

**INDEPENDENT AUDITOR'S REPORT**

To the Members of MTAR Technologies Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of MTAR Technologies Limited (formerly known as MTAR Technologies Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**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 for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters.



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Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<b>Revenue recognition</b> (as described in note 2.2(f) and 19 of the standalone financial statements)	
<p>Revenue from contracts with customer is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. During the year ended March 31, 2021, the Company has recognised revenue amounting to Rs. 1,135.12 million and Rs. 1,297.17 million from domestic and export sales respectively.</p> <p>The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e. delivery specifications including incoterms in case of exports. The risk is, therefore, that revenue may not get recognised in the correct period.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"><li>Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers").</li><li>Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li><li>Performed the following tests for a sample of transactions<ul style="list-style-type: none"><li>tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts/sales orders, shipping documents and other related documents.</li><li>verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied.</li></ul></li><li>Tested the supporting documentation for sample of sales transactions recorded during the period closer to the year end and subsequent to the year end to agree the period of revenue recognition to underlying documents as referred above.</li><li>Assessed the relevant disclosures made in the standalone financial statements.</li></ul>

## **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be



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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 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.



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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

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 for the financial year ended March 31, 2021 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.



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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31(b) to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

Navneet Rai

per Navneet Rai Kabra  
Partner  
Membership Number: 102328  
UDIN: 21102328AAAADS2721



Place of Signature: Hyderabad  
Date: June 02, 2021

# **S.R. BATLIBOI & ASSOCIATES LLP**

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## **Annexure 1, referred to in paragraph 1 of our report of even date**

Re: MTAR Technologies Limited (formerly known as "MTAR Technologies Private Limited") ("the Company")

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture high precision machinery, and are of the opinion that *prima facie*, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



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(vii)(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(c) According to the information and explanations given to us, there are no dues of income tax, customs duty, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any loans or borrowing in respect of a financial institution or to government or debenture holders during the year.

(ix) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of initial public offer ("IPO") and term loans were applied for the purpose for which they were raised, though idle/surplus funds from IPO which were not required for immediate utilization have been gainfully invested in deposits with monitoring agency. The maximum amount of idle/surplus funds from IPO and private placement of shares through pre-IPO invested during the year including was Rs 1550.00 million, of which Rs 1,540.23 million was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised, though idle/surplus funds which were not required for immediate utilization have been



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gainfully invested in deposits with monitoring agency. The maximum amount of idle/surplus funds from IPO and private placement of shares through pre-IPO invested during the year including was Rs 1550 million, of which Rs 1,540.23 million was outstanding at the end of the year.

- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

*Namut Rai*  
per Navneet Rai Kabra  
Partner  
Membership Number: 102328  
UDIN: 21102328AAAADS2721



Place of Signature: Hyderabad  
Date: June 02, 2021

# **S.R. BATLIBOI & ASSOCIATES LLP**

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## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MTAR TECHNOLOGIES LIMITED**

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

We have audited the internal financial controls with reference to standalone financial statements of MTAR Technologies Limited (formerly known as "MTAR Technologies Private Limited") ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

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

## **Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Navneet Rai

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADS2721



Place of Signature: Hyderabad

Date: June 02, 2021

MTAR Technologies Limited (formerly known as MTAR Technologies Private Limited)

CIN: U72200TG1999PLC032836

Standalone balance sheet as at March 31, 2021

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,661.16	1,549.61
Capital work-in-progress	3.1	105.20	117.34
Intangible assets	3	9.48	1.39
Investment in subsidiary	4	0.10	0.10
Financial assets			
Investments	4	0.10	0.10
Others	5	21.24	32.98
Non-current tax assets (net)	6	5.00	6.19
Other non-current assets	7	75.48	39.88
		1,877.76	1,747.59
<b>Current assets</b>			
Inventories	8	1,025.44	754.59
Financial assets			
Trade receivables	9	772.78	616.37
Cash and cash equivalents	10	1,802.87	1,354.44
Bank balances other than cash and cash equivalents	11	106.13	96.98
Others	5	126.66	16.66
Other current assets	7A	151.58	95.08
		3,985.46	1,715.12
<b>Total assets</b>		<b>5,863.22</b>	<b>3,462.71</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	307.59	267.59
Other equity	13	4,459.98	1,983.18
		4,767.57	2,250.77
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	71.26	-
Provisions	14	3.59	23.81
Deferred tax liabilities (net)	15	126.93	53.07
		201.78	76.88
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16	48.51	291.33
Trade payables	17	5.74	-
- dues of micro, small and medium enterprises		341.70	305.55
- dues of creditors other than micro, small and medium enterprises		76.44	2.13
Other financial liabilities	16A	25.23	34.34
Provisions	14	2.74	9.23
Current tax liabilities (net)	6	393.51	492.48
Other current liabilities	18	893.87	1,135.06
		5,863.22	3,462.71
<b>Total equity and liabilities</b>			

Summary of significant accounting policies 2.2

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered accountants

ICAI Firm registration number: 101049W/E300004

*Namit Rai*  
per Navneet Rai Kabra  
Partner  
Membership no: 102328



Place: Hyderabad  
Date: June 02, 2021

For and on behalf of the Board of Directors of  
MTAR Technologies Limited (formerly known as  
MTAR Technologies Private Limited)

*P. Srinivas Reddy*  
Paryat Srinivas Reddy  
Managing Director  
DIN: 00359139

*Sudipto Bhattacharya*  
Sudipto Bhattacharya  
Chief Financial Officer

*Venkatasatishkumar Reddy Gangapatnam*  
Venkatasatishkumar Reddy Gangapatnam  
Director

*Shubham Sunil Bagadia*  
Shubham Sunil Bagadia  
Company Secretary  
Membership no: ACS-55748

Place: Hyderabad  
Date: June 02, 2021



MTAR Technologies Limited (formerly known as MTAR Technologies Private Limited)

CIN: U72200TG1999PLC032836

Standalone statement of profit and loss for the year ended March 31, 2021

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	19	2,464.32	2,137.74
Other income	20	13.10	43.68
<b>Total income</b>		<b>2,477.42</b>	<b>2,181.42</b>
<b>Expenses</b>			
Cost of materials consumed	21	1,017.54	872.55
Changes in inventories of work-in-progress	22	(216.01)	(150.88)
Employee benefit expense	23	530.40	516.26
Finance costs	24	70.01	47.53
Depreciation and amortisation expense	25	125.57	120.48
Other expenses	26	301.47	320.15
<b>Total expenses</b>		<b>1,828.98</b>	<b>1,726.09</b>
<b>Profit before tax</b>		<b>648.44</b>	<b>455.33</b>
<b>Tax expense</b>	27		
Current tax		110.25	78.11
Adjustment of tax relating to earlier years		1.00	1.44
Deferred tax charge		76.36	62.60
<b>Total tax expense</b>		<b>187.61</b>	<b>142.15</b>
<b>Profit for the year</b>		<b>460.83</b>	<b>313.18</b>
<b>Other comprehensive income (OCI)</b>			
OCI not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/ (losses) on defined benefit plans		(8.57)	(33.82)
Income tax effect		2.50	9.85
<b>OCI for the year, net of tax</b>		<b>(6.07)</b>	<b>(23.97)</b>
<b>Total comprehensive income for the year</b>		<b>454.76</b>	<b>289.21</b>
<b>Earnings per equity share of Rs. 10 each fully paid</b>	28		
Basic and diluted, computed on the basis of profit attributable to equity holders		17.00	11.11

Summary of significant accounting policies

2.2

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered accountants  
ICAI Firm registration number: 101049W/E300004

Namut Rai  
per Navneet Rai Kabra  
Partner  
Membership no: 102328



For and on behalf of the Board of Directors of  
MTAR Technologies Limited (formerly known as  
MTAR Technologies Private Limited)

