Deloitte
Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
To the Members of Fitwel Tools and Forgings Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Fitwel Tools and Forgings Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Director's Report but does not include standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Jaideep S. Trasi
Partner
(Membership No. 211095)
UDIN:21211095AAAABD9578

Place: Bengaluru
Date: April 18, 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Fitwel Tools and Forgings Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have 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 authorisations of management and directors of the company; and

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(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
Partner
(Membership No. 211095)
UDIN:21211095AAAABD9578

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CHARTERED ACCOUNTANTS
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Place: Bengaluru
Date: April 18, 2021

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were 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) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees during the year and hence reporting under clause 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits and therefore, the provision of the Clause 3(v) of the Order is not applicable to the company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

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(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (INR million)
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	AY 2015-16	5.31 ^
Karnataka Value Added Tax, 2003	Value Added Tax	Karnataka Value Added Tax Tribunal	April 2012 to March 2013	0.92 #

^ Net of Rs. 0.28 paid under protest
# Net of Rs. 0.39 paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company. Thus, reporting under clause 3(xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private company and, hence, the provisions of Section 177 of the Companies Act, 2013 is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has duly complied with Section 188 of the Companies Act, 2013, to the extent applicable. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Jaideep S. Trasi
Partner
(Membership No. 211095)
UDIN:21211095AAAABD9578

Place: Bengaluru
Date: April 18, 2021

Fitwel Tools and Forgings Private Limited
Standalone balance sheet as at 31 March 2021

(Amount in ₹ millions)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3a	341.80	343.53
Capital work-in-progress	3a	22.00	7.33
Intangible assets	3b	-	0.02
Financial assets			
(i) Loan	4	15.48	18.66
(ii) Other financial asset	5	4.19	3.39
Current Tax Assets	6a	17.23	17.24
Other non-current assets	7	33.17	29.81
Total non-current assets		**433.87**	**419.98**
Current assets			
Inventories	8	281.25	261.79
Financial assets			
(i) Trade receivables	9	176.27	169.83
(ii) Cash and cash equivalents	10	61.73	2.29
(iii) Bank balances other than cash and cash equivalents	11	5.12	10.89
(iv) Other financial assets	12	17.93	2.31
Other current assets	13	2.70	6.59
Total current assets		**545.00**	**453.70**
Total assets		**978.87**	**873.68**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	3.56	3.56
Other equity	15	347.25	286.54
Total Equity		**350.81**	**290.10**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Long term borrowings	16	89.14	73.51
Non-current provision	17	24.87	27.72
Deferred tax liabilities (net)	18	16.28	13.81
Total Non-Current liabilities		**130.29**	**115.04**
Current Liabilities			
Financial Liabilities			
(i) Current Borrowings	19	207.70	253.90
(ii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises		7.27	1.44
- Total outstanding dues of creditors other than micro enterprises and small enterprises		217.31	163.61
(iii) Others financial liabilities	21	50.11	37.78
Provisions	22	3.86	8.15
Other current liabilities	23	11.52	3.66
Current tax liabilities (net)	6a	-	-
Total current liabilities		**497.77**	**468.54**
Total equity and liabilities		**978.87**	**873.68**

See accompanying notes forming part of financial statements

The notes referred to above form an integral part of the standalone Ind AS financial statements.

In terms of our report attached

for ***Deloitte Haskins & Sells***
Chartered Accountants

Jaideep S. Trasi
Partner
Membership No: 211095

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place: Bengaluru
Date: 18-04-2021

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D.S. Ananth
Director
DIN: 03414505

B.R. Preetham
Director
DIN: 03499506

Place: Bengaluru
Date: 18-04-2021

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Standalone statement of profit and loss for the year ended 31 March 2021

(Amount in ₹ millions)

Particulars	Notes	For the year ended 31st March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	24	1,075.95	1,022.75
Other income	25	1.05	2.16
Total income		**1,077.00**	**1,024.91**
Expenses			
Cost of material consumed	26	531.85	538.92
Changes in inventory of finished goods and work in progress	27	(9.20)	0.67
Conversion charges		37.89	32.46
Consumption of stores and spares		52.50	55.31
Power and fuel		87.48	93.99
Employee benefit expenses	28	145.69	152.81
Finance costs	29	27.23	36.47
Depreciation and amortisation expense	30	41.22	39.10
Other expenses	31	82.14	86.35
Total expenses		**996.80**	**1,036.08**
Profit before tax		**80.20**	**(11.17)**
Tax expenses:	40		
Current tax		14.57	-
Deferred tax (credit)/charge		3.15	2.33
Total tax expenses		**17.72**	**2.33**
Profit for the year		**62.48**	**(13.50)**
Other comprehensive expense			
Items that will not to be reclassified to profit or loss			
Re-measurement of the net defined benefit (liability)		(2.45)	(2.46)
Income tax relating to items that will not be reclassed to proft and loss		0.68	0.68
Other comprehensive expense for the year, net of income tax		**(1.77)**	**(1.78)**
Total comprehensive income for the year, net of tax		**60.71**	**(15.28)**
Earnings per equity share (face value of ₹10 each)			
Basic (in ₹)	32	175.72	(37.97)
Diluted (in ₹)	32	175.72	(37.97)

See accompanying notes forming part of financial statements

The notes referred to above form an integral part of the standalone Ind AS financial statements.

