ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Shivalik Engineered Products Private Limited
(Formerly known as **Checon Shivalik Contact Solutions Private Limited)**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Shivalik Engineered Products Private Limited** (Formerly known as **Checon Shivalik Contact Solutions Private Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow, the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of material accounting policies and other explanatory information. (hereinafter referred as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2024, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include

PARTNER
M.No. 514828

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

the financial statements and our auditor's report thereon. The aforesaid report is expected to be made available to us after the date of Auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income) , changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements,board of directors are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of Financial Statements

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

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further to our report as referred in paragraph above, we report that, as required by section 143(3) of the Act :

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

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

c. The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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

e. On the basis of written representations received from the directors as on 31st March, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the matter to be included in the Auditors' Report under Section 197 of the Act, in our opinion and according to the information and explanations given to us, the company has paid remuneration in excess of the limit prescribed by section 197 which is subject to Authorization at general meeting.

ARORA GUPTA & CO.
PARTNER
M.No.514828
Chartered Accountants

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

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

i. the Company has no pending litigations which would impact the financial position of the company;

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 are required to be transferred to the Investor education and protection fund by the company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

v. The Company has not declared or paid dividend during the year.

vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares.

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No:- 021313C

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

Amit Arora
Partner
Membership No. 514828
ICAI UDIN No. 24514828BKEGIQ6777

Place: New Delhi
Dated: 22/05/2024

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

Annexure- A to the Independent Auditor's Report

The Annexure referred to in Independent Auditors Report of even date to the members of the Company on the Ind AS financial statements for the year ended 31st March 2024, we report that:

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

(i)a. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a program of physical verification of Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Property, Plant and Equipment have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. The title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a. Physical verification of inventory has been conducted at reasonable intervals by the management and no Material discrepancies were noticed on such verification.
In our Opinion, the coverage and procedure of such verification by the management is appropriate.

b. The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks on the basis of security of current assets and on the basis of our examination and according to the information and explanation given, monthly/

ARORA GUPTA & CO. PARTNER M.No/514828 Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
W: www.aroragupta.in

quarterly returns or statements filed by the company with such banks are in agreement with the books of account.

(iii)a. The Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other party, hence reporting requirements under clause 3(iii) are not applicable to the company.

b. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

c. The Company has not taken or given any loans and advances in the nature of loans accordingly the reporting requirements under clause 3(iii) (c) is not applicable to the company.

d. The reporting requirements under clause 3(iii) (d) are not applicable to the company.

e. The company has not granted any loans or advances in the nature of loans accordingly reporting requirements under clause 3(iii) (e) is not applicable to the company.

f. The company has not granted any loans or advances in the nature of loans accordingly reporting requirements under clause 3(iii) (f) is not applicable to the company.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

a. The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c. The company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d. On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)
a. The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c. The company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d. On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

with the Central Government, during the year and upto the date of this report.

(c) There are Nil whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards

(xiv) Internal audit system is not mandated as per Section 138 of the Act accordingly reporting requirements under clause 3 (xiv) (a) & (b) are not applicable to the company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(b) In our Opinion, there is no Core Investment Company within the group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is also not applicable

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of

ARORA GUPTA & CO.
PARTNER
M.No.
Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a. In Our opinion, provisions contained in second proviso to sub-section (5) of section 135 of Companies Act 2013, as amended are not applicable to the company accordingly there are no reporting requirements under clause 3(xx) (a)of the order.

b. The reporting requirements under clause 3(xx) (b) are not applicable to the company.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No:- 021313C

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

Amit Arora
Partner
Membership No. 514828
ICAI UDIN No. 24514828BKEGIQ6777

Place: New Delhi
Dated: 22/05/2024

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
w: www.aroragupta.in

Annexure- B to the Independent Auditor's Report

(Referred to paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Shivalik Engineered Products Private Limited (Formerly known as **Checon Shivalik Contact Solutions Private Limited) of even date)**

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 over financial reporting of **Shivalik Engineered Products Private Limited** (Formerly known as **Checon Shivalik Contact Solutions Private Limited)** ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

procedures selected depend on the auditor's judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

ARORA GUPTA & Co.
CHARTERED ACCOUNTANTS

Office at :1035, Deva Ram Park, Tri Nagar, New Delhi 110035
M: +91 9012474456
aroragupta.ca@gmail.com
W: www.aroragupta.in

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No:- 021313C

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

Amit Arora
Partner
Membership No. 514828
ICAI UDIN No. 24514828BKEGIQ6777

Place: New Delhi
Dated: 22/05/2024

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

CIN .U31909DL2005PTC143154

(₹ in '000)

BALANCE SHEET	Notes	As at 31st March 2024	As at 31st March 2023
I. ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	67,420	61,913
(b) Capital Work-in-Progress	3	75,232	37,246
(c) Right of Use Assets	3	2,017	3,069
(d) Intangible Assets	3	57	73
(e) Other Financial Assets	4	214	214
(f) Other Non Current Assets	5	565	155
Total Non Current Assets		**1,45,505**	**1,02,670**
Current assets			
(a) Inventories	6	1,14,316	96,397
(b) Financial Assets			
(i) Trade receivables	7	1,32,186	1,32,380
(ii)Cash and cash equivalents	8	7,576	5,312
(iii) Others Financial Assets	9	1,178	1,106
(c) Current Tax Assets (Net)	10	1,549	702
(d) Other current assets	11	1,172	1,674
Total Current Assets		**2,57,977**	**2,37,571**
TOTAL ASSETS		**4,03,482**	**3,40,241**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	34,218	34,218
(b) Other Equity	13	1,65,621	1,45,401
Total Equity		**1,99,839**	**1,79,619**
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	41,624	13,017
(ii) Lease Liabilities	15	1,078	2,135
(b) Provisions	16	1,604	1,379
(c) Deferred tax liabilities (Net)	17	3,217	4,065
Total Non-Current Liabilities		**47,523**	**20,596**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	68,109	44,077
(ii) Lease Liabilities	19	1,058	947
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	20	2,690	14,224
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	65,757	67,027
(iv) Other Financial Liabilities	21	7,754	5,878
(b) Other current liabilities	22	9,481	7,030
(c) Provisions	23	1,271	843
Total Current Liabilities		**1,56,120**	**1,40,026**
TOTAL EQUITY AND LIABILITIES		**4,03,482**	**3,40,241**
III. The accompanying notes form an integral part of the financial statements.	1 to 40		

As per our report of even date

For Arora Gupta & Co.