  
Paryat Srinivas Reddy  
Managing Director  
DIN: 00359139

  
Venkatasatishkumar Reddy Gangapatnam  
Director  
DIN: 06535717

  
Sudipto Bhattacharya  
Chief Financial Officer

  
Shubham Sunil Bagadia  
Company Secretary  
Membership no: ACS-55748

Place: Hyderabad  
Date: June 02, 2021

Place: Hyderabad  
Date: June 02, 2021



**a) Equity share capital**

Equity shares of Rs. 10 each, issued, subscribed and fully paid up	No. of shares	Amount
As at April 01, 2019	28,214,132	282.14
Add: Issued during the year	-	-
Less: Equity shares bought back during the year (refer note 1 below)	(1,454,541)	(14.55)
As at March 31, 2020	26,759,591	267.59
Add: Issued during the year (refer note 38)	4,000,000	40.00
As at March 31, 2021	30,759,591	307.59

**b) Other equity**

Particulars	Securities premium	Capital redemption reserve	Retained earnings	Total
As at April 01, 2019	1,315.43	-	752.25	2,067.68
Profit for the year	-	-	313.18	313.18
Amount utilised towards buy back of equity shares (refer note 1 below)	(203.64)	-	-	(203.64)
Amount transferred on account of buy back of equity shares (refer note 1 below)	(14.55)	14.55	-	-
Equity dividend paid and tax thereon	-	-	(170.07)	(170.07)
Other comprehensive loss for the year	-	-	(23.97)	(23.97)
As at March 31, 2020	1,097.24	14.55	871.39	1,983.18
Profit for the year	-	-	460.83	460.83
Premium received on issue of equity shares (refer note 38)	2,195.19	-	-	2,195.19
Share issue expenses (refer note 38)	(92.87)	-	-	(92.87)
Equity dividend	-	-	(80.28)	(80.28)
Other comprehensive income for the year	-	-	(6.07)	(6.07)
As at March 31, 2021	3,199.56	14.55	1,245.88	4,459.98

**Note 1**

The Board of Directors at its meeting held on January 27, 2020, approved the Buy Back of 2,658,621 equity shares at a price of Rs. 123.21 per share for a total value of Rs. 327.56 being 9.42% of the paid-up Equity Share Capital and free reserves of the Company. Accordingly, during the year ended March 31, 2020, the Company has bought-back 1,454.541 equity shares at a price of Rs. 123.21 per share for an aggregate amount of Rs. 179.21. Further, the Company has paid buy back tax of Rs. 38.98 during the year ended March 31, 2021. The extinguishment of shares was completed in October 2020. The nominal value of equity shares bought back and extinguished amounting to Rs. 14.55 has been reduced from the paid up equity share capital and a corresponding amount has been transferred from Securities Premium to Capital Redemption Reserve as per Section 69 of the Companies Act, 2013. The premium paid for buy-back amounting to Rs. 203.64 (including the buy back tax) has been appropriated from the Securities Premium.

The accompanying notes are an integral part of the standalone financial statements.  
 As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP  
 Chartered accountants  
 ICAI Firm registration number: 101049W/E300004

*Navneet Rai*  
 per Navneet Rai Kabra  
 Partner  
 Membership no: 102328



For and on behalf of the Board of Directors of  
 MTAR Technologies Limited (formerly known as  
 MTAR Technologies Private Limited)

*Parvat Srinivas Reddy*  
 Parvat Srinivas Reddy  
 Managing Director  
 DIN: 00359139

*Sudipto Bhattacharya*  
 Sudipto Bhattacharya  
 Chief Financial Officer

*Venkatasatishkumar Reddy Gangapatnam*  
 Venkatasatishkumar Reddy Gangapatnam  
 Director  
 DIN: 06535717

*Shubham Sunil Bagadia*  
 Shubham Sunil Bagadia  
 Company Secretary  
 Membership no: ACS-55748

Place: Hyderabad  
 Date: June 02, 2021

Place: Hyderabad  
 Date: June 02, 2021



Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	648.44	455.33
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	125.57	120.48
Provision for doubtful receivable and advances	-	14.77
Bad debts written off	-	1.82
Finance costs	70.01	47.53
Liabilities no longer required written back	-	(4.26)
Unrealised exchange gain	(11.17)	(16.80)
Interest income	(13.10)	(9.96)
<b>Operating profit before working capital changes</b>	<b>819.75</b>	<b>608.91</b>
<i>Movements in working capital:</i>		
Increase in trade receivables	(146.60)	(90.06)
Increase in inventories	(270.85)	(343.88)
(Increase) / decrease in current and non current financial assets	(74.62)	115.27
Increase in other current and non current assets	(68.98)	(39.29)
Increase in trade payables	41.89	250.01
(Decrease)/increase in other current liabilities	(59.99)	122.87
(Decrease) / increase in provisions	(37.90)	10.50
<b>Cash generated from operations</b>	<b>202.70</b>	<b>634.33</b>
Income tax paid (net of refunds)	(116.55)	(72.44)
<b>Net cash flows from operating activities</b>	<b>(A)</b>	<b>86.15</b>
		561.89
<b>B Cash flow used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(228.33)	(118.89)
Investment in subsidiary	-	(0.10)
Investment in bank deposits (net)	(5.81)	(10.81)
Interest received	12.64	9.17
<b>Net cash flows used in investing activities</b>	<b>(B)</b>	<b>(221.50)</b>
		(120.63)
<b>C Cash flow from financing activities</b>		
Dividend and dividend distribution tax paid	(80.28)	(170.07)
Buy back amount paid including buyback tax	(38.98)	(179.21)
Equity shares issued during the year (net of expenses) (refer note 38)	2,127.10	-
IPO Expenses reimbursable	(21.05)	-
Proceeds from long term borrowings, including current maturities	133.76	-
Repayment of long term borrowings, including current maturities	(12.50)	-
Repayment of short term borrowings (net)	(242.82)	(4.95)
Finance costs paid	(63.81)	(59.26)
<b>Net cash flows from / (used in) financing activities</b>	<b>(C)</b>	<b>1,801.42</b>
		(413.49)
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>1,666.07</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	1.36	27.77
Cash and cash equivalents at the beginning of the year	135.44	107.67
<b>Cash and cash equivalents at the end of the year</b>	<b>1,802.87</b>	<b>135.44</b>



MTAR Technologies Limited (formerly known as MTAR Technologies Private Limited)

CIN: U72200TG1999PLC032836

Standalone statement of cash flows for the year ended March 31, 2021

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.32	0.21
Balance with banks:		
Current accounts	19.95	0.90
On Monitoring account*	61.59	-
Deposits with monitoring agency for amount received for reimbursement of expenses with original maturity of less than 3 months*	9.77	-
Deposits with monitoring agency for amount received for IPO and Pre-IPO with original maturity of less than 3 months*	1,540.23	-
Deposits with original maturity of less than three months	171.01	134.33
<b>Total cash and cash equivalents</b>	<b>1,802.87</b>	<b>135.44</b>
* INR 71.36 is towards IPO expenses and are not earmarked towards the unutilized IPO proceeds.		
# The amount is earmarked as monitoring agency account balance towards unutilized IPO proceeds. Refer note 38.		
<b>Summary of significant accounting policies</b>	<b>2.2</b>	

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered accountants

ICAI Firm registration number: 101049W/E300004

*Namit Rai*  
per Navneet Rai Kabra  
Partner

Membership no: 102328



For and on behalf of the Board of Directors of  
MTAR Technologies Limited (formerly known as  
MTAR Technologies Private Limited)

*Parva Srinivas Reddy*  
Parva Srinivas Reddy  
Managing Director  
DIN: 00359139