As per our report of even date attached:

for ***Deloitte Haskins & Sells***
Chartered Accountants

Jaideep S. Trasi
Partner
Membership No: 211095

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place: Bengaluru
Date: 18-04-2021

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D.S. Ananth
Director
DIN: 03414505

B.R. Preetham
Director
DIN: 03499506

Place: Bengaluru
Date: 18-04-2021

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Standalone statement of cash flows for the year ended 31 March 2021

(Amount in ₹ millions)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities			
Profit before tax		80.20	(11.17)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation of non current assets	30	41.22	39.10
Interest Income recognised in profit or loss	25	(0.77)	(0.86)
Finance Costs recognised in profit or loss	29	27.23	36.47
(Profit)/Loss on disposal of property plant and equipment	25	(0.09)	0.36
		147.79	**63.90**
Working capital adjustments			
(Increase)/Decrease in Trade Receivables		(6.44)	87.13
(Increase)/Decrease in other current and non-current assets and current financial assets		(11.91)	(3.46)
(Increase)/Decrease in Inventories		(19.46)	(2.53)
Increase/(Decrease) in trade payables and financial liabilities		59.53	(20.00)
Increase/(Decrease) in other liabilities and provisions		(1.73)	(11.09)
Cash generated from operations		**167.78**	**113.95**
Income taxes paid, net		(14.56)	(5.76)
Net cash generated from operating activities (A)		**153.22**	**108.19**
Cash flow from investing activities			
Payments for property, plant and equipment (including capital work in progress and capital advances), Net	3a	(49.96)	(49.51)
Proceeds from disposal of property, plant and equipment	3a	0.11	0.65
Interest received	25	0.77	0.86
Movement in Fixed deposit, net	11	4.97	(3.60)
Net cash used in investing activities (B)		**(44.11)**	**(51.60)**
Cash flows from financing activities			
Proceeds/(repayment) of long-term borrowings:			
Proceeds	16	51.51	20.00
Repayment	16	(27.75)	(48.00)
Proceeds/(repayment) of short-term borrowings, net	19	(46.20)	(1.21)
Interest paid	29	(27.23)	(36.47)
Net cash (used in)/generated from financing activities (C)		**(49.67)**	**(65.68)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**59.44**	**(9.09)**
Cash and cash equivalents at the beginning of the year	10	2.29	11.38
Cash and cash equivalents at the end of the year (refer below)	10	**61.73**	**2.29**

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Cash on hand	0.01	0.02
Balance with banks		
- in current accounts	61.72	2.27
	61.73	**2.29**

See accompanying notes forming part of financial statements

The notes referred to above form an integral part of the standalone Ind AS financial statements.

As per our report of even date attached:

for ***Deloitte Haskins & Sells***
Chartered Accountants

Jaideep S. Trasi
Partner
Membership No: 211095

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place: Bengaluru
Date: 18-04-2021

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D.S. Ananth
Director
DIN: 03414505

B.R. Preetham
Director
DIN: 03499506

Place: Bengaluru
Date: 18-04-2021

FITWEL TOOLS & FORGINGS PVT. LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Standalone statement of changes in equity for the year ended March 31, 2021

A. Equity share capital

(Amount in ₹ millions)

Equity shares	**No. of shares**	**Amount**
Equity shares of ₹10 each issued, subscribed and fully paid up	3,55,556	3.56
Balance as at 31 March 2020	**3,55,556**	**3.56**
Issue of share capital	-	-
Balance as at 31st March 2021	**3,55,556**	**3.56**

B. Other equity

(Amount in ₹ millions)

Particulars	**Reserves and Surplus**				**Total equity**
	Capital Reserve	**Securities Premium**	**General reserve**	**Retained earnings**	
Balance as at 31 March 2019	**1.13**	**10.00**	**0.05**	**290.64**	**301.82**
Profit for the year	-	-	-	(13.50)	(13.50)
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	(1.78)	(1.78)
Balance as at 31 March 2020	**1.13**	**10.00**	**0.05**	**275.36**	**286.54**
Profit for the year	-	-	-	62.48	62.48
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	(1.77)	(1.77)
Balance as at 31st March 2021	**1.13**	**10.00**	**0.05**	**336.07**	**347.25**

In accordance with Notification G.S.R 404(E) , dated 06 April 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.

See accompanying notes forming part of financial statements

As per our report of even date attached:

for ***Deloitte Haskins & Sells***
Chartered Accountants

Jaideep S. Trasi
Partner
Membership No: 211095

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place: Bengaluru
Date: 18-04-2021

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D.S. Ananth
Director
DIN: 03414505

B.R. Preetham
Director
DIN: 03499506

Place: Bengaluru
Date: 18-04-2021

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Notes to the financial statements for the year ended 31 March 2021

Company Overview

Fitwel Tools and Forgings Private Limited ("the Company") was incorporated on 17 November 1983 under the provisions of the Companies Act, 1956 with its registered office in Tumkur, Karnataka. The Company is involved in the manufacturing of hand tools and forgings steel into parts used to manufacture automobile components.

1. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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.

b. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations.

d. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending ended 31 March 2021 is included in the following notes:

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Notes to the financial statements for the year ended 31 March 2021

1. Basis of preparation (Continued)

d. Use of estimates and judgements (Continued)

- Note 2.1 and 2.2 - Depreciation and amortization method and useful life of items of property, plant and equipment and intangibles assets;
- Note 40 – recognition of deferred tax assets;
- Note 17, 22 & 36– measurement of defined benefit obligations: key actuarial assumptions; and
- Note 38 – Impairment of financial assets.

e. Measurement of fair values

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Deloitte Haskins & Sells Chartered Accountants Bengaluru

Fitwel Tools & Forgings Private Limited Tumkur

2. Significant accounting policies (Continued)

2.1 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the statement of profit and loss in the period in which they incurred.

ii. Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life
Plant and machinery	15
Building	30
Furniture and fixtures	10
Electrical installations	10
Office equipments	5
Vehicles	10
Computer (including software)	3-6

Freehold land is not depreciated. Leasehold land is depreciated over the period of lease. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

2. Significant accounting policies (Continued)

2.2 Intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised in the statement of profit and loss over their estimated useful lives on a straight-line basis. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

2.3 Inventories

i. Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw material, stores and spares	:	on weighted average basis
Work in progress	:	includes cost of conversion
Finished goods	:	includes cost of conversion

ii. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meets the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

iii. Raw materials and other supplies held for use in production of inventories 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 NRV.

iv. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.4 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below :

Step 1: Identify the contract(s) with the customer.
Step 2: Identify the performance obligation in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Revenue from sale of products (including sale of scrap) is recognised at the point when control is transferred to buyer.

Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

2. Significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Service income is recognized when the related services are rendered unless significant future contingencies exist

Export incentives are recognised in the statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

2.5 Foreign currency transactions

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.6 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED
Tumkur

2. Significant accounting policies (Continued)

2.6 Financial instruments (Continued)

ii. Classification and subsequent measurement

Financial assets

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

Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This includes all derivative assets.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss

iii. Derecognition

Financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement profit or loss.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

2. Significant accounting policies (Continued)

2.7 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial assets is 'credit-impaired' when one or more event that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ii. Impairment of non - financial assets

The Company's non-financial assets, other than inventories and deferred tax 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.8 Employee benefits

i. Defined benefit plan

Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

2. Significant accounting policies (Continued)

i. Defined benefit plan (Continued)

Gratuity (Continued)

gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which an entity makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the statement of profit and loss during the period in which the related services are rendered by the employees.

2.9 Income Taxes

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

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

Minimum alternate tax

Minimum alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

2. Significant accounting policies (Continued)

2.9 Income Taxes (Continued)

Minimum alternate tax (Continued)

each balance sheet date and writes down the carrying amount of MAT credit entitlement, if any, to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.10 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

2.11 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

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Tumkur

2. Significant accounting policies (Continued)

2.11 Provisions and contingencies (Continued)

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is not recognised however in case where the inflow of economic benefits are probable, the description of the contingent asset is disclosed.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.14 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Company have been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources based on single segment approach and accordingly information has been presented.

2.15 Use of going concern assumption COVID 19 Assessment

Coronavirus Disease (COVID-19) was declared a pandemic in March 2020 by the World Health Organisation. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down partially, the Company has carried out a comprehensive assessment of possible impact on its business operations, assets, contractual obligation and its overall liquidity position based on the internal and external sources of information and application of reasonable estimates and the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Since the situation is continuously evolving, the actual impact may be different from the assessment made as at the date of approval of these financial statements. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance on the Company and will take necessary measures to address the situation.

2.16 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

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FITWEL TOOLS & FORGINGS PRIVATE LIMITED
Tumkur

7 0.81

3a. Property, plant and equipment

(Amount in ₹ millions)

Particulars	Owned property, plant and equipment									Total (A)	Capital Work in Progress (B)	Total (A+B)
	Land #	Buildings	Plant and machinery*	Furniture and fixtures	Electrical installations*	Office equipment	Vehicles	Computers	Leasehold land (Refer note A)			
As at 1 April 2019	22.45	76.35	254.33	9.76	35.35	0.77	11.41	7.49	2.01	419.92	1.05	420.97
Additions	-	1.51	43.54	0.02	0.03	0.31	-	1.66	-	47.07	6.28	53.35
Disposals	-	-	7.28	-	-	-	0.71	-	-	7.99	-	7.99
As at 31 March 2020	22.45	77.86	290.59	9.78	35.38	1.08	10.70	9.15	2.01	459.00	7.33	466.33
Additions	0.47	2.55	33.19	0.45	0.52	0.61	-	1.69	-	39.48	14.67	54.15
Disposals	-	-	0.03	-	-	-	-	-	-	0.03	-	0.03
As at 31st March 2021	22.92	80.41	323.75	10.23	35.90	1.69	10.70	10.84	2.01	498.45	22.00	520.45
Accumulated depreciation												
As at 1 April 2019	-	7.56	54.44	4.43	9.91	0.20	3.63	2.40	-	82.57	-	83.39
Charge for the year	-	3.29	28.58	0.83	3.17	0.06	1.42	1.35	-	38.70	-	38.70
Disposals	-	-	5.09	-	-	-	0.71	-	-	5.80	-	5.80
As at 31 March 2020	-	10.85	77.93	5.26	13.08	0.26	4.34	3.75	-	115.47	-	116.29
Charge for the year	-	3.33	31.09	0.80	3.12	0.09	1.25	1.52	-	41.20	-	41.20
Disposals	-	-	0.02	-	-	-	-	-	-	0.02	-	0.02
As at 31st March 2021	-	14.18	109.00	6.06	16.20	0.35	5.59	5.27	-	156.65	-	157.47
Net book value												
As at 31st March 2021	22.92	66.23	214.75	4.17	19.70	1.34	5.11	5.57	2.01	341.80	22.00	362.98
At 31 March 2020	22.45	67.01	212.66	4.52	22.30	0.82	6.36	5.40	2.01	343.53	7.33	350.04

Note A:
Karnataka Small State Industrial Development Corporation (KSSIDC) has allotted land admeasuring 4,257 sq. mt. at Unit No. 5, KHT Complex, Antarasanahalli, Tumkur, Karnataka on a lease cum sale basis for a period of 4 years w.e.f. 8 January 1987, with specified terms and conditions to be complied with by each party. Subsequently, KSSIDC failed to comply with the terms of the agreement, hence the Company retained possession of the land. Pursuant to the communications with the KSSIDC, the Company has paid an amount of ₹ 2.01 million as consideration for the land, which has been capitalised. As at the balance sheet date, negotiations are in progress and the Company awaits the final approval of KSSIDC with respect to the registration of the land in the name of the Company.

KSSIDC has allotted 4257 Sq.ft at plot No. Unit No.05 for a period of 4 years w-e-f 11-12-1989 to the Company on Lease cum Sale basis . The aggregate cost of the land at the end of PY was 20 Mn. The agreement gives the right to the Company to acquire the land at the end of the lease term at an additional consideration, if fixed by KSSIDC, after reducing the amount already paid .