Chartered Accountants

Firm Registration No: 021313C

Amit Arora

Partner

M. No: .514828

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

For and on Behalf of the Board

Sumer Ghumman
(Managing Director)
00705941

Kanav Anand
(Director)
01924436

Lalit Mohan
(General Manager)

Place : New Delhi

Date : May 22, 2024

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

CIN .U31909DL2005PTC143154

(₹ in '000, except per share data)

	Statement of Profit & Loss for the	Notes	Year Ended 31st March 2024	Year Ended 31st March 2023
I	Revenue from operations	24	5,95,386	5,01,179
II	Other income	25	2,956	89
III	**Total Revenue (I + II)**		**5,98,342**	**5,01,268**
IV	**Expenses**			
	(a) Cost of materials consumed	26	4,98,716	3,87,129
	(b) Changes in Inventories of Finished Goods and Work-In-Progress	27	(16,109)	4,810
	(c) Employee benefits expense	28	42,787	38,913
	(d) Finance costs	29	5,624	3,964
	(e) Manufacturing & Other expenses	30	32,434	32,471
	(f) Depreciation & Amortisation	3	8,198	7,991
	Total expenses		**5,71,650**	**4,75,278**
V	**Profit before Exceptional items and tax (III-IV)**		**26,692**	**25,990**
VI	Exceptional items (Income)/Expenses		-	-
VII	**Profit before tax (V - VI)**		**26,692**	**25,990**
VIII	**Tax expense**			
	(a) Current tax		7,439	8,001
	(b) Mat Credit related to previous years		-	(105)
	(c) Current tax related to previous years		(197)	-
	(d) Deferred tax Assets (Income)/Expenses		(847)	(214)
	Total Tax expense		**6,395**	**7,682**
IX	**Profit for the years (VII-VIII)**		**20,297**	**18,308**
X	**Other Comprehensive Income**			
	i. Items that will not be reclassified to Statement of Profit and Loss			
	- Remeasurement of defined benefit obligation		(106)	(5)
	- Income tax on above		29	1
	Other Comprehensive Income (net of tax)		(77)	(4)
XI	**Total Comprehensive Income for the Period (IX+X)**		**20,220**	**18,304**
XII	**Earnings per equity share**			
	(a) Basic & Diluted (₹)	32	5.93	5.35
XIII				
	The accompanying notes form an integral part of the financial statements.	1 to 40		

As per our report of even date
For Arora Gupta & Co.
Chartered Accountants
Firm Registration No: 021313C

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

Amit Arora
Partner
M. No: .514828

Place : New Delhi
Date : May 22, 2024

For and on Behalf of the Board

Sumer Ghumman
(Managing Director)
00705941

Kanav Anand
(Director)
01924436

Lalit Mohan
(General Manager)

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

CIN .U31909DL2005PTC143154

(₹ in '000)

Cash Flow Statement for the	Year Ended 31st March 2024	Year Ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	**26,692**	**25,990**
Adjustments for:		
Depreciation and amortisation expense	8,198	7,991
Finance Cost	5,624	3,964
Interest Income	(2)	(2)
Loss Allowance for doubtful receivables	116	37
Unrealised foreign exchange loss/(gain) on borrowings	(57)	(128)
(Profit)/Loss on disposal of Property, Plant and Equipment	(75)	113
Operating Profit before Working Capital changes	**40,496**	**37,966**
Adjustment for :		
Trade and other receivables	79	(11,176)
Inventories	(17,918)	1,741
Trade Payables	(12,804)	19,237
Other Financial Assets	(828)	1,713
Other Liabilities	4,328	3,204
Provisions	547	679
Cash generated from operations	**13,899**	**53,364**
Income Tax Paid	(7,213)	(7,895)
Net Cash flow from operating Activities (A)	**6,686**	**45,469**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Property, Plant and Equipment & Intangible assets including CWIP	(51,876)	(47,142)
Proceeds from Sale of Property Plant and Equipment	1,328	263
Interest Received	2	2
Net cash (used in)/ from investing activities (B)	**(50,547)**	**(46,877)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of long term Borrowings*	48,247	-
Repayment of long term Borrowings*	(1,592)	-
Proceeds/ (Repayment) from short term Borrowings (net)*	6,040	(2,587)
Interest Paid	(5,624)	(3,964)
Principal payment of lease liability	(947)	(1,012)
Net Cash (used in) from financing activities (C)	**46,124**	**(7,563)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,264**	**(8,971)**
Cash and Cash equivalents as on 1st April, 2023 (Opening Balance)	5,312	14,283
Cash and Cash equivalents as on 31st March, 2024 (Closing Balance)	7,576	5,312
	-	-

The accompanying notes form an integral part of the financial statements. 1 to 40

As per our report of even date
For Arora Gupta & Co.
Chartered Accountants
Firm Registration No: 021313C

Amit Arora
Partner
M. No: .514828

ARORA GUPTA & CO. PARTNER M.No.-514828 Chartered Accountants

Place : New Delhi
Date : May 22, 2024

For and on Behalf of the Board

Sumer Chamman
(Managing Director)
00705941

Kanav Anand
(Director)
01924436

Lalit Mohan
(General Manager)

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)
CIN .U31909DL2005PTC143154

Statement of Changes in Equity

A. Equity Share Capital

(₹ in '000)

Balance as at 1st April, 2022	Movement During the Year	As at 31st March 2023	Movement During the Year	As at 31st March 2024
34,218	-	34,218	-	34,218

B. Other Equity

Particulars	Retained Earnings	Total
Balance as at 1st April, 2022	1,27,097	1,27,097
Profit for the year	18,308	18,308
Other Comprehensive income for the year (net of tax)	(4)	(4)
As at 31st March 2023	1,45,401	1,45,401
Profit for the year	20,297	20,297
Other Comprehensive income for the year (net of tax)	(77)	(77)
As at 31st March 2024	1,65,621	1,65,621

The accompanying notes form an integral part of the financial statements. 1 to 40

As per our report of even date
For Arora Gupta & Co.
Chartered Accountants
Firm Registration No: 021313C

Amit Arora
Partner
M. No: .514828

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

For and on Behalf of the Board

Sumer Chunman
(Managing Director)
00705941

Kanav Anand
(Director)
01924436

Lalit Mohan
(General Manager)

Place : New Delhi
Date : May 22, 2024

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

Notes Forming part of Financial Statements for the year ended 31st March, 2024

1. COMPANY'S OVERVIEW

Shivalik Engineered Products Private Limited (formerly known as Checon Shivalik Contact Solutions Private Limited) is engaged in the business of manufacturing & sales of various types of Electrical Contacts at its manufacturing facilities situated in Kandaghat, Distt. Solan, Himachal Pradesh. Electrical contacts have various applications for switchgears and circuit protection industry.

2. Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting standards ('Ind AS'), notified under Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind ASs").

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company in the preparation of its financial statements are listed below.

3.1 Basis of Preparation of Financial Statements

These financial statements are prepared, under the historical cost convention on the accrual basis except for certain financial instruments and defined benefit plans, which are measured at fair values or amortised cost at the end of each period.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The company presents assets and liabilities in the balance sheet based on current/ non-current classification as per Company's normal operating cycle.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Current liabilities include the current portion of non-current financial liabilities.