*Sudipto Bhattacharya*  
Sudipto Bhattacharya  
Chief Financial Officer

*Venkatasatishkumar Reddy Gangapatnam*  
Venkatasatishkumar Reddy Gangapatnam  
Director  
DIN: 06535717

*Bagadia*  
Shubham Sunil Bagadia  
Company Secretary  
Membership no: ACS-55748

Place: Hyderabad  
Date: June 02, 2021

Place: Hyderabad  
Date: June 02, 2021



## 1 Corporate Information

MTAR Technologies Limited (formerly known as "MTAR Technologies Private Limited") ("MTAR" or "the Company") was a private limited company domiciled in India, and incorporated on November 11, 1999 under the provisions of the erstwhile Companies Act, 1956 replaced with Companies Act 2013 ("Act") w.e.f April 1, 2014 with its registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad, Telangana, India 500037. The Company is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including nuclear, aerospace, defence, etc. The Company has become a Public Limited Company w.e.f. November 2, 2020 and consequently the name of the Company has changed from MTAR Technologies Private Limited to MTAR Technologies Limited. The Company listed its shares in both BSE and NSE on March 15, 2021.

## 2 Significant accounting policies

These notes provide a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The Standalone financial statements for the year ended March 31, 2021 comprising of Standalone balance sheet as at March 31, 2021, Standalone statement of profit and loss, including the Standalone statement of other comprehensive income, Standalone cash flow statement and Standalone statement of changes in equity for the year ended, and a summary of explanatory notes (together hereinafter referred to as "financial statements") have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Companies Act, 2013.

The financial statements has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefits plan - plan assets measured at fair value

The financial statements are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR millions, except when otherwise indicated.

### 2.2 Summary of significant accounting policies

#### a) Amended standards

Several amendments apply for the first time for the year ended March 31, 2021, but do not have significant impact on the financial statements of the Company.

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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



**c) Property, plant and equipment**

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date.

Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

The useful lives estimated by the management are given below:

Category of Asset	Estimated useful life (years)
<b>Property, plant and equipment</b>	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3/ 6 years
Vehicles	8

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the statement of profit and loss.

**d) Intangible assets**

Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

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

**e) Inventories**

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

i. **Raw materials**: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. **Finished goods and work-in-progress**: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.



f) Revenue

(i) Revenue from contract with customers

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

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

Sale of goods

Revenue is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (j) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Export benefits

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.



**g) Impairment of non financial assets**

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

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**i) Foreign currency transactions**

Items included in the financial statements of Company are measured using currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Company.

*Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.



**j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial assets*

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

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

*Debt instruments at amortised cost*

*Debt instruments at fair value through other comprehensive income (FVTOCI)*

*Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)*

*Equity instruments measured at fair value through other comprehensive income (FVTOCI)*

*Debt instruments at amortised cost*

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss.

*Debt instruments at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

*Debt instruments at FVTPL*

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss



*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

*Equity instruments designated at fair value through OCI*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

*Investment in Subsidiary*

The Company has elected to recognize its investments in subsidiary at cost less accumulated impairment loss, if any in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost represents amount paid for acquisition of the said investments. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. The details of such investment are given in Note 4. Refer to the accounting policies in (g) Impairment of non-financial assets.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

*Impairment of financial assets*

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition.

ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



**Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

*Subsequent measurement*

The measurement of financial liabilities is as described below:

*Loans and borrowings*

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

*De-recognition*

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

*Reclassification of financial instruments*

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 Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. 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 recognised gains, losses (including impairment gains or losses) or interest.

*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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**k) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating officer/ chief executive officer. The chief operating officer/ chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

**l) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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



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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 32)
- Investment in unquoted equity shares (note 4)
- Financial instruments (including those carried at amortised cost) (notes 5, 9, 10, 11, 16, 16A, 17, 33, 36)

**m) Taxes**

*Current income tax*

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

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

*Deferred tax*

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

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

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

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



**n) Retirement and other employee benefits**

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

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method.

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

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

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

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

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

**o) Provisions and Contingent Liabilities**

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

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

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

**p) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Company's cash management.

**r) Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in equity.



Note 3 : Property, plant and equipment and intangible assets

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total Property, plant and equipment	Intangible assets - software	Total
<b>Gross carrying amount</b>											
As at April 01, 2019	467.14	292.16	1,133.38	17.48	17.37	5.77	16.20	6.13	1,955.63	22.67	1,978.30
Additions during the year	-	0.36	44.51	-	0.46	0.57	2.39	0.66	48.95	0.65	49.60
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	467.14	292.52	1,177.89	17.48	17.83	6.34	18.59	6.79	2,004.58	23.32	2,027.90
Additions during the year	-	125.27	98.23	1.59	0.66	1.12	7.77	-	234.64	10.57	245.21
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	467.14	417.79	1,276.12	19.07	18.49	7.46	26.36	6.79	2,239.22	33.89	2,273.11
<b>Accumulated depreciation and amortisation</b>											
As at April 01, 2019	-	34.43	250.69	16.61	11.33	5.46	14.31	2.35	335.18	21.24	356.42
Charge for the year	-	11.94	104.67	-	1.67	0.07	0.86	0.58	119.79	0.69	120.48
Disposals for the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	46.37	355.36	16.61	13.00	5.53	15.17	2.93	454.97	21.93	476.90
Charge for the year	-	12.81	105.59	0.06	1.72	0.18	2.10	0.63	123.09	2.48	125.57
Disposals for the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	59.18	460.95	16.67	14.72	5.71	17.27	3.56	578.06	24.41	602.47
<b>Net block</b>											
As at March 31, 2021	467.14	358.61	815.17	2.40	3.77	1.75	9.09	3.23	1,661.16	9.48	1,670.64
As at March 31, 2020	467.14	246.15	822.53	0.87	4.83	0.81	3.42	3.86	1,549.61	1.39	1,551.00

Certain land and buildings are subject to a first charge to secure the Company's bank loans. (refer note 16)

Note 3.1 : Capital work in progress

Particulars	Amount
As at April 01, 2019	56.17
Add: Additions (subsequent expenditure)	73.71
Less: Amount written off / adjustment	(11.62)
Less: Capitalised during the year	(0.92)
As at March 31, 2020	117.34
Additions (subsequent expenditure)	138.32
Capitalised during the year	(150.41)
Less: Amount written off / adjustment	(0.05)
As at March 31, 2021	105.20



**4 Investments**

	As at March 31, 2021	As at March, 31 2020
<b>Non-current</b>		
<b>Unquoted equity shares</b>		
(a) In wholly owned subsidiary (at cost)		
Magnatar Aero Systems Private Limited [99,800 (March 31, 2020: 99,800) equity shares of par value Rs. 1 each fully paid]	0.10	0.10
	<u>0.10</u>	<u>0.10</u>
(b) Others (at fair value through profit or loss)		
Samuha Engineering Industries Limited [10,000 (March 31, 2020: 10,000) equity shares of par value Rs. 10 each fully paid]	0.10	0.10
	<u>0.10</u>	<u>0.10</u>
Aggregate amount of unquoted investments - in wholly owned subsidiary	0.10	0.10
Aggregate amount of unquoted investments - in others	0.10	0.10

**5 Financial assets - others**Unsecured, considered good unless stated otherwise

	As at March 31, 2021	As at March, 31 2020
<b>Non-current</b>		
Retention money	-	13.92
Security deposits	15.91	13.88
Non-current bank balances (refer note 11)	5.00	5.00
Interest accrued on bank deposits	0.33	0.18
	<u>21.24</u>	<u>32.98</u>
<b>Current</b>		
Contract asset - unbilled revenue	12.43	12.43
Security deposit	29.82	-
Retention money	56.30	-
Interest accrued on bank deposits	4.23	3.92
Amount recoverable from IPO Proceeds lying in Escrow account*	23.18	-
Loans and advances to employees	0.70	0.31
	<u>126.66</u>	<u>16.66</u>

\*Balance pertain to receivable on account of IPO expenses to be reimbursed and un-utilised proceeds from fresh issue of equity shares from the balances lying in IPO Escrow Account (Secured) (refer note 38).