Note B: Impairment loss
The Company has not recognised or reversed any impairment loss on property, plant and equipments.

* Accumulated depreciation of ₹ 2.26 million has been regrouped from Electrical installations to Plant and machinery.

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FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

3b. Intangible Assets (Amount in ₹ millions)

Description	Owned Intangible asset Computer Software	Total
Gross block		
Balance as at 1 April 2019	**1.52**	**1.52**
Additions	0.11	0.11
Disposals	-	-
Balance as at 31 March 2020	**1.63**	**1.63**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	**1.63**	**1.63**
Accumulated amortisation and impairement losses		
Balance at 1 April 2019	**1.21**	**1.21**
Charge for the year	0.40	0.40
Disposals	-	-
Balance as at 31 March 2020	**1.61**	**1.61**
Charge for the year	0.02	0.02
Disposals	-	-
Balance as at 31 March 2021	**1.63**	**1.63**
Net book value		
Balance as at 31 March 2021	-	-
Balance as at 31 March 2020	**0.02**	**0.02**

Note: Software with net book value of ₹ 1.92 Million, forming an integral part of the computers have been reclassified from the opening carry forward balance of intangibles and included as cost of computer in Note 3a.

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4 Loan, non-current

Particulars	As at 31 March 2021	As at 31 March 2020
a) Security deposits		
-Unsecured, considered good	15.48	18.66
Total	**15.48**	**18.66**

5 Other financial assets, non-current

Particulars	As at 31 March 2021	As at 31 March 2020
In bank deposit accounts (due to mature with more than 12 months from the reporting date)*	4.19	3.39
Total	**4.19**	**3.39**

6a Current Tax Assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax including tax deducted at source, net of provision for tax Rs. 14.57 (Previous Year : Nil)	17.23	17.24
Total	**17.23**	**17.24**

6b Current Tax Liabilities, (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax, net of advance tax including tax deducted at source	-	-
Total	-	-

7 Other non current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	32.48	28.82
Duty paid under protest	0.69	0.99
Total	**33.17**	**29.81**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials *	92.36	82.35
Work in progress	73.56	65.28
Finished goods **	14.46	13.54
Stores and spares	102.16	101.91
	282.54	**263.08**
Less:- Provision for obsolete Inventory	1.29	1.29
Total	**281.25**	**261.79**

* Includes stock of assembled components.
** Includes stock in transit of ₹ 3.38 million (31 March 2020 : ₹ 4.09 million)

The mode of valuation of inventories has been stated in note 2.3

9 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good - Secured.	-	-
Considered good - Unsecured *	177.70	171.26
That have an increase in Credit Risk that is significant.	-	-
Credit Impaired.	-	-
	177.70	**171.26**
Less: Allowance for credit losses	1.43	1.43
Total	**176.27**	**169.83**

Due date based ageing

Debts outstanding for a period exceeding six months from the date they became due	0.51	1.97
Other debts	177.19	169.29
	177.70	171.26

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*Includes receivables from related parties refer note 35.
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 38.

The average credit period on sales of goods is 59 days. No interest is charged on 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 adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows

Ageing	
within the credit period	*Expected Credit loss (%)*
1-90 days past due	4.00%
91-180 days past due	60.69%
181-270 days past due	78.32%
271-360 days past due	55.68%
More than 90 days pas dues	0.00%
	100.00%

Age of receivables	As at 31 March 2021	As at 31 March 2020
Within the credit period	148.13	-
1-90 days past due	27.53	-
91-180 days past due	0.10	167.00
181-270 days past due	0.51	2.83
271-360 days past due	-	-
More than 360 days past due	-	-
	176.27	169.83

10 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.01	0.02
Balance with banks		
- in current accounts	61.72	2.27
Total	61.73	2.29

11 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (due to mature within 12 months from the reporting date)*	5.12	10.89
Total	5.12	10.89

*Includes certain deposits pledged against bank guarantees and letter of credits provided by the bank.

12 Other current financial assets (Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Staff advances	0.95	0.81
Loans to Directors and Officers	1.50	1.50
Unbilled revenue	15.48	-
Total	17.93	2.31

13 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance to suppliers	1.36	2.82
Balances with government authorities	-	1.09
Prepaid expenses	1.34	2.68
Total	2.70	6.59

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14 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
Equity Shares		
1,500,000 (31 March 2021: 1,500,000) equity shares of ₹ 10 each	15.00	15.00
	15.00	**15.00**
Issued, subscribed and paid up		
Equity shares		
355,556 (31 March 2021: 355,556) equity shares of ₹ 10 each	3.56	3.56
	3.56	**3.56**

i. List of persons holding more than 5 percent shares in equity shares of the Company

Name of the share holder	As at 31 March 2021 No of shares	As at 31 March 2021 % holding	As at 31 March 2020 No of shares	As at 31 March 2020 % holding
Sansera Engineering Limited	2,48,872	70.00%	2,48,872	70.00%
D.R. Subramanya	87,684	24.66%	87,684	24.66%

ii. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2021 No of shares	As at 31 March 2021 Amount	As at 31 March 2020 No of shares	As at 31 March 2020 Amount
Equity shares				
At the beginning of the year	3,55,556	3.56	3,55,556	3.56
Issued during the year	-	-	-	-
At the end of the year	**3,55,556**	**3.56**	**3,55,556**	**3.56**

iii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Name of the shareholder	As at 31 March 2021 No of shares	As at 31 March 2021 Amount	As at 31 March 2020 No of shares	As at 31 March 2020 Amount
Equity shares				
Sansera Engineering Limited (Holding Company)	2,48,872	24.89	2,48,872	24.89
	2,48,872	**24.89**	**2,48,872**	**24.89**

iv. Rights, preferences and restrictions attached to shares.