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

All other liabilities are classified as non-current.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements are presented in Indian rupee (₹) and all values are rounded to the nearest thousand, except if otherwise stated.

3.2 **Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balance of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.
Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Accounting estimates could change from period to period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Company uses primarily following accounting estimates and judgements in preparation of its Financial Statements

a) **Useful Life of Property Plant and Equipment**
The Company reviews the estimated useful life and residual value of Property, Plant and Equipment at the end of each reporting period.
This reassessment may result in change in depreciation expense in future periods.

b) **Employee Benefits**
The accounting of employee benefit plan in the nature of defined benefits, requires the Company to use key actuarial assumptions. These assumptions have been explained under employee benefits note no. 3.7.

c) **Leases**
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create

PARTNER
M.No. 514828
Chartered Accountants

an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

d) **Provisions and Contingent Liabilities**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assests'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timings of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

e) **Revenue**

The Company assesses the products /services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

The Company exercises judgement in determining whether the performance obligation is satisfied at a appoint in time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

3.3 **Revenue Recognition**

Revenue from sale of products/goods & services is recognized upon satisfaction of the performance obligation by transferring the control of promised products or provision of services to a customer in an amount that reflects the consideration which a company expects to receive in exchange for those products or services.

'Revenue is recognized net of returns and is measured based on the transaction price, which is the consideration, adjusted for trade discounts, incentives etc agreed as a term of contract. Revenue also excludes taxes collected from customers.

ARORA GUPTA & CO.
PARTNER
M.No.
Chartered Accountants

Income from Interest is recognized using Effective Interest rate method. Dividend income from investments is recognized when the shareholder's right to receive payment has been established. Rental Incomes are recognized on periodic basis.

Export Incentive Entitlements are recognized as Income when right to receive credit as per the terms of the scheme is established in respect of eligible exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance claim are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

All other incomes are accounted on accrual basis.

3.4 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The transactions in the currencies other than the entity's functional currency (foreign currency's) are accounted for at the exchange rate prevailing on the transaction's date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at closing rates of exchange at the reporting date and the resultant difference is charged/ credited in Statement of Profit & Loss account.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated on reporting date.

3.5 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use.

ARORA GUPTA & CO. PARTNER M.NO. 514828 Chartered Accountants

All other Borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.

3.6 **Government Grant and Assistance**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a systematic basis over the expected lives of the related assets and presented within other income.

3.7 **Employees' Benefits**

Defined Contribution Plans:

The Company has contributed to State Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized as expense during the period in which employees have rendered the service entitling them to the contributions.

Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the Actuarial Valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC).

The gains or losses are charged to Statement Profit and Loss Account.
Liability in respect of compensated absence is provided based on Actuarial Valuation using the projected unit credit method.

Compensation to employees, who opt for retirement under the Voluntary Retirement Scheme of the company, is charged to the Statement of Profit & Loss in the year of exercise of option by the employee.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

ARORA GUPTA & CO.
PARTNER
Chartered Accountants

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus etc. are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.8 **Taxes on Income**

Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act 1961.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the company has a legally enforceable right and also intends to settle the asset and liability on a net basis.

Deferred Tax

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxation authority.

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

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

3.9 **Property, Plant and Equipment and Capital Work-In-Progress**

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts, if any and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing cost attributable to the Qualifying Asset in compliance with IND AS 23.

Expenditure incurred after the Property, Plant and Equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, Plant and Equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any. Freehold lands are stated at cost.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

'Capital work-in-progress represents the cost of Property, Plant and Equipment that are not yet ready for their intended use at the reporting date.

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

'The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

'Cost of in-house assembled/fabricated Property, Plant & Equipment comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.

Depreciation on Property, Plant & Equipment is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows: -

i) Plant & Machinery*	15-30 Years
ii) Dies & Tools	2 Years
iii) Assets costing below Rs. 5,000/-	1 Year
iv) Temporary Building Shed	3 Years
v) Machinery Spares	2-10 Years
vi) Leasehold Land	Lease term

* For certain Plant & Machineries where the useful life of assets is different from those prescribed under Part C of Schedule II of Companies Act 2013, an internal assessment & Independent technical evaluation has been carried out by external Chartered Engineer. The management believes that the useful lives as given above, best represents the period over which Company expects to use these assets.

3.10 Intangible Assets

Intangible assets are initially recorded at consideration paid for acquisition of such assets and are subsequently carried at cost less accumulated depreciation or amortization and accumulated impairment loss, if any. Amortization is recognized on a straight-line basis over their estimated useful lives.

Estimated useful life of Intangible Assets as follows:

i) Software	3-6 Years

3.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.
Cost of Inventories are determined as follows;
--- Raw materials and Stores & Spares are valued at costs on "First in First Out" basis.

ARORA GUPTA & CO.
PARTNER
M.No.514828
Chartered Accountants

---WIP/Semi-finished goods are valued at weighted average costs of the raw materials plus related cost of conversion including appropriate overheads;

---Finished goods are valued at cost or net realizable value, whichever is lower.

---Scrap is valued at cost or net realizable value whichever is less.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised, any write-down of inventory to net realisable value (NRV) is recognised as expense in the period when write down occurs and reversed in which the reversal occures. Raw Material and other supplies held for use in the production of finished products are not written down below cost , except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value . The comparison of cost and net realisable value is made on item by item basis

3.12 Impairment of non-financial assets

'The Carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication to the effect that the recoverable amount of the Asset/ CGU (Cash Generating Unit) is less than it carrying amount, the difference is treated as "Impairment Loss". The recoverable amount is greater of the asset's net selling price less cost to sell and value in use.

'Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired, the impairment loss is recognized in the Statement of Profit and Loss account.

3.13 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) the contract involves the use of an identified asset
ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
iii) the Company has the right to direct the use of the asset.

Company as Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-Use Assets (ROU)

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease Liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Financial Statements and lease payments have been classified as financing cash flows.

Company as Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Short Term Leases are Leases for Low Value Assets

ARORA GUPTA & CO.
PARTNER
M.No-514828
Chartered Accountants

The Companies apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term 12 months and less from the commencement date and do not contain a purchase options).
It also applies the leave of low-value assets recognition exemption to leases that are considered of low values. Leases payments on such leases are recognised as expense on straight line basis over the lease term.

3.14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.15 Cash Flow Statements

Statement of Cash flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

3.16 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

A. Initial Recognition and Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

B. Subsequent Measurement

a) Financial assets carried at amortized cost (AC)
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI).

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

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

c) **Financial assets at fair value through profit or loss (FVTPL)**
A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes equity investment in other than Joint Ventures and Associates.

C. **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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

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

Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rate are reviewed and changes in the forward-looking estimates are analysed.

Financial Liabilities

A. **Initial Recognition and Measurement**
All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

B. **Subsequent Measurement**
Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange

PARTNER
M.No. 514828
Chartered Accountants

forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

C. **Derecognition of Financial Instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The carrying value and fair value of financial instruments by categories as at the year ended are disclosed at Note No. 42.