**6 Non current tax assets (net) / current tax liabilities (net)**

	As at March 31, 2021	As at March, 31 2020
<b>Non-current tax asset (net)</b>		
Advance income tax (net)	5.00	6.19
<b>Liability for current tax</b>		
Tax liability	(2.74)	(9.23)
	<u>2.26</u>	<u>(3.04)</u>

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 related to income tax levied by same tax authority.

**7 Other non-current assets**

	As at March 31, 2021	As at March, 31 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	14.98	14.32
Advance for capital goods	34.97	16.61
Balances recoverable from government authorities	25.53	8.95
	<u>75.48</u>	<u>39.88</u>
<b>Unsecured, considered doubtful</b>		
Balances recoverable from government authorities	12.97	12.97
Less: Provision for doubtful receivable	(12.97)	(12.97)
	<u>-</u>	<u>-</u>



**Movement in provision for doubtful receivable**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	12.97	-
Provision made during the year	-	12.97
<b>Balance at the end of the year</b>	<b>12.97</b>	<b>12.97</b>

**7A Other current assets**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Unsecured, considered good		
Advance to related parties (refer note 35)	0.16	0.03
Advance to suppliers	49.14	34.28
Prepaid expenses	24.39	26.03
Export benefits receivable	28.08	21.70
Balances recoverable from government authorities	49.81	13.04
	<b>151.58</b>	<b>95.08</b>

**8 Inventories (at lower of cost and net realisable value)**

	As at March 31, 2021	As at March, 31 2020
Raw materials	452.21	397.37
[Includes in transit: Rs. 158.88 (March 31, 2020: Rs. 84.18)]		
Work-in-progress	573.23	357.22
	<b>1,025.44</b>	<b>754.59</b>

Write down of inventories to net realisable value amounted to Rs. 15.84 (March 31, 2020 : Rs. 21.52). These were recognised as an expense during the year and included in 'cost of materials consumed and changes in inventories of work-in-progress'.

**9 Trade receivables**

	As at March 31, 2021	As at March, 31 2020
<b>Current</b>		
Unsecured considered good	772.78	616.37
Trade receivables - Credit impaired	-	1.81
Less: allowance for credit losses	-	(1.81)
	<b>772.78</b>	<b>616.37</b>

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

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

**Movement in expected credit loss**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	1.81	-
Provision made during the year, net of reversals	-	1.81
Bad debts written off against opening provision during the year	(1.81)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>1.81</b>



**10 Cash and cash equivalents**

	As at March 31, 2021	As at March, 31 2020
Cash on hand	0.32	0.21
<b>Balances with banks</b>		
On current accounts	19.95	0.90
On Monitoring agency account*	61.59	-
Deposits with monitoring agency for amount received for reimbursement of expenses with original maturity of less than 3 months*	9.77	-
Deposits with monitoring agency for amount received for IPO and private placement of shares through pre-IPO with original maturity of less than 3 months*	1,540.23	-
Deposits with original maturity less than 3 months	171.01	134.33
	<b>1,802.87</b>	<b>135.44</b>

\* INR 71.36 is towards IPO expenses and are not earmarked towards the unutilized IPO proceeds.

\*\* The amount is earmarked as monitoring agency account balance towards unutilized IPO proceeds. Refer note 38.

**11 Balances at bank other than cash and cash equivalents**

	As at March 31, 2021	As at March, 31 2020
Earmarked Balance with Bank on Dividend account*	3.34	-
<b>Margin money deposits**</b>		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	102.79	96.98
Deposits with remaining maturity of more than twelve months	5.00	5.00
Less: Amount clubbed under 'non current financial assets - others' (refer note 5)	(5.00)	(5.00)
	<b>106.13</b>	<b>96.98</b>

\* Can be utilised only for payment of dividend

\*\* Margin money deposits represent security held by bank for the bank guarantees of Rs. 886.68 (March 31, 2020: Rs. 814.76) issued by the bankers on behalf of the Company.

**Breakup of financial assets carried at fair value through profit or loss:**

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Investments in unquoted equity shares (Others)	0.10	0.10	0.10	0.10

**Breakup of financial assets carried at amortised cost:**

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	772.78	772.78	616.37	616.37
Cash and cash equivalent	1,802.87	1,802.87	135.44	135.44
Balances at bank other than cash and cash equivalents	106.13	106.13	96.98	96.98
Retention money	56.30	56.30	13.92	13.92
Security deposits	45.73	45.73	13.88	13.88
Non-current bank balances	5.00	5.00	5.00	5.00
Amount recoverable from IPO Proceeds lying in Escrow account	23.18	23.18	-	-
Contract asset - unbilled revenue	12.43	12.43	12.43	12.43
Interest accrued	4.56	4.56	4.10	4.10
Loans and advances to employees	0.70	0.70	0.31	0.31
<b>Total financial assets carried at amortised cost</b>	<b>2,829.68</b>	<b>2,829.68</b>	<b>898.43</b>	<b>898.43</b>

The management assessed that cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets 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.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values. The fair value of security deposits and other non-current financial assets were calculated based on cash flows discounted using current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.



**12. Equity share capital**

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of Rs. 10 each	66,000,000	660.00	66,000,000	660.00
<b>Issued, subscribed and fully paid up shares</b>				
Equity shares of Rs. 10 each	<b>30,759,591</b>	<b>307.59</b>	<b>26,759,591</b>	<b>267.59</b>

**(a) Reconciliation of equity shares outstanding at beginning and at end of the year:**

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	26,759,591	267.59	28,214,132	282.14
Issued during the year (Refer Note 38)	4,000,000	40.00	-	-
Bought Back during the year (refer note below)	-	-	(1,454,541)	(14.55)
At the end of the year	<b>30,759,591</b>	<b>307.59</b>	<b>26,759,591</b>	<b>267.59</b>

(i) The Board of Directors at its meeting held on January 27, 2020, approved the Buy Back of 2,658,621 equity shares at a price of Rs. 123.21 per share for a total value of Rs. 327.56 being 9.42% of the paid-up Equity Share Capital and free reserves of the Company. Accordingly, during the year ended March 31, 2020, the Company has bought-back 1,454,541 equity shares at a price of Rs. 123.21 per share for an aggregate amount of Rs. 179.21. Further, the Company has paid buy back tax of Rs. 38.98 during the year ended March 31, 2020. The extinguishment of shares were completed in October 2020. The nominal value of equity shares bought back and extinguished amounting to Rs. 14.55 has been reduced from the paid up equity share capital and a corresponding amount has been transferred from Securities Premium to Capital Redemption Reserve as per Section 69 of the Companies Act, 2013. The premium paid for buy-back amounting to Rs. 203.64 (including the buy back tax) has been appropriated from the Securities Premium.

**(b) Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% equity shares in the Company**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	%	Number of shares	%
(i) Fabmohur Advisors LLP	2,586,740	8.41%	8,371,040	31.28%
(ii) Vamshidhar Reddy Kalle	2,091,559	6.80%	2,091,483	7.82%
(iii) K. Shalini	2,091,483	6.80%	2,091,483	7.82%
(iv) Pravat Srinivas Reddy*	-	0%	1,692,903	6.33%
(v) Leelavathi Parvatha Reddy*	1,718,712	5.59%	-	0%
(vi) SBI Magnum Children's Benefit Fund- Investment Plan*	1,731,687	5.63%	-	0%

\* Represents shareholding less than 5% in current / previous year

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

(i) There are no equity shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

(ii) During the year ended March 31, 2020, the Company has bought back 1,454,541 equity shares of Rs. 10 each.