Equity Shares

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts, if any.

v. There are no shares bought back during 5 years immediately preceding 31 March 2021

vi. There has been no shares allotted as fully paid up by way of bonus shares or shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March 2021

15 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve	1.13	1.13
Securities premium	10.00	10.00
General reserve	0.05	0.05
Retained earnings	336.07	275.36
Total	**347.25**	**286.54**

* Refer statement of changes in equity for detailed movement in other equity balances.

Nature and purpose of other equity:

Capital reserve

Capital reserve of ₹ 1.13 million refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce.

Securities premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

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16 **Borrowings, Non-current**

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Term loans from banks (refer note below)	57.74	24.94
Term loans from Others (refer note below)	31.09	47.27
Car loan from bank	0.31	1.30
Total	**89.14**	**73.51**

Term loans from bank and others amounting to ₹ 134.67 million (31 March 2021: ₹ 110.91 million) are secured by hypothecation and mortgage of all present and future movable and immovable property, plant and equipments including plant and machinery, furniture and fixtures, and other equipments of the Company. Further secured through comfort letter from Sansera Engineering Limited (Holding Company).

Repayment and interest terms

i. Term loans from banks:

Repayment and interest terms	Name of the Lender	As at 31 March 2021	As at 31 March 2020
Repayable in 57 monthly installments of ₹ 0.18 million per month starting from August 2015 and to be settled by May 2020. The loan carries a interest rate of 7.70% p.a.	(i) HDFC Bank	-	1.74
Repayable in 57 monthly installments of ₹ 0.80 million per month starting from August 2015 and to be settled by February 2022. The loan carries a interest rate of 7.70% p.a.	(ii) HDFC Bank	8.33	13.33
Repayable in 57 monthly installments of ₹ 0.46 million per month starting from August 2015 and to be settled by October 2022. The loan carries a interest rate of 7.70% p.a.	(iii) HDFC Bank	8.80	11.57
Repayable in 60 monthly installments of ₹ 0.37 million per month starting from Jan 2020 and to be settled by July 2024. The loan carries a interest rate of 8.25% p.a.	(iv) HDFC Bank	14.82	17.04
Repayable in 60 monthly installments of ₹ 0.46 million per month starting from Nov 2021 and to be settled by October 2024. The loan carries a interest rate of 8.25% p.a.	(v) HDFC Bank	51.20	-
TOTAL		**83.15**	**43.68**
Less: Current Maturities of Long term borrowings		(25.41)	(18.74)
		57.74	**24.94**

ii. Car Loan from bank

Repayment and interest terms	Name of the Lender	As at 31 March 2021	As at 31 March 2020
Repayable in 60 monthly installments of ₹ 0.06 million per month starting from November 2017 and to be settled by September 2022. The loan carries a interest rate of 8.25% p.a.	(i) HDFC Bank	1.06	1.70
Repayable in 37 monthly installments of ₹ 0.06 million per month starting from October 2018 and to be settled by October 2021. The loan carries a interest rate of 9% p.a.	(ii) HDFC Bank	0.42	1.10
TOTAL		**1.48**	**2.80**
Less: Current Maturities of Long term borrowings		(1.17)	(1.50)
		0.31	**1.30**

iii. Term loan from others

Repayment and interest terms	Name of the Lender	As at 31 March 2021	As at 31 March 2020
Repayable in 60 monthly installments of ₹ 1.1 million per month starting from May 2018 and to be settled by April 2023.The loan carries a interest rate of 9.55% p.a.	(i) Bajaj Finance Limited	41.84	54.83
Repayable in 60 monthly installments of ₹ 0.15 million per month starting from May 2019 and to be settled by Dec 2024.The loan carries a interest rate of 9.55% p.a.	(ii) Bajaj Finance Limited	8.20	9.60
TOTAL		**50.04**	**64.43**
Less: Current Maturities of Long term borrowings		(18.95)	(17.16)
		31.09	**47.27**

17 **Non-current provision**

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 36)	24.87	27.72
	24.87	**27.72**

18 **Deferred tax liabilities (net)**

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset		
Provision for employee benefits	7.99	12.53
Others	-	0.03
	7.99	**12.56**
Deferred tax liability		
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	24.27	26.37
	24.27	**26.37**
Deferred tax liabilities (net)	**16.28**	**13.81**

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(Amount in ₹ millions)

19 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from banks		
Loans from banks - Secured-at amortised cost		
Working capital loan	207.70	228.71
Bill discounting facility	-	25.19
	207.70	253.90

Working capital loan from banks amounting to ₹ 207.70 million (31 March 2020: ₹ 253.90 million) are secured by hypothecation of current assets, moveable and immovable property, plant and equipments of the Company.

Working capital loan carries interest rate of 7.65% p.a. respectively.

20 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues to micro enterprises and small enterprises (refer note 41)	7.27	1.44
Total outstanding dues other than to micro enterprises and small enterprises	182.65	126.12
Accrued salaries and benefits	25.64	32.79
Accrued expenses	9.02	4.70
Total	224.58	165.05

* includes amount payable to related parties.

Note: The Company's exposure to currency and liquidity risk related to trade payables are disclosed in note 35.

Expenses accrued towards goods and services received has been classified under Trade payables instead of other financial liabilities.

21 Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings	45.53	37.40
Capital creditors	4.58	0.38
Total	50.11	37.78

The Company's exposure to currency and liquidity risk related to other current financial liabilities are disclosed in note 39.