3.17 Earnings Per share

(i) Basic Earnings Per Share.

Basic Earnings per Share is computed by dividing:

a. net profit or loss for the period attributable to equity shareholders
b. by the weighted average number of Equity Shares outstanding during the period

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

a. the after-income tax effect of interest and other financing costs associated with dilutive potential equity and:
b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.18 Provision and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

a. the company has a present obligation as a result of past event,
b. a probable outflow of resources is expected to settle the obligation; and
c. the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

ARORA GUPTA & CO. PARTNER M.No.514828 Chartered Accountants

ii. a present obligation arising from past events, when no reliable estimate is possible; and

iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

3.19 Recent accounting pronouncements

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

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

Notes on Financial Statements

3. Property, Plant & Equipment

(₹ in '000)

Particulars	Leasehold Land	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total	Intangible Assets	Right of Use Assets
Cost/Deemed Cost								
As at 1st April 2022	6,524	93,257	3,291	5,372	2,906	1,11,350	36	2,749
Additions	4,835	6,832	675	-	704	13,046	81	3,157
Disposals	-	-	-	828	188	1,016	-	-
As at 31st March 2023	11,359	1,00,089	3,966	4,544	3,422	1,23,380	117	5,906
Additions	-	4,616	20	8,873	381	13,890	-	-
Disposals		-	-	4,033	142	4,175	-	-
As at 31st March 2024	11,359	1,04,705	3,986	9,384	3,661	1,33,095	117	5,906
Accumulated depreciation								
As at 1st April 2022	48	47,111	2,765	2,709	2,419	55,052	36	1,909
Depreciation charged for the year	78	6,126	118	464	269	7,055	8	928
Less:- Depreciation on disposals	-	-	-	452	188	640		
As at 31st March 2023	126	53,237	2,883	2,721	2,500	61,467	44	2,837
Depreciation charged for the year	122	5,784	132	745	346	7,130	16	1,052
Less:- Depreciation on disposals	-	-	-	2,781	142	2,922	-	-
As at 31st March 2024	248	59,021	3,015	685	2,704	65,675	60	3,889
Net block								
As at 31st March 2024	11,111	45,684	971	8,699	957	67,420	57	2,017
As at 31st March 2023	11,233	46,853	1,083	1,823	922	61,913	73	3,069

3.1 Property, plant and equipment is hypothecated against borrowings (refer note no.18)

3.2 Capital Work -in- Progress ageing schedule for the year ended March 31,2024 and March 31,2023 is as follows

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Balance	37,246	3,232
Additions during the year	42,160	34,475
Capitalised during the year	4,174	461
Closing Balance	75,232	37,246

Particular	Amount in CWIP for a period of				Total
	Less then 1 years	1-2 years	2-3 years	More than 3 years	
Capital Work -in- Progress	37,987 (34,475)	34,475 (2,771)	2,771	-	75,232 (37,246)

(previous year figures are in bracket)

* Includes Borrowing Cost transferred during the year aggregated to ₹3,275 thousand (Previous Year: ₹1,373 thousand) refer note no.29

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

Notes on Financial Statements

4. Other Financial Assets

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
		(₹ in 000)
Security Deposits		
Government Undertakings / Authorities at Cost	84	84
Government Undertakings / Authorities at Fair Value	100	100
Others	30	30
	214	**214**

5. Other Non Current Assets

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
		(₹ in 000)
Prepaid Expenses	77	90
Capital Advances	488	65
	565	**155**

6. Inventories

(Refer note no 2.16 for basis of valuation)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
		(₹ in 000)
Raw Materials	54,361	52,844
Work-in-Progress	45,149	32,227
Finished goods	11,740	8,701
Stores, Spares and Packing Material	2,517	2,226
Scrap	549	399
	1,14,316	**96,397**
Material in Transit (included in Inventories, above)		
i) Raw Material	14,862	20,153
ii) Stores, Spares and Packing Material	3	-
	14,865	**20,153**

7. Trade Receivables

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
		(₹ in 000)
Secured, Considered Good*	-	2,333
Unsecured, Considered Good		
Related Party	-	-
Others	1,32,186	1,30,047
Unsecured, Considered Doubtful	87	143
Less: Allowances for Credit Losses**	(87)	(143)
	1,32,186	**1,32,380**

Trade receivable ageing schedule as at 31st March 2024

(₹ in 000)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,05,852 (1,13,004)	26,278 (19,345)	56 (31)	-	-	-	1,32,186 (1,32,380)
(ii) Undisputed Trade Receivables – considered doubtful	87 (143)	-	-	-	-	-	87 (143)
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

Figures in ( ) indicates previous year figures

* Secured by Letter of credit

**In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the legal action initated.

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

Notes on Financial Statements

(i) Movements in allowance of credit losses of receivables;

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Balance at the beginning of the Year	143	165
Charged/(Reverse) in statement of Profit and Loss and in Statement of Profit and Loss	30	8
Utilised during the Year*	(86)	(30)
Balance at the end of the Year	87	143

*During the year, the Company has written off Irrecoverable Trade Receivables aggregating to ₹ 86 thousands (Previous Year ₹30 thousands).

8. Cash and Cash Equivalents

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Balances with banks in		
- Current Accounts	7,516	5,255
- Fixed Deposit (including interest accrued)	28	27
Cash on hand	32	30
	7,576	5,312

There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods.

9. Others Financial Assets

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Advances to Employees	78	6
Custom Duty Receivable*	1,100	1,100
	1,178	1,106

* Reported amount deposited by the Company, against demand raised as such considered refundable.

10. Current Tax Assets

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Income Tax Refundable	1,549	702
	1,549	702

11. Other Current Assets

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Unamortised cost of Tool	103	335
Prepaid Expenses	979	1,060
Balances with Revenue authorities	19	20
Advances to suppliers	46	62
Others	25	197
	1,172	1,674

12. Equity Share Capital

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Authorised Share Capital:		
Equity Shares of ₹ 10/- each	1,00,000	1,00,000
(No . Of Shares)	*(1,00,00,000)*	*(1,00,00,000)*
Issued Subscribed and Paid Up:		
Equity Shares of ₹ 10/- each fully paid up	34,218	34,218
(No . Of Shares)	*(34,21,800)*	*(34,21,800)*
Total	34,218	34,218

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

Notes on Financial Statements

12.1 Reconciliation of Number of Shares

Particulars	Number of Shares	Amount
Balance as at 1st April, 2022	34,21,800	3,42,18,000
Shares Issued during the year	-	-
As at 31st March 2023	34,21,800	3,42,18,000
Shares Issued during the year	-	-
As at 31st March 2024	34,21,800	3,42,18,000

12.2 The Company has only one class of shares referred to as Equity shares having par value of ₹ 10/-. The holder of Equity Share is entitled to one vote per share.