## 13 Other equity

	As at March 31, 2021	As at March, 31 2020
<b>Securities premium</b>		
Balance at the beginning of the year	1,097.24	1,315.43
Less: Amount utilised towards buy back of equity shares (refer 12 (a) (i))	-	(203.64)
Add: Premium received on issue of shares (refer note 38)	2,195.19	-
Less: Share issue expenses (refer note 38)	(92.87)	-
Less: Transferred to capital redemption reserve (refer 12 (a) (ii))	-	(14.55)
Balance at the end of the year	<u>3,199.56</u>	<u>1,097.24</u>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	14.55	-
Add: Transferred from securities premium reserve on buy back of equity shares (refer 12 (a) (i))	-	14.55
Balance at the end of the year	<u>14.55</u>	<u>14.55</u>
<b>Retained earnings</b>		
Balance at the beginning of the year	871.39	752.25
Add: Other comprehensive loss for the year	(6.07)	(23.97)
Add: Profit for the year	460.83	313.18
Less: Appropriations		
Equity dividend @ Rs. 3 per share (March 31, 2020: Rs. 5 per share)	(80.28)	(141.07)
Tax on equity dividend	-	(29.00)
Balance at the end of the year	<u>1,245.87</u>	<u>871.39</u>
<b>Nature and purpose of reserves</b>	<u>4,459.98</u>	<u>1,983.18</u>

Security premium represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specifies regulation around application of premiums received on issue of shares. Accordingly, the Company has applied securities premium to write off Company's share of expenses incurred on fresh issue of equity shares.

Capital redemption reserve represents the amount of profits transferred from securities premium for the buy back of equity shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

## 14. Provisions

	As at March 31, 2021	As at March, 31 2020
<b>Non-current</b>		
Provision for Employee Benefits		
- Gratuity (refer note 29)	<u>3.59</u>	<u>23.81</u>
<b>Current</b>		
Provision for Employee Benefits		
- Gratuity (refer note 29)	12.23	13.34
- Compensated absences	13.00	21.00
	<u>25.23</u>	<u>34.34</u>



15. Deferred tax liabilities (net)

	As at March 31, 2021	As at March, 31 2020
<b>Deferred tax liability arising on account of timing differences relating to:</b>		
Written down value difference of property, plant and equipment and Intangible assets between tax and financial books	199.56	201.66
<b>Deferred tax asset arising on account of timing differences relating to:</b>		
Expenses allowed on payment basis	14.30	22.03
MAT credit entitlement	58.33	126.56
<b>Deferred tax liability (net)</b>	<b>72.63</b>	<b>148.59</b>
The Company offsets deferred 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 taxation authority.	<b>126.93</b>	<b>53.07</b>

## Break up of deferred tax (asset) / liabilities

	Opening Balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
<b>For the year ended March 31, 2021:</b>				
Written down value difference of property, plant and equipment and Intangible assets between tax and financial books	201.66	(2.10)	-	199.56
Expenses allowed on payment basis	(22.03)	10.23	(2.50)	(14.30)
MAT credit entitlement*	(126.56)	68.23	-	(58.33)
	<b>53.07</b>	<b>76.36</b>	<b>(2.50)</b>	<b>126.93</b>
<b>For the year ended March 31, 2020:</b>				
Written down value difference of property, plant and equipment and Intangible assets between tax and financial books	205.15	(3.49)	-	201.66
Expenses allowed on payment basis	(7.44)	(4.74)	(9.85)	(22.03)
MAT credit entitlement*	(146.92)	20.36	-	(126.56)
Carry forward of unabsorbed depreciation loss	(50.47)	50.47	-	-
	<b>0.32</b>	<b>62.60</b>	<b>(9.85)</b>	<b>53.07</b>

\*The Company is confident of utilising the MAT Credit balance before the expiry of the statutory time limit i.e. between financial year 2032-33 and 2033-34.



16. Borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Secured bank loans		
Long-term loan	71.26	-
Current maturity of long-term loans	50.00	-
	<u>121.26</u>	<u>-</u>
Less: Amount clubbed under "other financial liabilities" (refer note 16A)	(50.00)	-
	<u>71.26</u>	<u>-</u>
<b>Current</b>		
Secured bank loans		
Cash Credit		
Export Packing credit (USD)	48.51	122.46
	<u>48.51</u>	<u>168.87</u>
	<u>48.51</u>	<u>291.33</u>

1. The Long-term loan including current maturities of Rs. 121.26 (sanctioned amount Rs. 250.00) (March 31, 2020: Rs. Nil) from a bank is secured against all property, plant and equipment purchased by utilising the term loan funds. Further the borrowing is secured by collateral security against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Company. Interest will be charged @2.25% over 1 year MCLR. The loan is repayable in 19 equal quarterly instalment of Rs. 6.38 + Interest commencing from April 2021 payable quarterly. The Company has not fully drawn the loan facility as at March 31, 2021 and accordingly the number of instalments may vary.

2. Cash credit, export packing credit facility (USD) and Short term loan aggregating to Rs. 48.51 (March 31, 2020 : Rs. 291.33) is secured against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Company. Further the borrowing is secured by collateral security on the certain land and building of the Company.

The cash credit facility is repayable on demand and carries interest @ 9.85% p.a. (March 31, 2020 : 10.05% to 12.30% p.a.). The export packing credit in USD carries interest @ 2.5% to 3.95% P.a. (March 31, 2020: 3%) repaid in the month of December 2020.

The reconciliation between the opening and the closing balances for liabilities arising from financing activities (long term borrowings, including current maturities and short term borrowings) is as follows:

	Opening balance	Proceeds / (repayment) (net)	Forex loss / (gain)	Closing balance
<b>For the year ended March 31, 2021</b>				
Short term	291.33	(242.82)	-	48.51
Long term including current maturities	-	121.26	-	121.26
<b>For the year ended March 31, 2020</b>				
Short term	287.31	(4.95)	8.97	291.33
Long term including current maturities	-	-	-	-



## 16A Other financial liabilities

	As at March 31, 2021	As at March, 31 2020
Payable for capital goods	23.10	-
Current maturity of long-term loans (refer note 16)	50.00	-
Dividend payable*	3.34	-
Interest payable	-	2.13
<b>* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.</b>	<b>76.44</b>	<b>2.13</b>

## 17. Trade payable

	As at March 31, 2021	As at March, 31 2020
- dues of micro, small and medium enterprises	5.74	-
- dues of creditors other than micro, small and medium enterprises	341.70	305.55
	<b>347.44</b>	<b>305.55</b>

## Disclosure pertaining to Micro, Small And Medium Enterprises (as per information available with the Company)

	As at March 31, 2021	As at March, 31 2020
Principal amount outstanding as at end of year	5.74	-
Principal amount overdue more than 45 days	0.29	-
Interest due and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
<u>Amount of further interest remaining due and payable in succeeding year</u>	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings - Non current including current maturities	121.26	121.26	-	-
Borrowings - current	48.51	48.51	291.33	291.33
Payable for capital goods	23.10	23.10	-	-
Dividend payable	3.34	3.34	-	-
Interest payable	-	-	-	-
Trade payables	<b>347.44</b>	<b>347.44</b>	<b>305.55</b>	<b>305.55</b>
	<b>543.65</b>	<b>543.65</b>	<b>599.01</b>	<b>599.01</b>

The management assessed that trade payables, current borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of non-current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk

## 18. Other liabilities

	As at March 31, 2021	As at March, 31 2020
<b>Current</b>		
Statutory remittances	22.45	52.22
Contract liability - Advance from customers	369.48	438.68
Others	1.58	1.58
	<b>393.51</b>	<b>492.48</b>



## 19. Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(A) Revenue from contracts with customers</b>		
Sale of products	2,432.29	2,084.50
Sale of service	-	0.08
	<b>2,432.29</b>	<b>2,084.58</b>
<b>(B) Other operating revenue</b>		
- Export benefits	26.62	40.27
- Others	5.41	12.89
	<b>32.03</b>	<b>53.16</b>
<b>(A+B)</b>	<b>2,464.32</b>	<b>2,137.74</b>

## (i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	1,135.12	675.76
Outside India	1,297.17	1,408.82
	<b>2,432.29</b>	<b>2,084.58</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point of time	2,432.29	2,084.50
Service transferred over a period of time	-	0.08
<b>Total</b>	<b>2,432.29</b>	<b>2,084.58</b>

## (ii) Contract balances

	As at March 31, 2021	As at March 31, 2020
Trade receivable	772.78	616.37
Retention money	56.30	13.92
<b>Contract asset</b>		
Unbilled revenue	12.43	12.43
<b>Contract liability</b>		
Advance from customers	369.48	438.68

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Trade receivables and retention money are non-interest bearing. Refer note 9 for details on expected credit loss.

Unbilled revenue are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has to meet requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables.

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss. There is no significant revenue recognised in the current year from performance obligations satisfied in previous years.

(iii) Amounts included in contract liabilities at the beginning of the period recognised as revenue in the current period of Rs. 130.06 (March 31, 2020: Rs. 87.24). Generally the advance from customers are settled over a period of 1 to 3 years.



## 20. Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Foreign exchange gain (net)	-	29.06
Interest on bank deposits	13.10	9.01
Interest on income tax refund	-	0.95
Liabilities no longer required written back	-	4.26
Miscellaneous income	-	0.40
	<b>13.10</b>	<b>43.68</b>

## 21 Cost of materials consumed

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	397.37	204.37
Add: Purchases	1,072.38	1,065.55
Less: Inventory at the end of the year	(452.21)	(397.37)
	<b>1,017.54</b>	<b>872.55</b>

## 22. Changes in inventories of work-in-progress

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	357.22	206.34
Less: Inventory at the end of the year	(573.23)	(357.22)
	<b>(216.01)</b>	<b>(150.88)</b>

## 23. Employee benefits expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	489.01	472.78
Contribution to provident and other funds (refer note 29 (II))	24.28	27.32
Gratuity expense (refer note 29 (I))	10.08	8.22
Staff welfare expenses	7.03	7.94
	<b>530.40</b>	<b>516.26</b>

## 24. Finance costs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expenses		
- Short term borrowings	33.64	14.89
- Long term borrowings	4.91	-
- Others	2.43	4.79
Bank charges	29.03	27.85
	<b>70.01</b>	<b>47.53</b>

## 25. Depreciation and amortisation expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	123.09	119.79
Amortisation on intangible assets	2.48	0.69
	<b>125.57</b>	<b>120.48</b>



## 26. Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sub-contractor charges	76.95	78.60
Production expenses	30.10	31.12
Power and fuel	67.09	72.35
Material testing charges	3.06	3.04
Repairs and maintenance		
- Buildings	15.45	9.17
- Plant and machinery	17.73	22.98
- Others	3.12	3.06
Insurance	7.97	6.39
Rates and taxes	15.84	9.68
Communication	1.34	1.36
Travelling and conveyance	3.00	5.70
Printing and stationary	1.11	1.39
Foreign exchange loss (net)	2.46	-
Freight and forwarding	2.74	4.11
Provision for doubtful receivables and advances	-	14.78
Business promotion	2.63	2.57
Legal and professional charges	20.63	33.32
Security charges	8.17	7.90
Payment to auditors (refer below)	1.85	1.85
Bad debts written off	-	1.82
CSR expenses	7.00	-
Miscellaneous expenses	13.23	8.96
<b>Payment to auditors</b>	<b>301.47</b>	<b>320.15</b>
Statutory audit*	1.85	1.70
Other services	-	0.15
<b>* Net of Rs 14.75 for the year ended March 31, 2021 accrued towards IPO.</b>	<b>1.85</b>	<b>1.85</b>

## Corporate Social Responsibility (CSR)

The gross amount to be spent by the Company on Corporate Social Responsibility (CSR) during the year is Rs. 6.80 (March 31, 2020 - Rs. 2.08). Amount spent by the Company for CSR activities during the year is Rs. 7.00 (March 31, 2020 - Rs. Nil)

## 27. Tax expense

## a) Income tax expense:

The major components of income tax expense

## (i) Profit or loss section

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Current tax	110.25	78.11
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	8.13	42.24
MAT credit utilisation / (entitlement)	68.23	20.36
Actual tax expense accounted in books	<b>186.61</b>	<b>140.71</b>
C. Adjustment of tax relating to earlier periods	1.00	1.44
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>187.61</b>	<b>142.15</b>



## (ii) OCI section

	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax expense to OCI	2.50	9.85

## b) Reconciliation of effective tax rate:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax (A)	648.44	455.33
Enacted tax rate in India (B)	29.12%	29.12%
Expected tax expenses (C = A*B)	188.83	132.59
Tax effect of		
Adjustments for taxes with respect of earlier period	1.00	1.44
Expenses disallowed under Income Tax Act, 1961	1.78	8.87
Others	(4.00)	(0.75)
<b>Total (D)</b>	<b>(1.22)</b>	<b>9.56</b>
Expected tax expenses (C+D)	187.61	142.15
Income tax expenses	187.61	142.15
Effective tax rate	28.93%	31.22%

## 28 Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to equity share holders	460.83	313.18
Weighted average number of equity shares in calculating basic and diluted EPS	27,101,346	28,194,261
Face value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share	17.00	11.11

## 29 Employment benefit plans

## i. Defined benefits plan

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through gratuity scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets gratuity, on retirement / termination, at 15 days last drawn salary for each completed year of service subject to a maximum of Rs. 2.00. The following tables summarise 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 gratuity benefit.

## A) Net employee benefit expense (recognised in employee benefits expense)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	8.04	7.74
Interest cost on defined benefit obligation	9.71	8.05
Interest (Income) on Plan Assets	(7.67)	(7.57)
<b>Net employee benefit expenses</b>	<b>10.08</b>	<b>8.22</b>

## B) Amount recognised in the statement of other comprehensive income (OCI)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements - due to financial assumptions	8.80	19.16
Remeasurements - due to experience adjustments	1.47	0.29
Return on plan assets	(1.70)	8.04
	<b>8.57</b>	<b>27.49</b>



C) Amount recognised in the balance sheet

	As at March 31, 2021	As at March, 31 2020
Defined benefit obligation		
Fair value of plan assets	146.84	140.97
Net defined benefit liability	131.02	103.82
	<u>15.82</u>	<u>37.15</u>

D) Changes in the present value of the defined benefit obligation

	As at March 31, 2021	As at March, 31 2020
Opening defined benefit obligation		
Interest cost	140.97	112.45
Current service cost	9.71	8.05
Net actuarial (losses) / gains on obligations recognised under OCI	8.04	7.74
Benefit Payments from plan assets	7.10	27.20
Closing defined benefit obligation	<u>(18.98)</u>	<u>(14.47)</u>
	<u>146.84</u>	<u>140.97</u>

