

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditor's Report

To the Members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co., LLP is registered
with limited liability with identification
number AAC-2085 and its registered office
at L-41 Connaught Circus, New Delhi,
110001, India



Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024 (cont'd)

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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024 (cont'd)

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor, SPP & Co., who have expressed an unmodified opinion on those financial statements vide their audit report dated 08 May 2023.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024 (cont'd)

14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - 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 except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - 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 does not have any pending litigations which would impact its financial position as at 31 March 2024.;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;



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Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024 (cont'd)

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 53 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2024.
- vi. As stated in note 49 to the financial statements and based on our examination the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software (Tally Prime Gold Release 4.0) for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature in the accounting software used for maintenance of accounting records was not enabled up to 09 February 2024 and the same did not operate throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with for the period where audit trail is enabled.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Arun Tandon
Partner
Membership No.: 517273



UDIN: 24517273BKEXFJ7025

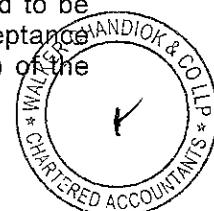
Place: New Delhi
Date: 13 May 2024

Walker Chandiook & Co LLP

Annexure A referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.



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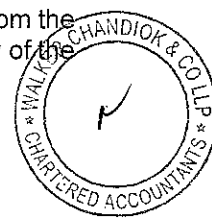
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix)
- (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.



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Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv)
- (a) According to the information and explanations given to us, the Company is not required to have an internal audit system as per the provisions of section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 30.50 million and Rs. 51.08 million respectively.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.



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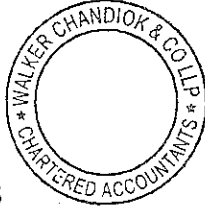
We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Arun Tandon

Arun Tandon
Partner
Membership No.: 517273
UDIN: 24517273BKEXFJ7025



Place: New Delhi
Date: 13 May 2024

Walker Chandiook & Co LLP

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements .

Meaning of Internal Financial Controls with Reference to Financial Statements

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



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Annexure B to the Independent Auditor's Report of even date to the members of SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) on the financial statements for the year ended 31 March 2024 (cont'd)

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

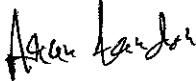
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Arun Tandon
Partner
Membership No.: 517273



UDIN: 24517273BKEXFJ7025

Place: New Delhi
Date: 13 May 2024

SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)

Balance Sheet as at 31 March 2024

Particulars	Note No.	As at	As at
		31 March 2024 Rs. million	31 March 2023 Rs. million
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	40.57	41.46
b) Capital work-in-progress	4	7.24	-
c) Other intangible assets	5	86.50	69.73
d) Right of use assets	6	27.53	30.67
e) Financial assets			
(i) Other financial assets	9	1.56	1.38
f) Deferred tax assets (net)	7	21.03	17.62
g) Other non-current assets	10	56.61	2.70
		<u>241.04</u>	<u>163.56</u>
Current assets			
a) Inventories	11	84.21	73.02
b) Financial assets			
(i) Investments	8	316.23	-
(ii) Trade receivables	12	19.86	12.05
(iii) Cash and cash equivalents	13	17.35	9.74
(iv) Other bank balances other than (iii) above	13	404.32	175.00
(v) Other financial assets	9	0.75	1.36
c) Other current assets	10	38.89	39.62
		<u>881.61</u>	<u>310.79</u>
TOTAL ASSETS		<u><u>1,122.65</u></u>	<u><u>474.35</u></u>
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	14	175.17	120.05
b) Other equity	15	783.15	195.86
		<u>958.32</u>	<u>315.91</u>
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	16	41.00	58.53
(ii) Lease liabilities	34	27.17	28.67
(iii) Other financial liabilities	19	2.27	2.95
b) Other non-current liabilities	17	-	0.81
		<u>70.44</u>	<u>90.96</u>
Current liabilities			
a) Financial liabilities			
(i) Lease liabilities	34	1.50	1.21
(ii) Trade payables	18	-	-
- total outstanding dues of micro enterprises and small enterprises		10.88	4.06
- total outstanding dues of creditors other than micro enterprises and small enterprises		29.24	7.58
(iv) Other financial liabilities	20	11.42	4.45
b) Other current liabilities	17	40.85	50.18
		<u>93.89</u>	<u>67.48</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,122.65</u></u>	<u><u>474.35</u></u>