12.3 In the event of liquidation of the Company, the residual interest in the company's assets shall be distributed to the share holders in the proportion to the equity shares held.

12.4 The company is wholly owned subsidiary of its Holding Company, M/s Shivalik Bimetal Controls Ltd.

12.5 Shareholders holding more than 5% shares

Name of Shareholders	Year Ended 31st March 2024		Year Ended 31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shivalik Bimetal Controls Limited	34,21,800	100%	34,21,800	100%
			-	

12.6 Shares held by promoters at the end of the year

Promoter Name	Year Ended 31st March 2024			Year Ended 31st March 2023		
	No. of Shares held	% of total shares	% Change during the year	No. of Shares held	% of total shares	% Change during the year
Shivalik Bimetal Controls Limited	34,21,799	99.99%	Nil	34,21,799	99.99%	49.99%
Satinderjeet Singh Sandhu*	1	0.01%	Nil	1	0.01%	0.01%
Checon Corporation USA	-	-	Nil	-	-	50%
Total	34,21,800	100%		34,21,800	100%	.

* As nominee of M/s Shivalik Bimetal Controls Ltd.

13. Other Equity

(₹ in 000)

Particulars	Retained Earnings	Total
Balance as at 1st April, 2022	1,27,097	1,27,097
Profit for the year	18,308	18,308
Other Comprehensive income for the year (net of tax)	(4)	(4)
As at 31st March 2023	1,45,401	1,45,401
Profit for the year	20,297	20,297
Other Comprehensive income for the year (net of tax)	(77)	(77)
As at 31st March 2024	1,65,621	1,65,621

14. Borrowings (Non -Current)

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Secured		
From Banks		
Rupee Loan	38,730	13,017
* **Unsecured**		
From Related Parties	2,894	-
Total #	41,624	13,017

 # Refer Note no. 18 for Current Maturities of long term borrowings.

(1) Rupee Loan comprises ₹ 13,156 thousand (previous year ₹ 13,017 thousand) having current maturities ₹4,733 thousand, previous year ₹1183 thousand which are secured by hypothecation of assets to be created under IND-GECLS 1.0 (Extension), and second charge over current and fixed assets created from the existing credit facilities. The Loan is repayable in equal monthly instalments ending in December, 2026.

(2) Rupees loan comprises ₹ 40,807 thousand (previous year ₹ Nil) having current maturities ₹ 10,500 thousand, previous year ₹ Nil from Indian Bank availed by the Company is secured by exclusive charge on Company's Leasehold rights on Industrial plot, situated at plot no. 2 to 4 & 9 to 12 , Industrial area waknaghat , Solan, (H.P.). The Loan is repayable in equal monthly instalments ending in February, 2029.

(3) Rupees loan comprises ₹ 2,440 thousand (previous year ₹ Nil) having current maturities ₹2,440 thousand, previous year ₹ Nil, from Indian Bank availed by the Company is secured by exclusive charge on Plant & Equipment created and charge on Company's leasehold rights on Industrial plots.

* Unsecured Loan ₹2894 (previous year Nil) having current maturities ₹1559 thousand (previous year ₹ Nil), repayable in equal monthly instalments ending in March 2027.

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

Notes on Financial Statements

15. Lease Liabilities (Non Current)

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Long term maturity of Lease Liability	1,078	2,135
	1,078	**2,135**

16. Provisions

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Provision for employee benefits		
-Unavailed Leave	1,604	1,379
	1,604	**1,379**

17. Deferred Tax Liabilities (Net)

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Deferred Tax Liabilities/ (Assets) in relation to		
Property, Plant and Equipment & Intangible assets	4,072	4,756
Unamortised Tool	26	93
Spares	(154)	(170)
Allowance for credit losses	(22)	(40)
Employee Benefits	(705)	(574)
Deferred Tax Liabilities/(Assets) (Net)	3,217	4,065

Movement in deferred tax account for the year Income/(Expense)

(₹ in 000)

Particulars	Charged to PL during the year ended March 2024	Charged to PL during the year ended March 2023
Property, Plant and Equipment & Intangible assets	683	89
Unamortised Tool	67	(27)
Spares	(16)	-
Allowance for credit losses	(18)	(6)
Employee Benefits	131	158
Total	**847**	**214**

18. Borrowings-Current

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Secured		
From Banks		
Rupee Loan(i)	1,776	8,899
Foreign Currency Loan(i)	47,101	33,995
Current maturities of long-term borrowings (refer note no 14)	19,232	1,183
	68,109	**44,077**

(i) Foreign Currency Loan of ₹ 35,098 thousand (Previous Year ₹ 33,995 thousand) from Indian Bank are secured by Hypothecation of Inventory and Book Debts and Corporate guarantee of holding Company.

(i)Foreign Currency Loan of ₹ 12,003 thousand (Previous Year ₹ Nil) and Rupee Loan of ₹ 1,776 thousand (Previous Year ₹ 8,899 thousand) from DBS Bank are secured by first pari passu charge on the current assets of the company, both present and future & on movable fixed assets (other than those charged exclusively to other banks) of the Company, and Corporate guarantee of holding Company.

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

Notes on Financial Statements

18.1 Changes in Liabilities arising from Financing Activities

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Borrowings at the beginning of the year		
Borrowings (Non Current) (refer note no.14)	13,017	13,017
Borrowings (Current) (refer note no.18)	44,077	44,077
Total Borrowings at the beginning of the year	57,094	57,094
Movement due to cash transactions as per the Statement of Cash flows	52,696	128
Movement due to non cash transactions		
Foreign Exchange Movement	(57)	(128)
Borrowings at the end of the year		
Borrowings (Non Current) (refer note no.14)	41,624	13,017
Borrowings (Current) (refer note no.18)	68,109	44,077
Total Borrowings at the end of the year	1,09,733	57,094

19. Lease Liabilities (Current)

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Lease Liability	1,058	947
	1,058	**947**

20. Trade Payable

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Micro and Small Enterprises	2,690	14,224
Related Parties (*refer note no.37*)	-	-
Others	65,757	67,027
	68,447	**81,251**

Trade payable ageing schedule as at 31st March 2024

(₹ in 000)

Particular	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	2,690	-	-	-	-	2,690
	(14,224)	-	-	-	-	(14,224)
(ii)Others	61,828	3,929	-	-	-	65,757
	(66,985)	(23)		(19)	-	(67,027)
(iii) Disputed dues - MSME	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	-	-	-	-	-

Figures in ( ) indicates previous year figures

21. Other Financial Liabilities

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Interest accrued but not due on borrowings	115	-
(b) Interest accrued and due on borrowings	603	495
(c) Employee Benefits Payable	4,737	3,798
(d) Expense Payable	1,132	904
(e) Retention Money Payable	1,167	681
	7,754	**5,878**

ARORA GUPTA & CO.
PARTNER
M.No. 014828
Chartered Accountants

Notes on Financial Statements

22. Other Current Liabilities

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(i) Statutory Dues	7,207	6,420
(ii) Advance From Customers	2,046	335
(iii) Derivative Financial Instrument	176	201
(iv) Government Grants	52	74
	9,481	**7,030**

Government grant was received for establishment of New Unit/ Expansion of existing unit as per the prescribed scheme. The grant received is recognised in profit and loss on a systematic basis over the period in which the company recognises as expense the related costs for which the grants are intended to compensate.