E) Changes in the fair value of plan assets

	As at March 31, 2021	As at March, 31 2020
Opening fair value of plan assets		
Interest Income	103.82	101.30
Remeasurements - return on assets	7.67	7.57
Contributions by employer	(1.47)	(0.29)
Benefit Payments from plan assets	39.98	9.71
Closing fair value of plan assets	<u>(18.98)</u>	<u>(14.47)</u>
	<u>131.02</u>	<u>103.82</u>

Expected contribution to the gratuity fund during the next year would be Rs. 15.86 (March 31, 2020: Rs. 16.02)

**Investment details of plan assets**

Investment with insurer - Assets under Schemes of Insurance

100.00%

100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2021	As at March, 31 2020
Discount rate		
Rate of increase in compensation	6.89%	6.71%
Employee attrition rate	5.00%	5.00%
Mortality rate	5.00%	5.00%
Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

(ii) Disclosure related to indication of effect of the defined benefit plan on the Company's future cash flow

	As at March 31, 2021	As at March, 31 2020
1 year		
2-5 years	12.27	13.34
6-10 years	68.27	63.32
The weighted average duration of the defined benefit obligation is 10.07 years (March 31, 2020: 9.98 years).		
	77.88	72.91

**(iii) Sensitivity analysis:**

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

	As at March 31, 2021	As at March, 31 2020
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(8.85)	(8.53)
- 1% decrease	9.98	9.59
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	10.85	10.43
- 1% decrease	(9.80)	(9.46)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	1.04	0.88
- 1% decrease	(1.16)	(1.00)



*II. Defined contribution plans*

The Company made Provident Fund and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 24.28 (March 31, 2020: Rs. 27.32) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

*III. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.*

*IV. In respect of Provident fund (PF), there are numerous interpretative issues relating to the Supreme Court (SC) Judgement on PF dated February 28, 2019. As a matter of caution, the Company has made prospective compliance from financial year 2019-20. The Company will update its position, on receiving further clarity on this subject.*

**30** The Company is closely monitoring the impact of COVID-19 pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets and does not foresee any significant material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

**31 Commitments and contingencies**

**a. Commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: INR 209.29 (March 31, 2020: INR 142.73).

**b. Contingent liabilities**

(i) Claims against the Company not acknowledged as debts (excluding interest arrears) is amounting to INR 22.67 for March 31, 2020 (March 31, 2020: INR 21.20)

(ii) The Company has not made certain filings with the Reserve Bank of India (RBI) as per the requirements of applicable foreign exchange related laws. In the current year, the Company made compounding application as part of the process of taking corrective action to comply with the applicable foreign exchange laws. The management of the Company, based on its internal assessment and legal advice, believes that the impact of the above non-compliance will not be material to the standalone financial statements.

**32 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

**Estimates and assumptions**

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

**i. Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Rate of increase in compensation are based on expected future inflation. Further details about gratuity obligations are given in Note 29.



**ii. Taxes**

Deferred tax asset, comprising of Minimum Alternative Tax ("MAT") credit is recognised to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and sufficient taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

**iii. Depreciation of property, plant and equipment and amortization of Intangible assets**

Depreciation of property, plant and equipment and amortization of Intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values as estimated by the management. The management believes that depreciation and amortization rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and Intangible assets.

**33 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets, cash and cash equivalent and balance at bank other than cash and cash equivalent. The Company is exposed to credit risk, market risk and liquidity risk. The Company has a risk management policy and its management is supported by a risk management committee that advises on risk and appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

**A. 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), cash and cash equivalent, balance at bank other than cash and cash equivalent and other financial assets. The Company deals with parties which has good credit rating/worthiness given by external rating agencies or based on Company's internal assessment. The major customers are usually the Government parties and export customers with high credit worthiness.

**Exposure to credit risk**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was (i) INR 841.51 (March 31, 2020: INR 642.72), being the total of the carrying amount of balances with trade receivables (including retention money and unbilled revenue) (ii) cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent, non-current bank balances and interest accrued of INR 1,918.24 (March 31, 2020: INR 241.31) and (iii) other financial assets of INR 69.61 (March 31, 2020: INR 14.19). The measurement of impaired credit for carrying amount of the above financial assets is ascertained using the expected credit loss model (ECL) approach. Credit risk is managed through continuously monitoring the creditworthiness of customers. The Company is considerate of the fact the majority of the collection is receivable from export customers with high credit worthiness or the government companies where there are no significant risk of bad debts. The customers of the Company have a defined period for payment of receivables, hence the Company evaluates the concentration of risk with respect to trade receivables as low. The total amount receivable from top 2 customers is INR 519.03 for March 31, 2021 (INR 430.27 for March 31, 2020).

The cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent, non-current bank balances and interest accrued of INR 1,918.24 (March 31, 2020: INR 241.31) are held with banks having good credit rating.

**B. Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

	Within 1 year	1 to 5 years	After 5 years	Total
<b>March 31, 2021</b>				
Borrowings	98.51	71.26	-	169.77
Trade payables	347.44	-	-	347.44
Other financial liability	26.44	-	-	26.44
	<b>472.39</b>	<b>71.26</b>	<b>-</b>	<b>543.65</b>
<b>March 31, 2020</b>				
Borrowings	291.33	-	-	291.33
Trade payables	305.55	-	-	305.55
Other financial liability	2.13	-	-	2.13
	<b>599.01</b>	<b>-</b>	<b>-</b>	<b>599.01</b>

The cash credit facility amounting INR. 48.51 (March 31, 2020: INR 122.46) is repayable on demand has been disclosed as within 1 year for the purpose of disclosure of liquidity risk of the Company.



**C. 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 two types of risk: interest rate risk and foreign currency risk. The sensitivity analysis has been included in the below disclosures.

**Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss. The risks primarily relate to fluctuations in US Dollar (USD) as against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

**a. The year end unhedged foreign currency exposures is as under:**

Particulars	Currency	Amount in Foreign Currency	Exchange rate	Amount in Rs.
<b>Trade receivables</b>				
March 31, 2021	USD	7.19	73.50	528.57
March 31, 2020	USD	5.08	75.39	382.65
<b>Cash and cash equivalents</b>				
March 31, 2021	USD	0.27	73.50	19.73
March 31, 2020	USD	0.00	75.39	0.04
<b>Export packing credit</b>				
March 31, 2021	USD	-	73.50	-
March 31, 2020	USD	2.24	75.39	168.87
<b>Trade payables</b>				
March 31, 2021	USD	2.95	73.50	216.22
March 31, 2020	USD	1.15	75.39	86.41

**b. Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase / (decrease)	
March 31, 2021	1%	1%	3.32	
March 31, 2020	1%	1%	1.27	(1.27)

**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 is exposed to interest rate risk because certain funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points (1%) higher / lower and all other variables were held constant, the Company's profit for the year end ended March 31, 2021 would decrease / increase by INR 5.04 (March 31, 2020: INR 1.82).



**34 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and 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 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio to an acceptable level. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents excluding balance with monitoring agency account.

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 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 borrowing in the current year.