**Capital creditors include dues to micro and small enterprises of ₹ 4.58 (March 2020: ₹ 0.38)

22 Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 36)	3.39	3.28
Provision for compensated absences	0.47	4.87
Total	3.86	8.15

23 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from Customers	1.00	2.44
Withholding and other taxes	10.52	1.22
Total	11.52	3.66

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24 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	1,003.69	958.49
Sale of services	2.07	1.89
Other operating revenues		
Scrap sales	68.18	60.29
Tooling income	2.01	2.08
Total	**1,075.95**	**1,022.75**

Disaggregation of Revenue from contracts with customers	For the year ended 31 March 2021	For the year ended 31 March 2021
Sale of products		
- India	1,003.69	958.24
- Europe		0.25
Sale of services		
- India	2.07	1.89
Sale of scrap		
- India	68.18	60.29
Tooling income		
- India	2.01	2.08
Total revenue from contracts with customers		
- India	1,075.95	1,022.50
- Europe	-	0.25

The Company's revenue from its major products are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Connecting flange	24.73	15.62
RVS link	42.92	32.11
Stamped barrel	38.74	34.59
AVR forge	210.72	199.31
Others*	758.84	741.12
	1,075.95	**1,022.75**

* Individual items of these are less than 10% of the total sales of products.

25 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	0.77	0.86
Profit on sale of property, plant and equipments, net	0.09	(0.36)
Miscellaneous income	0.19	1.66
Total	**1.05**	**2.16**

Note: Loss on sale of property, plant and equipments of previous year has been regrouped from other expenses to other income. Further, Loss on foreign currency transactions of previous year has been regrouped from other income to other expenses.

26 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials at the beginning of the year	82.35	84.84
Add : Purchases	541.86	536.43
Less: Raw materials at the end of the year	92.36	82.35
Total	**531.85**	**538.92**

27 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance		
Finished goods (including stock in transit)	13.54	19.76
Work-in-progress	65.28	59.73
	78.82	**79.49**
Closing balance		
Finished goods (including stock in transit)	14.46	13.54
Work-in-progress	73.56	65.28
	88.02	**78.82**
Changes in inventories of finished goods and work-in-progress	**(9.20)**	**0.67**

28 Employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	126.52	130.74
Contribution to provident fund (Refer note 36 i)	9.56	8.38
Gratuity expense (Refer note 36 ii)	4.55	4.15
Staff welfare expenses	5.06	9.54
Total	**145.69**	**152.81**

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Fitwel Tools and Forgings Private Limited
Notes to the financial statements for the year ended 31 March 2021 (continued)

(Amount in ₹ millions)

29 **Finance costs**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense	27.23	36.47
Total	**27.23**	**36.47**

Note: Bank charges of aggregating ₹ 0.76 million, included erroneously under interest cost in the previous year, has been reclassified to other expenses

30 **Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property plant and equipments	41.20	38.70
Amortization of Intangible assets	0.02	0.40
Total	**41.22**	**39.10**

31 **Other expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract labour charges	51.12	57.33
Freight outward	5.79	5.46
Legal and professional(refer note number 34 : Audit fees)	6.30	6.54
Rates and taxes	1.26	0.68
Repairs and maintenance		
-building	0.62	0.35
-computers	0.96	0.73
-vehicles	1.50	3.19
Traveling and conveyance	0.84	1.57
Insurance	4.90	1.14
Communication expense	1.23	0.91
Foreign exchange loss, net	0.01	0.26
Security expense	4.72	4.99
Corporate social responsibility (refer note 41)	0.79	0.38
Bank charges	0.28	0.76
Miscellaneous expense	1.82	1.70
Total	**82.14**	**86.35**

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32 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares (₹ per share)	10	10
Profit for the year for the purpose of earnings per share	62 -	13.50
Weighted average number of equity shares for calculation of basic earnings per share	3,55,556	3,55,556
Basic earnings per share (in ₹)	**175.72 -**	**37.97**
Weighted average number of equity shares for calculation of diluted earnings per share	3,55,556	3,55,556
Diluted earnings per share (in ₹)	**175.72 -**	**37.97**

33 Contingent liabilities and commitments *(to the extent not provided for)*

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
Central excise and Service tax matters	1.31	3.50
Income tax matters	5.59	5.62
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	40.85	17.65

34 Auditors' remuneration (included in legal and professional, net of taxes)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020#
Statutory audit fees	1.00	0.70
Tax audit fees	0.10	0.20
Reimbursement of expenses	-	0.11
	1.10	**1.01**

represents payment made to the erstwhile auditors of the Company

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FITWEL TOOLS & FORGINGS PRIVATE LIMITED ★ Tumkur

35 Related parties disclosures

Enterprises where control exists

A. Holding company	Sansera Engineering Limited
B. Fellow subsidiaries	Sansera Engineering Pvt. Ltd. Mauritius Sansera Sweden AB
C. Key managerial personnel	D.R.Subramanya - Director D.N.Nagakumar - Director D.S.Ananth - Director B.R.Preetham – Director Basavaraja.M.S. – Director Praveen Chauhan - Director (w.e.f 27 September 2019)

D. The following is the summary of related party transactions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Sansera Engineering Limited	485.54	467.53
Purchase of raw materials		
Sansera Engineering Limited	2.05	4.44
Purchase of Property, plant and equipment		
Sansera Engineering Limited	6.72	-
Sale of raw materials		
Sansera Engineering Limited	3.54	2.45
Loans to Directors and Officers		
Mr.D.S. Ananth	1.50	1.50
Key managerial person remuneration *		
D.R.Subramanya	1.20	0.42
D.S.Ananth	4.29	4.32
D.N.Nagakumar	4.48	4.52

*Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

E. The balances receivable from and payable to related parties are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Sansera Engineering Limited	13.62	74.96
Advances		
Sansera Engineering Limited	-	6.81

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(Amount in ₹ millions)

36 Employee benefit plans

36 i. Defined contribution plan

The Company has defined contribution plan. Contributions are made to the Provident fund for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
-Employer contribution to provided fund, including admin charges	6.73	6.39
-Employer contribution to Employee state insurance scheme	1.00	1.32
-Employer contribution to Labour Welfare Fund	1.83	0.67

Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement (Age of 58 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Fund.

