	4.41	-
Job Work Charges	28.95	25.68
Power & Fuel Expenses	34.18	19.57
Factory Expenses	-	-
Transportation Expenses - Inward	44.80	42.00
Clearing, Forwarding & Agency Expenses - Import	-	-
Repairs & Maintenance - Machinery*	8.10	5.74
	<b>120.45</b>	<b>92.49</b>
<b>Administrative &amp; Selling Expenses</b>		
Advertisement, Marketing Expenses & Exhibition Exp	6.19	0.61
Legal & Professional Charges	5.30	6.43
Postage, Stationary & Telephone Expenses	6.46	7.50
Remuneration to Auditor		
- Audit Fees	1.83	2.21
Commission Expense	26.82	44.45
Travelling, Conveyance & Vehicle Expenses	53.96	46.50
Misc Expense	98.20	50.80
	<b>198.77</b>	<b>158.49</b>
<b>Total</b>	<b>319.22</b>	<b>250.98</b>

**24 Earnings Per Share**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic &amp; Diluted Earnings Per Share - EPS</b>		
Profit available for Equity Shareholder	(239.51)	(627.57)
Weighted Average Number of Shares Outstanding	49,07,000.00	49,07,000.00
Basic & Diluted Earnings Per Share - of ₹ 10/- each	<b>(4.88)</b>	<b>(12.79)</b>



## JYOTI SAS

### Notes to Consolidated Financial Statement

- 25 The outstanding balances as at March 31, 2023 in respect of Trade Payables, Trade Receivables, Loans & Advances and deposits are subject to confirmation from respective parties and consequential reconciliation and/or adjustments arising there from, if any. The Management, however, does not expect any material variation.
- 26 According to the opinion of the Management, the value of realization of current assets, loans and advances and other receivables in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

As per our report of even date

**For M/s Pranav Madhuri & Associates**

Chartered Accountants

*Pranav Atul Maniar*

**Pranav Atul Maniar**

**Partner**

Membership No. 130313

Firm's Reg. No.: 139985W

UDIN : 23130313BGPGQU9868



**For & on behalf of Jyoti SAS**

*Parakramsinh G. Jadeja*

**Parakramsinh G. Jadeja**

**Director**

Place : Rajkot

Date : 29th July 2023

Place : Rajkot

Date : 29th July 2023



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation and presentation, Statement of Compliance**

The Consolidated Financial Statements of the group have been prepared in accordance with the Indian Accounting standards ('Ind AS') prescribed under section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

**Functional & Presentation Currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupee "₹", which is holding company's functional & presentation currency.

**Basis of Measurement**

The Consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following material items which have been measured at fair value as required by relevant Ind AS

Items	Measurement Basis
Investments classified as fair value through profit or loss	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

**I. Principles of Consolidation**

The Consolidated Financial Statements have been prepared on the following basis:

- A.** Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date of acquisition up to the effective date of disposal, as appropriate.
- B.** The Financial Statements of the Holding Company and its subsidiaries are combined by like items of assets, liabilities, equity, income, expenses and cash flows. The carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary have been eliminated. The intragroup assets and liabilities, equity, income, expenses and cash flows





# JYOTI SAS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

relating to transactions between entities of the group are eliminated in full. Inter-company balances and inter-company transactions and unrealised profits or losses have been fully eliminated.

- C.** Where any 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.
- D.** The excess of cost to the Holding Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.
- E.** In case of a foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and the liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised as "Foreign Currency Translation Difference" in the Statement of Profit and loss.
- F.** The list of subsidiary companies (direct & indirect) which are included in the consolidation & the Group Holdings therein are as under:

Sr. No.	Name of the Subsidiary Company	Date of Acquisition	Country of Incorporation	% of Holding As at 31.03.2023
<b>Direct Subsidiary</b>				
1	Huron Graffenstaden SAS	20.11.2007	France	100%
<b>Indirect Subsidiaries</b>				
1	Huron Frasmashinen, GmbH	20.11.2007	Germany	100%
2	Huron Canada Inc.	20.11.2007	Canada	100%
3	Huron Turkey		Turkey	100%





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**II. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are disclosed under Capital Work - In - Progress.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**III. Intangible Assets**

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with definite useful lives are amortized on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets under development:

The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

**IV. Depreciation and amortisation on Property, Plant & Equipment and Intangible Assets**

Depreciation is provided so as to write off, on a straight-line basis or diminishing balance method, the cost/deemed cost of Property, Plant and Equipment and the intangible assets,





**JYOTI SAS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

including right-of-use assets to their residual value as per useful lives prescribed under Schedule II of Companies Act, 2013 which are as follows:

Particulars	Estimated useful life (years)	
	Holding Company	Subsidiary Companies
Leasehold Land	Not Depreciated	Not Depreciated
Building	10 to 20 years	10 to 20 years
Plants and Machinery	3 to 10 years	3 to 10 years
Furniture and Fixtures	3 to 6 years	3 to 6 years
Electrical Installation	3 to 6 years	3 to 6 years
Office Equipments	3 to 6 years	3 to 6 years
Computers	3 to 6 years	3 to 6 years
Vehicles:		
Four Wheelers	3 to 6 years	3 to 6 years
Two Wheelers	10 years	
Software	5 years	5 years

The charges of depreciation/ amortisation are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and when necessary, revised.