23. Provisions- Current

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Unavailed Leave	150	225
Gratuity (refer note no. 28.1)	1,121	618
	1,271	**843**

24. Revenue from Operations

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Sale of products	5,95,367	5,01,150
Sale of Services	19	29
	5,95,386	**5,01,179**

25. Other Income

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Interest Received on deposits with bank	2	2
(b) Liability no more payable, written back	19	36
(c) Deferred Government Grant Income	22	22
(d) Currency Fluctuation	2,746	-
(e) Provision for doubtful debts, written back	86	29
(f) Interest Income other	6	-
(g) Profit on Sale of Property Plant & Equipment	75	-
	2,956	**89**

26. Cost of Materials Consumed

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Raw Material Consumed	4,98,716	3,87,129
	4,98,716	3,87,129

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

Notes on Financial Statements

27. Decrease/(Increase) in Finished Goods and Work-in Process

(₹ in 000)

Particulars	Year Ended 31st March 2024		Year Ended 31st March 2023	
Inventory (at Beginning)				
-Finished Goods	8,702		10,717	
-Work-in-Process	32,227		33,784	
-Scrap	399	41,328	1,636	46,137
Inventory (at Close)				
-Finished Goods	11,739		8,701	
-Work-in-Process	45,149		32,227	
-Scrap	549	57,437	399	41,327
(Increase)/Decrease		**(16,109)**		**4,810**

28. Employee Benefit Expenses

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Salaries and Wages	35,478	32,944
(b) Contributions to -		
(i) Provident fund	2,252	1,879
(ii) ESI Contribution	203	140
(iii) Gratuity fund contributions	697	535
(c) Staff welfare expenses	4,157	3,415
	42,787	**38,913**

28.1 Disclosure pursuant to Ind AS 19 "Employee Benefits":

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

(I) Defined Contribution Plan

(a) Provident Fund

(b) State defined contribution plans

-Employees' Pension Scheme 1995

The Provident Fund and State defined contribution plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognized by the Income tax authorities.

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Employer's Contribution to Provident Fund	1,280	1,092
(b) Employer's Contribution to Pension Scheme	972	787

(II) Defined Benefit Plan

(a) Gratuity

The employees' Gratuity fund scheme has been managed by Life Insurance Corporation of India and the present value of obligation is determined by Independent Actuary using the Projected Unit Credit (PUC) Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Discounting Rate (per annum)	7.22%	7.36%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Expected Rate of return on plan assets (per annum)	7.80%	7.80%
Expected Average remaining working lives of employees in no. of years	23.19	22.73
Mortality Table (LIC)	100% of IALM (2012-14) Ultimate	100% of IALM (2012-14) Ultimate

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

Notes on Financial Statements

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Changes in Present Value of Obligation		
Opening balance of Present value of obligation	5,817	4,927
Interest Cost	428	354
Current Service Cost	651	522
Benefits Paid	(54)	-
Actuarial (Gain)/Loss on Obligation	135	14
Closing Balance of Present value of obligation	6,978	5,817
(b) Changes in Fair Value of Plan Assets		
Opening balance of Fair Value of Plan Assets	5,199	4,750
Expected Return on Plan Assets	411	350
Employer's Contribution	300	100
Benefits paid	(54)	-
Closing balance of Fair value of Plan Assets	5,857	5,199
Actual return on Plan Assets	411	350
(c)Percentage of each category of Plan Assets to total Fair value of Plan assets		
Administrated by Life Insurance Corporation of India	100%	100%
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets		
Closing Balance of Present Value of Obligation	6,978	5,817
Closing Balance of Fair Value of Plan Assets	5,857	5,199
(Asset)/ Liability recognised the Balance Sheet	1,121	618
(e)Amount Recognised in the Balance Sheet		
Closing Balance of Present Value of Obligation	6,978	5,817
Closing Balance of Fair Value of Plan Assets	5,857	5,199
Funded (Asset)/ Liability recognized in the Balance Sheet	1,121	618
(f) Expenses recognised in the statement of Profit and Loss		
Current Service Cost	651	522
Interest Cost	45	13
Expenses recognized in the statement of Profit and Loss	697	535
Remeasurement of Defined Benefit Obligation		
Actuarial (Gain) / loss for the year on PBO	135	14
Actuarial (Gain)/Loss arising from experience adjustment	29	9
Unrecognized actuarial (gain)/Loss at the end of the year	106	5
(h) Expected employer contribution for the next year	880	684
(h)Sensitivity Analysis of the defined benefit obligation	-	-
a) Impact of the change in discount rate	-	-
Present value of the obligation at the end of the period	6,978	5,817
Impact due to increase of 0.50%	(454)	(391)
Impact due to decrease of 0.50%	497	428
b) Impact of the change in salary increase	-	-
Present value of the obligation at the end of the period	6,978	5,817
Impact due to increase of 0.50%	500	432
Impact due to decrease of 0.50%	(461)	(397)

i) Maturity Profile of Defined Benefit Obligation

Year	Year Ended 31st March 2024	Year Ended 31st March 2023
0 to 1 Year	160	140
1 to 2 Year	137	114
2 to 3 Year	121	112
3 to 4 Year	256	100
4 to 5 Year	119	212
5 to 6 Year	436	97
6 Year onwards	5,751	5,044

(b) Compensated Absence

The obligation for compensated absence is recognised in the same manner as Gratuity.

ARORA GUPTA & CO.
PARTNER
M.No. 514828
Chartered Accountants

Notes on Financial Statements

29. Finance Cost

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest expense on		
Borrowings	7,341	4,538
Other borrowing costs	383	206
Interest Cost-Lease Rent	295	81
Exchange difference regarded as an adjustment to borrowing cost	880	512
	8,899	**5,337**
Less: Transferred to CWIP (refer note no. 3.2)	3,275	1,373
	5,624	**3,964**

30. Manufacturing & Other Expenses

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Stores & Spares Consumed	4,313	3,675
Power & Fuel	3,687	2,656
Machinery Repairs	1,524	1,290
Other Repairs	1,943	2,170
Insurance	365	353
Rent	1,229	1,283
Rates & Taxes	378	203
Travelling & Conveyance	1,888	1,710
Printing & Stationery	267	281
Communication Expenses	191	188
Professional and Consultancy Charges	1,074	4,243
Payment to Auditors *(refer note no. 30.1)*	650	650
Donations	6	52
Business Promotion, Advertisement & Publicity	197	70
Commission on Sales	3,666	797
Forwarding & Freight	2,215	2,213
Irrecoverable Debts written off	86	30
Currency Fluctuation (Net)	-	2,718
Job work Charges	6,235	5,413
Provision for Doubtful Debts	30	7
Loss on Sale of Property Plant & Equipment	-	113
Watch & Ward Expenses	1,680	1,534
Miscellaneous Expenses	810	822
Manufacturing Expenses transferred to Statement of Profit & Loss	**32,434**	**32,471**