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits":

36 ii. Gratuity

Defined benefit plan

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits".

a) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation at the beginning of the year	31.00	26.24
Current service cost	2.47	2.13
Current interest cost	2.08	2.02
Benefits paid	(2.74)	(1.85)
Actuarial (gains) losses recognised in other comprehensive income	0	
Changes in financial assumptions	-	-
Experience adjustments	2.45	2.46
Defined benefit obligation at end of the year	**35.26**	**31.00**

b) Reconciliation of present value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Plan assets at the beginning of the year	-	-
Contribution paid into the plan	7.00	-
Benefits paid	-	-
Interest income	-	-
Return on plan assets recognised in other comprehensive income	-	-
Plan assets at the end of the year	**7.00**	**-**
Net defined benefit liability / (asset) (a-b)	**28.26**	**31.00**
Non-current	24.87	27.72
Current	3.39	3.28
	28.26	**31.00**

c) Expenses recognised in statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	2.47	2.13
Interest cost	2.08	2.02
Interest income	-	-
Past service cost	-	-
	4.55	**4.15**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gain)/loss on account of experience adjustments	2.45	2.46
Actuarial (gain)/loss arising from change in demographic assumptions	-	-
Actuarial (gain)/loss arising from change in financial assumptions	-	-
Return on plan assets recognised in other comprehensive income	-	-
	2.45	**2.46**

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36 Employee benefit plans (Continue)

e) Actuarial assumptions

The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2021 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Discount rate	6.65%	6.70%
Salary increase	4.00%	4.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal rate	5.00%	5.00%
Retirement age	58 Years	58 Years

f) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	**For the year ended 31 March 2021**		**For year ended 31 March 2020**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	32.55	38.35	28.65	33.69
Future salary growth (1% movement)	38.41	32.46	33.73	28.57
Withdrawal rate (1% movement)	36.43	33.74	32.04	29.65

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

The expected future contribution and estimated future benefit payments from the fund ares follows:

Expected cash flows over the next (valued on undiscounted basis):	₹ in million
1 year	3.39
2 to 5 years	12.34
6 to 10 years	15.22
More than 10 years	36.67

g) Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

h) The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

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37 Financial instruments

A Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying amount	Fair value		
	31-Mar-21	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non-current loans	15.48	-	-	-
Other non-current financial assets	4.19	-	-	-
Trade receivables	176.27	-	-	-
Cash and cash equivalents	61.73	-	-	-
Bank balances other than cash and cash equivalents above	5.12	-	-	-
Other current financial assets	17.93	-	-	-
	280.72	-	-	-
Financial liabilities measured at amortised cost				
Non-current borrowings	89.14	-	-	-
Current borrowings	207.70	-	-	-
Trade payables	224.58	-	-	-
Other current financial liabilities	50.11	-	-	-
	571.53	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-20	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non-current loans	18.66	-	-	-
Other non-current financial assets	3.39	-	-	-
Trade receivables	169.83	-	-	-
Cash and cash equivalents	2.29	-	-	-
Bank balances other than cash and cash equivalents above	10.89	-	-	-
Other current financial assets	2.31	-	-	-
	207.37	-	-	-
Financial liabilities measured at amortised cost				
Non-current borrowings	73.51	-	-	-
Current borrowings	253.90	-	-	-
Trade payables	127.56	-	-	-
Other current financial liabilities	75.27	-	-	-
	530.24	-	-	-

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has not disclosed the fair value of financial instruments such as other non current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

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38 Financial risk management

The Company is exposed to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses.

The top 5 customers generated revenues of ~88% during the year (March 31, 2020 : 92%), where in 2 customers (March 31, 2020 : 2 customers) individually represented more than 10% of the revenue for the year. Further, Top 5 customers accounted for more than 51% of the receivables as at March 31, 2021. Sansera accounted for more than 44% of the revenue for the year ended March 31, 2021.

Movement in the expected credit loss allowance: (Amount in ₹ millions)

	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	1.43	1.43
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Balance at the end of the year	**1.43**	**1.43**

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(Amount in ₹ millions)

	As at 31 March 2021				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Borrowings	342.37	342.37	253.23	45.54	43.60
Trade payables	41.53	41.53	41.53	-	-
Other financial liabilities	4.58	4.58	4.58	-	-

(Amount in ₹ millions)

	As at 31 March 2020				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Borrowings	364.81	364.81	291.30	49.53	23.97
Trade payables	127.56	127.56	127.56	-	-
Other financial liabilities	37.87	37.87	37.87	-	-

38 Financial risk management (continued)

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings and payables. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Interest rate sensitivity: The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

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(Amount in ₹ millions)

Particulars	Currency	Effect on profit before tax	
		31 March 2021	31 March 2020
Increase of 100 basis points	INR	2.92	3.65
Decrease in 100 basis points	INR	(2.92)	(3.65)

(ii) Foreign Currency risk

The Company is also mainly exposed to currency risk on certain transactions that are denominated in a currency other than the respective entity's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.
The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

The following table presents foreign currency risk from financial instruments as of :

Particulars	Currency		31-Mar-21		31-Mar-20	
			Foreign currency	Amount	Foreign currency	Amount
Trade receivables	USD		-	-	0.03	2.01
	EUR		-	-	-	-
Cash and cash equivalents			-	-	-	-
Other assets			-	-	-	-
Trade payable	GBP		0.002	0.22	-	-
Other liabilities						
Borrowings	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total	USD		-	-	0.03	2.01
	EUR		-	-	-	-
	GBP		0.002	0.22	-	-

Sensitivity analysis

Particulars	Percentage movement	Effect on profit before tax		Effect on equity	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2021					
USD	3%	-	-	-	-
EURO	3%	-	-	-	-
GBP	7%	0.02	(0.02)	0.01	(0.01)
31 March 2020					
USD	2%	-	-	-	-
EURO	2%	-	-	-	-
SGD	5%	-	-	-	-

39 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.
The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt*	342.37	364.81
Less : Cash and cash equivalent	66.85	13.18
Adjusted net debt (A)	**275.52**	**351.63**
Total equity (B)	**350.81**	**290.10**
Debit Ratio (A/B)	**0.79**	**1.21**

* Gross debt includes non current borrowing, current borrowing and current maturities of non current borrowing.