Depreciation/ Amortisation on assets under construction/ intangible asset under development commences only when the assets are ready for their intended use.

Leasehold land is not depreciated.

The Holding Company fully depreciates the assets costing less than Rs. 30,000 in the year of acquisition.

**V. Leases**

The Group determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Group recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period are discounted using the Company's incremental borrowing rate specific to the lease being evaluated or for the portfolio of the lease with similar characteristics. Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Group also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated ruin costs.





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Right of use assets is amortized over the period of lease.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets are recognized in the statement of Profit and Loss as rental expenses over the tenor of such leases.

**VI. Financial Instruments**

**i. Financial Assets**

**a) Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

**b) Subsequent measurement**

➤ Financial Assets measured at Amortised Cost

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

**c) Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**d) Impairment of Financial Assets**





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime Expected Credit Loss is used.

**ii. Financial Liabilities & Equity Instruments**

**a) Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received.

**c) Financial Liabilities: Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**d) Financial Liabilities: Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest rate (EIR) method.





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these Instruments.

### iii. De-recognition of Financial Instruments

The Group derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognized from the Group Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the carrying amount of Financial Liability is recognised in the Statement of Profit and Loss.

### iv. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## VII. Provisions, Contingent Liabilities & Contingent Assets

### i. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Huron Graffenstaden SAS

Provision for Warranty & Commissioning:

When each new machine is sold, a provision is constituted according to a standard amount defined for each family of machines for any warranty costs adjusted according to the specificities of each machine, the country of destination and the distribution network, and an amount is determined machine by machine for backfitting costs known at the end of the financial year; The costs of commissioning and training customers are provisioned on the sale of each machine according to a standard amount defined for each family of machines.





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The standard amounts for provisions for warranties are re-assessed at the end of each financial year taking account of the net expenses actually incurred (hours of labour, cost of parts and work entrusted to subcontractors, minus any refunds obtained from suppliers of components or their insurers) during the warranty period and exclusively concerning work done under warranty.

This revision is determined overall for the entire machine base. These provisions are tracked machine by machine, the net costs incurred giving rise to a write back of the provision originally constituted. At the end of the warranty period or on completion of commissioning, the remainder of the provision is written back in full.

**VIII. Foreign currency transactions, translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The results and financial position of foreign operation that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at closing rate at the date of that balance sheet
- income, expenses & cash flows are translated at average exchange rates and
- all Resulting exchange differences are recognised in other comprehensive income

On Consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income. When foreign operation is sold, the associated exchange differences are reclassified to profit & loss, as part of the gain or loss on sale.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

**IX. Employee Benefits:**

**i.Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

➤ **Retirement Pension Commitments**

Retirement Gratuities : the provision was determined according to a method integrating the number of years' service, the likelihood of the persons' presence in the company at retirement age (turnover and mortality), an annual salary adjustment rate of 0.50%, a discount rate of 0.48% for retirement at the employee's own initiative at the age of 62.

**X. Inventories**

Inventories are measured at the lower of Cost and Net Realizable Value. The cost of inventories is ascertained on the weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition but does not include statutory levies of whom input credits is availed by the company.

Costs of Finished Goods and Works-in-Progress are determined by taking material cost (Net of Input tax credit availed), labor and relevant appropriate overheads based on the normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value of work in progress is determined with reference to the selling prices of related finished products.

**XI. Revenue recognition:**

**a) Contract Revenue:**

Revenue from fixed price contracts is recognised over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognized as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Determination of revenue under the percentage of completion method necessarily involves making estimates by the company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

**b) Sale of Goods:**

The Group recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term.

**c) Sale of Services:**

Sale of services are recognized on satisfaction of performance obligation towards rendering of such services

**d) Interest Income:**

Interest Income is recognized on time proportion basis depending upon the amount outstanding and effective interest rate applicable

**XII. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**XIII. Impairment of Non-Financial Assets**

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.





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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

amortized cost, interest is accrued using the effective interest method.

#### II. Provisions

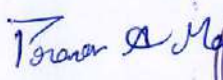
Significant estimates are involved in the determination of provisions related to liquidated damages and warranty costs. The Group records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, onerous contracts is based on the best estimate required to settle the present obligation at the end of the reporting period.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

This Report is issued for specified purpose of DRHP only by redrafting the Financial Statement on the basis of Ind AS.

#### For Pranav Madhuri & Associates.

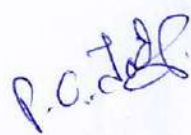
Chartered Accountants

  
**Pranav Atul Maniar**  
**Partner**

Membership No. 130313

Firm's Reg. No.: 139985W



  
**Parakramsinh G Jadeja**  
**Director**

**UDIN : 23130313BGPGQU9868**

Place: Rajkot

Date: 29<sup>th</sup> July 2023