30.1 Payment to Auditors as:

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Auditor:		
Statutory Audit fees	600	600
Tax Audit Fees	50	50
Certification and Consultation fee	-	-
	650	**650**

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

Notes on Financial Statements

31. Income Tax Expense recognised in the profit and loss account.

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Current Tax:		
In respect of the Current Year	7,439	8,001
In respect of the Previous Year	(197)	(105)
Deferred Tax:		
In respect of the Current Year	(847)	(214)
Income Tax Expense recognised in the Statement of Profit & Loss	**6,395**	**7,682**
Other Comprehensive Income Section		
Tax related to items that will not be reclassified to profit and loss account	29	1

Effective Tax Reconciliations

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Profit before tax	26,692	25,990
Applicable Tax rate	25.168%	27.82%
Computed tax expense	6,718	7,230
Tax effect of;		
Deduction from taxation	(22)	-
Expense Disallowed	129	557
Effect of change in tax rate	(233)	-
Earlier year tax	(197)	(105)
Tax Expense recognised in Statement of Profit and Loss	6,395	7,682

32. Earnings Per Share

(₹ in '000, except per share data)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Net Profit attributable to shareholders (₹)	20,297	18,308
Weighted average number of equity Shares (in thousands)	3,422	3,422
Basic and Diluted Earnings per share (₹)	5.93	5.35
Face Value per Equity Share (₹)	10	10

33. Contingent Liabilities in respect of:

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Commitments		
(a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	13,588	23,720

ARORA GUPTA & CO. PARTNER M.No. 514828 Chartered Accountants

Notes on Financial Statements

34. **The obligation for future lease rentals in respect of leased assets, aggregate to**

(₹ in 000)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease payments		Future Expense	
	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
(a) Lease rental due not later than one year	1,242	1,242	947	947	295	295
(b) Lease rental due later than one year but not later than Four years	1,139	2,381	1,078	2,135	61	245
(c) Lease rental due later than five years	-	-	-	-	-	-

35. The Company's activities involve predominantly one operating segment i.e. manufacturing and sales of various types Electrical Contacts , which are considered to be within a single operating segment since these are subject to similar risks and returns. Accordingly, manufacturing and sales of Electrical Contacts comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by Ind AS 108- Segment Reporting has been disclosed as below.

a) Revenue from Operations

(₹ in 000)

Particulars	India		Rest Of World		Total	
	Year Ended March 2024	Year Ended March 2023	Year Ended March 2024	Year Ended March 2023	Year Ended March 2024	Year Ended March 2023
Segment Revenue	5,79,525	4,78,248	15,861	22,931	5,95,386	5,01,179

Revenue disaggregation by geography is as follows:

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
America	-	901
Europe	43	617
India	5,79,525	4,78,248
Others	15,818	21,413
	5,95,386	5,01,179

Revenue from a Customer individually contributing more than 10% of total revenue of the Company across all segments, amounts to ` 1,90,624 thousands (Previous Year `1,57,073 thousands) which aggregates to 32.02% (Previous Year 31.34%) of the total revenue of the Company.

b) Non Current Operating Assets

All Non Current Assets other than financial instruments, deferred tax assets of the company are located in India.

36. **Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

(₹ in 000)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	2,690	14,224
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

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

ARORA GUPTA & CO.
PARTNER
M.NO. 514828
Chartered Accountants

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED
(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

Notes on Financial Statements

37. "Related Party Disclosure" for the year ended 31st March 2024 in accordance with IND AS-24

(i) List of related parties where control exits and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1	Shivalik Bimetal Controls Ltd.	Holding Company
2	Mr. Sumer Ghumman	Managing Director
3	Mr. Kabir Ghumman	Director
4	Shivalik Bimetal Engineers Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence
5	O.D.Finance & Investment (P) Ltd	
6	TSL Holdings Pvt Ltd	

(ii) Transactions during the year with related parties:

(₹ in 000)

Sr. No.	Nature of Transactions	Year Ended 31st March 2024			Year Ended 31st March 2023		
		Holding Company	Director	Enterprises over which KMP are able to exercise significant influence	Holding Company	Director	Enterprises over which KMP are able to exercise significant influence
1	Job Work Expense	140	-	26	25	-	136
2	Job Work Income	8		1			
3	Goods Sold	-	-		35	-	
4	Goods Purchased	32	-	-	-	-	31
5	Reimbursement of Expenses(Net)	333	-	60	299	-	54
6	Capital Goods Purchase	30	-		-	-	
7	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.	-	10,055	-	-	10,051	-
8	Unsecured Loans						
	i) Received during the year	-	-	5,000	-	-	-
	ii) Repaid during the year	-	-	548	-	-	-
9	Finance Costs	-	-	167	-	-	-
10	Equity Share Capital	-	-		-	-	-
11	Rent Paid	-	186	803	-	140	903
Balances As at 31st March 2024							
12	**Payable/(Receivable)**	-	-	4,452	-	-	-

ARORA GUPTA & CO.
PARTNER
M.NO.514828
Chartered Accountants

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

Notes on Financial Statements

38. FINANCIAL INSTRUMENTS

38.1 Capital Management

The Company' s capital management objectives are;

- to maintain healthy Credit rating, Capital Ratios and Leverage.
- to maximise return to the Shareholders.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

(₹ in '000)

Particulars	As at 31st March 2024	As at 31st March 2023
Non Current Borrowings (Incl Current Maturities)	60,843	14,311
Short Term Borrowings	49,493	43,279
Less: Cash and cash equivalents	(7,576)	(5,312)
Net debt	1,02,760	52,278
Total equity (as shown on the face of balance sheet)	1,99,839	1,79,619
Net debt to equity ratio (Gearing Ratio)	51%	29%

38.2 Financial Instruments by categories

(₹ in '000)

Particulars	As at 31st March 2024			As at 31st March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Loans	100		114	100	-	114
Trade receivables			1,32,186	-	-	1,32,380
Cash and cash equivalents			7,576	-	-	5,312
Other Financial Assets			1,178	-	-	1,106
Total	100	-	1,41,054	100	-	1,38,912
Financial liabilities						
Borrowings			1,09,733		-	57,094
Trade payable			68,447		-	81,251
Other financial liabilities			7,754		-	5,878
Total	-	-	1,85,934	-	-	1,44,224

Fair Value Measurement

Carrying amount of Financial assets and financial liabilities recorded at amortized cost approximates their fair value.