	As at March 31, 2021	As at March, 31 2020
Borrowings	169.77	291.33
Less: Cash and cash equivalents excluding balance with monitoring agency account	(191.28)	(135.44)
Net debt (A)	(21.51)	155.89
Equity (B)	4,767.57	2,250.77
Equity and net debt (C) = (A) + (B)	4,746.06	2,406.66
Gearing ratio (A) / (C)	-0.45%	6.48%

**35 Related party disclosures****Names of related parties and description of relationship****(a) Subsidiary company**

Magnatar Aero Systems Private Limited (Incorporated on November 04, 2019)

**(b) Key managerial personnel**

Parvat Srinivas Reddy, Managing Director (Managing director w.e.f September 01, 2020)  
 Vamsidhar Reddy Kalle, Director (Director upto December 14, 2020)  
 Mathew Cyriac, Director  
 Venkatasatishkumar Reddy Gangapatnam, Director  
 A. Praveen Kumar Reddy (appointed as additional director w.e.f December 14, 2020)  
 P. Jayaprakash Reddy, Director (Director upto April 10, 2020)  
 K. Satyanarayana Reddy, Director (Director upto May 07, 2020)  
 P. Kalpana Reddy (Director upto August 18, 2020)  
 Dr. C. Sukeesh Kumar Reddy (Director upto August 25, 2020)  
 M. Anushman Reddy, Director (Director upto October 19, 2020)  
 P. Simhadri Reddy (Director upto October 19, 2020)  
 Rohith Loka Reddy (Director upto October 19, 2020)  
 Nambi Iyengar Rangachary (Director upto October 23, 2019)  
 Devesh Dhar Dwivedi, Chief operating officer (Chief financial officer upto August 31, 2020)  
 Abhaya Shankar, Chief executing officer (Resigned w.e.f May 10, 2020)  
 Sudipto Bhattacharya, Chief financial officer (Chief financial officer w.e.f September 01, 2020)  
 Shubham Sunil Bagadia, Company secretary (appointed on October 20, 2020)

**(c) Relatives of key management personnel**

A. Pranay Kumar Reddy  
 K. Shalini

**(d) Independent / Non-Executive Directors appointed on December 05, 2020**

Padmashri Nagarajan Vedachalam

B V R Subbu

A. Krishna Kumar

Ameeta Chatterjee

U C Muktibodh

V.G. Sekaran



**Transactions and balances with related parties\***

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Transactions with related parties</b>		
<b>Remuneration*</b>		
M. Anushman Reddy	2.57	2.15
Parvat Srinivas Reddy	8.50	-
Devesh Dhar Dwivedi	5.74	2.51
Abhaya Shankar	0.41	7.39
A. Praveen Kumar Reddy	1.29	1.20
A. Pranay Kumar Reddy	1.57	1.52
Shubham Sunil Bagadia	0.24	-
Sudipto Bhattacharya	2.92	-
<b>Professional charges</b>		
P. Jayaprakash Reddy	-	6.64
K. Satyanarayana Reddy	-	4.80
Parvat Srinivas Reddy	2.25	8.00
<b>Sitting fees</b>		
Dr. C. Sukeh Kumar Reddy	0.01	0.03
Venkatasatishkumar Reddy Gangapatnam	0.39	0.04
Vamshidhar Reddy Kallem	0.01	0.03
M. Anushman Reddy	0.01	0.04
P. Simhadri Reddy	0.01	0.03
Parvat Srinivas Reddy	0.01	0.04
Rohith Loka Reddy	0.01	0.03
P. Kalpana Reddy	0.01	0.04
A. Praveen Kumar Reddy	0.38	-
P. Jayaprakash Reddy	-	0.03
Mathew Cyriac	0.47	0.03
Padmashri Nagarajan Vedachalam	0.42	-
B V R Subbu	0.34	-
A. Krishna Kumar	0.54	-
Ameeta Chatterjee	0.50	-
U C Muktibodh	0.50	-
V.G. Sekaran	0.50	-
<b>Rent expense</b>		
K. Shalini	0.10	-
<b>Buy back of equity shares</b>		
P. Jayaprakash Reddy (number)	-	1,454,541
<b>Reimbursable expenditure incurred</b>		
Magnatar Aero Systems Private Limited	0.16	0.03
<b>B. Balances receivable</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Magnatar Aero Systems Private Limited (reimbursable advance)	0.16	0.03

\*As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the individual is not ascertainable and, therefore, not included above.

\*The above transactions do not include IPO related expenses and its recoverable balances, incurred on behalf of related parties as selling shareholders in Offer for Sale. Refer note 38 of the standalone financial statements for details IPO expenses incurred by the Company and allocated to selling shareholders.

**36 Fair values**

There are no significant financial assets and liabilities measured at fair value through profit or loss.

The fair value of the financial assets and liabilities measured at amortised cost approximates their carrying amounts as at the balance sheet date. (refer Breakup of financial assets carried at fair value through profit or loss and Breakup of financial liabilities carried at amortised cost)



**37 Segment reporting**

The chief operating officer/ chief executive officer of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and heavy equipment, components, machines have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

**(a) Revenue from contracts with customers**

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	1,135.12	675.76
Outside India	1,297.17	1,408.82
<b>Total</b>	<b>2,432.29</b>	<b>2,084.58</b>

(b) The Company has entire non-current assets within India. Hence, separate figures have not been furnished.

**(c) Customer contributing more than 10% of revenue**

	No of customers	Amount
For the year ended March 31, 2021	2	1,704.93
For the year ended March 31, 2020	2	1,573.44

**38 Issue of shares****(i) Issue of shares via Initial Public Offering (IPO)**

The Company has completed the Initial Public Offering (IPO) of 10,372,419 equity shares of face value of INR 10 each for cash at a price of INR 575 per equity share aggregating to INR 5,964.14 comprising a fresh issue of 2,148,149 equity shares aggregating to INR 1,235.19 and on offer for sale of 8,224,270 equity shares aggregating to INR 4,728.95. Pursuant to the IPO, the equity shares of the Company got listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on March 15, 2021.

The total IPO expenses incurred INR 379.30 (on provisional basis) (inclusive of taxes) have been proportionately allocated between the selling shareholder and the Company. The Company's share of expenses (net of tax of INR 8.36), INR 66.53 has been adjusted against securities premium.

**(ii) Issue of shares via Private placement**

The Company has made allotment through preferential basis by making a pre-IPO placement of 1,851,851 equity shares of face value of INR 10 each for cash at a price of INR 540 per equity share aggregating to INR 1,000.00. The Company has incurred INR 26.34 as share issue expenses (net of tax of INR 4.73) which has been adjusted against securities premium.

**(iii) Utilisation of proceeds from IPO and pre-IPO placement**

The details of utilization of proceeds from IPO and pre-IPO placement, net of IPO expenses of INR 105.96 (gross of tax) are as follows:

Particulars	Amount	Utilised upto March 31, 2021	Un-utilised upto March 31, 2021
Repayment / prepayment in full or in part of borrowings availed by the Company	630.00	586.87	43.13
Funding for working capital requirements	950.00	-	950.00
General corporate purposes	549.23	-	549.23
<b>Total utilised / un-utilised funds</b>	<b>2129.23*</b>	<b>586.87</b>	<b>1542.36*</b>
IPO Proceeds which were unutilised as at March 31, 2021 are temporarily invested in Deposits with monitoring agency amounting to INR 1,540.23			

\* Includes balance of INR 2.13 in IPO Escrow Account.



**39 Subsequent events**

No significant subsequent events have been observed till June 02, 2021 which may require any additional disclosure or an adjustment to the standalone financial statements.

**As per our report of even date**

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered accountants

ICAI Firm registration number: 101049W / E300004

*Namat Rai*  
per Navneet Rai Kabra  
Partner  
Membership no: 102328



For and on behalf of the Board of Directors of  
MTAR Technologies Limited (formerly known as  
MTAR Technologies Private Limited)

*Parvat Srinivas Reddy*  
Parvat Srinivas Reddy  
Managing Director  
DIN: 00359139

*Sudipto Bhattacharya*  
Sudipto Bhattacharya  
Chief Financial Officer

*Venkatasatishkumar Reddy Gangapatnam*  
Venkatasatishkumar Reddy Gangapatnam  
Director  
DIN: 06535717

*Shubham Sunil Bagadia*  
Shubham Sunil Bagadia  
Company Secretary  
Membership no: ACS-55748

Place: Hyderabad  
Date: June 02, 2021

Place: Hyderabad  
Date: June 02, 2021