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40 Tax expense

A. Amount recognised in statement of profit or loss

(Amount in ₹ millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current year (a)	14.57	-
Deferred tax (b)		
Attributable to-		
Movement in current year temporary differences	7.59	2.33
True-up/True-down of opening balances	- 4.44	-
Total Deferred tax	3.15	(2.33)
Income tax expense reported in the standalone statement of profit or loss (a+b)	**17.72**	**(2.33)**
(ii) Amounts recognised in other comprehensive income		
Deferred taxes		
Remeasurements of the defined benefit plans	(0.68)	(0.68)
Income tax reported in other comprehensive income	**(0.68)**	**(0.68)**

B. Bifurcation of the income tax recognised in other comprehensive income into

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Items that will not be reclassified to profit or loss	(0.68)	(0.68)
Items that will be reclassified to profit or loss	-	-
	(0.68)	**(0.68)**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	80.20	(11.17)
Effective tax rate	27.82%	27.82%
	22.31	(3.11)
Effect of:		
Non-deductible expenses		
Tax exempt income	-	-
Permanent difference	0.05	0.10
Difference in tax rate from previous year	-	-
Tax adjustment pertaining to earlier years	(4.44)	-
Others	(0.20)	0.68
Income tax expense	**17.72**	**(2.33)**

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40 Tax expense (continued)

D. Movement in temporary differences

Particulars	Balance as at 1 April 2020	Recognised in profit or loss during 1 April 2020-31 March 2021	Recognised in OCI during 1 April 2020-March 2021	Balance as at 31 March 2021
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(26.37)	2.10	-	(24.27)
Provision for employee benefits	12.53	(5.22)	0.68	7.99
Others	0.03	(0.03)	-	-
	(13.81)	**(3.15)**	**0.68**	**(16.28)**

Particulars	Balance as at 1 April 2019	Recognised in profit or loss during 1 April 2019-31 March 2020	Recognised in OCI during 1 April 2019-March 2020	Balance as at 31 March 2020
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(22.02)	(4.35)	-	(26.37)
Provision for employee benefits	8.70	0.60	0.68	9.98
Others	2.52	0.06	-	2.58
	(10.80)	**(3.69)**	**0.68**	**(13.81)**

Note: This reconciliation is as extracted from the previous year's audited financial statements

E. Amendment to Ind AS 12 Income Taxes: Appendix C - Uncertainty over Income

This Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. Based on the evaluation carried out on the outstanding litigations (Refer Note 33), the Company has determined that there will not be any significant impact on the financial statements on account of this Appendix.

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41 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021: ₹ 7.27 million (31 March 2020 is ₹ 1.44 million) has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
- Principal	7.24	1.41
- Interest	0.03	0.03
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (the Act) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 the said Act	-	-
The amount of interest accrued and remaining unpaid at the end of each year	0.03	0.03
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.	0.03	0.03

42 Expenditure on corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Gross amount required to be spent by the Company during the year	0.79	0.82
(b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above	0.41	0.38
Surplus/(deficit)	**(0.38)**	**(0.44)**
(c) Amount unspend during current financial year	**0.38**	

43 Cash flow disclosures

Reconciliation between opening and closing balances in balance sheet for liabilities and financial assets arising from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April 2020	Proceeds	Repayments	Fair value changes	31 March 2021
Long term borrowings	110.91	51.51	(27.75)	-	134.67
Short term borrowings*	253.90	-	(46.20)	-	207.70
Total liabilities from financing activities	**364.81**	**51.51**	**(73.95)**	-	**342.37**

* Short term borrowings are disclosed net of repayment

Reconciliation between opening and closing balances in balance sheet for liabilities and financial assets arising from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April 2019	Proceeds	Repayments	Fair value changes	31 March 2020
Long term borrowings	138.91	20.00	(48.00)	-	110.91
Short term borrowings	255.11	-	(1.21)	-	253.90
Total liabilities from financing activities	**394.02**	**20.00**	**(49.21)**	-	**364.81**

* Short term borrowings are disclosed net of repayment

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44 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of forging, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 1. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

The Company primarily operates in India and its revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

(a) Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from external customers		
India	1,075.95	1,022.50
Other foreign countries	-	0.25
	1,075.95	**1,022.75**

(b) Non current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
India	396.97	380.69
Other foreign countries	-	-
	396.97	**380.69**
Reconciling items:		
Non-current financial assets	19.67	22.05
Income tax assets	17.23	17.24
Total non current assets	**433.87**	**419.98**

45 World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in its manufacturing facilities in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which was extended till mid May 2020.

As of 31 March 2020, the Company's current liabilities exceed its current assets. However, the Company, based on the fact that it has generated positive operating cash flows in current year and expects to continue the same in future years and its ability to use its unutilised bank limits, believes the Company will be able to continue to generate sufficient cash flows to meet its obligations as and when these fall due.

Furthermore, the Company's Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, investments inventory and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the automobile industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these standalone Ind AS financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its standalone Ind AS financial statements.

46 The new Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules are published.

47 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these standalone Ind AS financial statements since the requirement does not pertain to financial year ended 31 March 2021.

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for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D.S. Ananth
Director
DIN: 03414505

B.R. Preetham
Director
DIN: 03499506

Place: Bengaluru
Date: 18-04-2021

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