38.3 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk, Foreign Currency Risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

38.4 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. The company has a policy of only dealing with credit worthy parties.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

ARORA GUPTA & CO. PARTNER M.NO. 514828 Chartered Accountants

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED
(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an on-going basis for amounts receivable that become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

The Company provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

(₹ in '000)

Particulars	As at 31st March 2024	As at 31st March 2023
Gross amount of trade receivables where no default (as defined above) has occurred	1,32,186	1,30,047
Expected loss rate	0.02%	0.01%
Expected credit loss (provision after set off)	30	7

Loss allowance on 31st March 2023	143	165
Impairment loss recognised during the year	30	37
Amount written back	-	(29)
Utilised during the year	(86)	(30)
Loss allowance on 31st March 2024	87	143

38.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management measures involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations.

Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

(₹ in '000)

As at 31st March 2024	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
Long term borrowings (including interest)	24,340	20,309	17,111	9,819	71,579
Short term borrowings (including Interest)	49,130	-	-	-	49,130
Trade payable	68,447	-	-		68,447
Other financial liabilities	7,036	-	-		7,036
Total	**1,48,953**	**20,309**	**17,111**	**9,819**	**1,96,192**

As at 31st March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	2,491	5,793	5,353	3,730	17,367
Short term borrowings (including Interest)	43,279	-	-		43,279
Trade payable	81,251	-	-		81,251
Other financial liabilities	5,383	-	-		5,383
Total	**1,32,404**	**5,793**	**5,353**	**3,730**	**1,47,280**

38.6 Market Risk

The company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The company seeks to minimize the effects of these risks by minutely observing the variation and fluctuation on regular basis. Compliance of exposure volume is reviewed by the management on real time basis and taking corrective measures as and when required.

ARORA GUPTA & CO.
PARTNER
M.NO. 514828
Chartered Accountants

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED

(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

38.7 Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

(i) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

(₹ in '000)

Particulars	FC	As at 31st March 2024		As at 31st March 2023	
		FC (Nos)	Amount	FC (Nos)	Amount
Financial Liabilities					
Loans	EURO	1,71,929	15,508	47,027	4,214
	USD	3,80,556	31,727	3,66,887	30,165
Creditors	EUR	3,21,332	28,991	-	-
	USD	2,79,128	23,271	5,70,242	47,188
Financial assets					
Debtors	EUR	-	-	-	-
	USD	4,923	410	39,380	3,238
Cash & Bank Balance	EUR	-	-	-	-
	USD	-	-	-	-
		-	-		
Net exposure to foreign currency risk (Liabilities)	EUR	**4,93,260**	**44,499**	**47,027**	**4,214**
	USD	**6,54,761**	**54,588**	**8,97,749**	**74,115**

Sensitivity analysis of 5% change in the exchange rate at the end of reporting period

(₹ in '000)

Particulars	As at 31st March 2024	As at 31st March 2023
5% Depreciation in INR		
USD sensitivity	54,588	74,115
Impact on Equity and Profit and Loss	(2,729)	(3,706)
Euro Sensitivity	44,499	4,214
Impact on Equity and Profit and Loss	(2,225)	(211)
5% Appreciation in INR		
USD sensitivity	54,588	74,115
Impact on Equity and Profit and Loss	2,729	3,706
Euro Sensitivity	44,499	4,214
Impact on Equity and Profit and Loss	2,225	211

38.8 Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial Assets/Liabilities because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and 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.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in '000)

Particulars	As at 31st March 2024	As at 31st March 2023
Variable rate borrowing	68,109	44,077
Fixed rate borrowing	41,624	13,017
Total borrowings	1,09,733	57,094

Sensitivity

Below is the sensitivity of profit or loss and equity changes in

(₹ in '000)

Particulars	As at 31st March 2024	As at 31st March 2023
	Equity and Profit & Loss	Equity and Profit & Loss
Interest sensitivity*		
Interest rates - increase by 1%	(681)	(441)
Interest rates - decrease by 1%	681	441

38.9 Price Risk

The Company does not have significant exposure to price risk on its financial assets and liabilities.

ARORA GUPTA & CO.
PARTNER
M.No.-514828
Chartered Accountants

SHIVALIK ENGINEERED PRODUCTS PRIVATE LIMITED
(Formerly known as Checon Shivalik Contact Solutions Pvt. Ltd.)

Notes on Financial Statements

39. Ratios

S.No.	Particulars	Numerator	Denominator	31st March 2024	31st March 2023	Variance
1)	Current Ratio	Current Assets	Current Liabilities	1.65	1.70	-2.60%
2)	Debt- Equity Ratio*	Total Debt	Shareholder's Equity	0.30	0.08	285.20%
3)	Debt service coverage ratio**	Earnings Available For Debt Service #	Debt Service	5.60	9.57	-41.45%
4)	Return on Equity Ratio (ROE)	Net Profit After Taxes	Average Shareholder's Equity	0.11	0.11	-0.39%
5)	Inventory turnover ratio	Revenue	Average Closing Inventory	5.65	5.15	9.68%
6)	Trade Receivable turnover ratio	Revenue	Average Trade Receivable	4.50	3.95	13.88%
7)	Trade Payable turnover ratio***	Purchases	Average Trade Payable	6.67	5.33	25.09%
8)	Net Capital Turnover Ratio	Revenue	Working Capital	5.85	5.14	13.77%
9)	Net Profit ratio	Net profit after taxes	Revenue	0.03	0.04	-7.01%
10)	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	0.13	0.15	-12.99%

Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assest etc.
*Increase in Debt-equity ratio as increase in long term borrowings in the current year in comparison to previou year.
**Due to repayment of long term borrowings in current year decrease in debt service coverage ratio.
***Due to increase in Purchases and decrease in average trade payable during the year in comparision to previous year

40. Additional regulatory information not disclosed elsewhere in the financial statements

(a) The Company does not have any Benami property, further no proceeding has been initiated or pending against the company for holding any Benami Property.

(b) The Company did not have any transactions with Companies struck off.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(d) The Company has not traded or invested in Crypto Currency or Virtual Currency during the respective financial year period.
(e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(f) The Company has not revalued its Property, Plant and Equipment, Investment Property & Intangible Assets.
(g) The company does not have any transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (Such as, Search or survey or any other relevant provisions of the income Tax Act, 1961).
(h) The company has not been declared willful defaulter by any bank or financial Institution or other lender.

(i) No Scheme of Arrangements which have been approved by the Competent Authority in terms of Sections 230 to 237 of the Act in relation to the Company.
(j) The Company has complied with the number of layers prescribed under of section 2(87) of the Act read with the companies (Restriction on number of layers) Rules, 2017.

(k) The Company has not granted Loans or Advances in the nature of loans to promoters, directors, KMPs, and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment.

(l) The Company has duly filed monthly statements with the banks for the sanctioned working capital facilities against security of current assets, which are in agreement with the books of account

ARORA GUPTA & CO. PARTNER M.NO. 514828 Chartered Accountants