See accompanying notes to the financial statements

1 to 55

In terms of our report attached

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Arun Tandon

Arun Tandon

Partner

Membership no. 517273



Place: New Delhi

Date: 13 May 2024

For and on behalf of the Board of Directors

S. Krishnakumar

Krishnakumar Srinivasan

Chairman

DIN: 00692717

Place: New Delhi

Deepak Kumar

Deepak Kumar

Chief Financial Officer

Place: Coimbatore

Alok Ranjan

Alok Ranjan

Director

DIN: 08254398

Place: Lucknow

Hang Xue Yi

Hang Xue Yi

Director

DIN: 07060360

Place: Singapore

Arun Kumar Shukla

Arun Kumar Shukla

Whole-time Director

DIN: 09854946

Place: New Delhi

SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)
Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Note No.	For the Year ended 31 March 2024 Rs. million	For the Year ended 31 March 2023 Rs. million
I Revenue from operations	21	128.87	229.13
II Other income	22	13.70	2.91
III Total income (I + II)		142.57	232.04
IV Expenses			
Cost of materials consumed	23	130.70	207.11
Changes in inventories of finished goods and work-in-progress	24	(12.44)	1.24
Employee benefits expense	25	36.58	43.41
Finance costs	26	11.88	11.38
Depreciation and amortisation expense	27	21.73	19.21
Other expenses	28	14.90	19.98
Total expenses		203.35	302.33
V Loss before tax (III - IV)		(60.78)	(70.29)
VI Tax expense			
i) Current tax			
ii) Deferred tax	7	(3.41)	(17.71)
		(3.41)	(17.71)
VII Loss for the year (V - VI)		(57.37)	(52.58)
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the post employment defined benefit plans		0.33	-
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
a) Fair value change of cash flow hedge		(0.55)	-
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total other comprehensive income		(0.22)	-
Total comprehensive income for the year (VII + VIII)		(57.59)	(52.58)
Earnings per share (of Rs. 10/- each)	30		
Basic (Rs)		(4.60)	(5.05)
Diluted (Rs)		(4.60)	(5.05)

See accompanying notes to the financial statements

1 to 55


In terms of our report attached

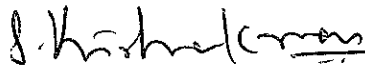
For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/NS00013

Arun Tandon
Partner
Membership no. 517273

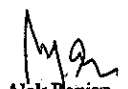


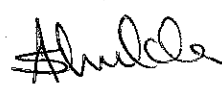
For and on behalf of the Board of Directors


Deepak Kumar
Chief Financial Officer
Place: Coimbatore


Krishnakumar Srinivasan
Chairman
DIN: 00692717
Place: New Delhi


Hang Xue Yi
Director
DIN: 07060360
Place: Singapore

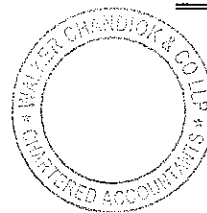
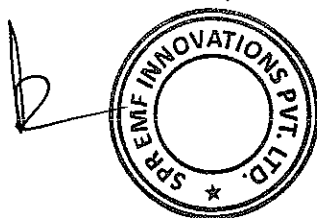

Alok Ranjan
Director
DIN: 08254398
Place: Lucknow


Arun Kumar Shukla
Whole-time Director
DIN: 09854946
Place: New Delhi

Place: New Delhi
Date: 13 May 2024

SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)
Statement of Cash flows for the year ended 31 March 2024

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
A. Cash flow from operating activities		
Loss before tax	(60.78)	(70.29)
Adjustments for :		
Depreciation/amortisation	21.73	19.21
Loss/ (profit) on sale/ retirement of property, plant and equipment	-	0.03
Bad debts/advances written off	2.12	0.02
Provision for doubtful debts/advances (net)	1.12	0.14
Net gain on sale/ fair valuation of current investment	(2.41)	-
Interest income	(11.16)	(2.79)
Finance costs	11.88	11.31
Operating profit before working capital changes	<u>(37.50)</u>	<u>(42.37)</u>
Adjustments for :		
(Increase)/ decrease in inventories	(11.19)	(33.02)
(Increase)/ decrease in trade receivables	(8.57)	14.49
(Increase)/ decrease in other financial assets (current and non-current)	0.43	8.11
(Increase)/ decrease in other assets (current and non-current)	(54.86)	27.49
Increase/ (decrease) in trade payable	28.41	(10.44)
Increase/ (decrease) in other financial liabilities (current and non-current)	6.44	35.42
Increase/ (decrease) in other liabilities and provisions (current and non-current)	(10.62)	(45.18)
Cash generated from operations	<u>(87.46)</u>	<u>(45.50)</u>
Income tax paid	(0.80)	(0.01)
Net cash from operating operations	<u>(88.26)</u>	<u>(45.51)</u>
	(A)	
B. Cash flow from investing activities		
Interest received	11.03	2.79
Proceeds from redemption of current investments	351.24	-
Purchases of current investments	(665.06)	-
Investment in deposit with banks	(385.82)	(210.00)
Redemption of deposit with banks	156.50	35.00
Sale of property, plant and equipment	-	0.03
Purchase of property, plant and equipment (including capital work-in-progress)	(16.49)	(13.01)
Purchase of intangible assets	(25.22)	(42.10)
Net cash used in investing activities	<u>(573.82)</u>	<u>(227.29)</u>
	(B)	
C. Cash flow from financing activities		
Proceed from allotment of shares	700.00	258.92
Proceed from external commercial borrowings (ECB)	-	40.89
Repayment of external commercial borrowings (ECB)	(26.13)	-
Repayment of non-current borrowings	-	(20.00)
Interest paid	(0.33)	(4.34)
Payment of lease liability	(1.21)	(1.91)
Interest on lease liability	(2.64)	(1.04)
Net cash from financing activities	<u>669.69</u>	<u>272.52</u>
	(C)	
Net increase/ (decrease) in cash and cash equivalents	<u>7.61</u>	<u>(0.28)</u>
	(A+B+C)	
Cash and cash equivalents at the beginning of the year	<u>9.74</u>	<u>10.02</u>
Cash and cash equivalents at the end of the year	<u>17.35</u>	<u>9.74</u>



SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)
Statement of Cash flow for the year ended 31 March 2024

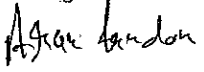
	Year ended 31 March 2024 Rs. million	Year ended 31 March 2023 Rs. million
Components of cash and cash equivalents		
Balance with banks		
- Current accounts	17.35	9.74
Total cash and cash equivalents	17.35	9.74

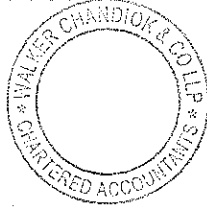
Note:

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7.

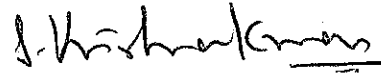
In terms of our report attached

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013


Arun Tandon
Partner
Membership no. 517273



For and on behalf of the Board of Directors



Krishnakumar Srinivasan
Chairman
DIN: 00692717
Place: New Delhi



Alok Ranjan
Director
DIN: 08254398
Place: Lucknow



Deepak Kumar
Chief Financial Officer
Place: Coimbatore



Hang Xue Yi
Director
DIN: 07060360
Place: Singapore



Arun Kumar Shukla
Whole-time Director
DIN: 09854946
Place: New Delhi

Place: New Delhi
Date: 13 May 2024

SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)
Statement of change in equity as at 31 March 2024

a) Fully paid up equity shares
(face value of Rs. 10/- each)

	No of shares	Amount Rs. million
Balance as at 31 March 2022	99,72,955	99.73
Add: Issued during the year	20,32,316	20.32
Balance as at 31 March 2023	1,20,05,271	120.05
Add: Issued during the year (refer note 45)	55,11,811	55.12
Balance as at 31 March 2024	1,75,17,082	175.17

b) Other equity

Particulars	Reserves and surplus		Items of other comprehensive income	Equity component of compound financial instrument	Total
	Securities premium ^	Retained earnings	Effective portion of cash flow hedge reserve		
Balance as at 31 March 2022	-	(18.87)	-	-	(18.87)
Profit/ (loss) for the year	-	(52.58)	-	-	(52.58)
Share issued during the year	238.59	-	-	-	238.59
Equity component of compound financial instrument	-	-	-	28.72	28.72
Balance as at 31 March 2023	238.59	(71.45)	-	28.72	195.86
Profit/ (loss) for the year	-	(57.37)	-	-	(57.37)
Share issued during the year *	644.88	-	-	-	644.88
Other comprehensive income for the year, net of tax	-	0.33	(0.55)	-	(0.22)
Balance as at 31 March 2024	883.47	(128.49)	(0.55)	28.72	783.15

* refer note 45

^ The securities premium is not "free reserve" as per the Companies Act 2013, hence not available for distribution of dividend.

See accompanying notes to the financial statements

1 to 55

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013
Arun Tandon
Arun Tandon
Partner
Membership no. 517273



For and on behalf of the Board of Directors

S. Krishnakumar

Krishnakumar Srinivasan
Chairman
DIN: 00692717
Place: New Delhi

Alok Banjan

Alok Banjan
Director
DIN: 08254398
Place: Lucknow

Deepak Kumar

Deepak Kumar
Chief Financial Officer
Place: Coimbatore

Hang Xue Yi

Hang Xue Yi
Director
DIN: 07060360
Place: Singapore

Arun Kumar Shukla

Arun Kumar Shukla
Whole - time Director
DIN: 09854946
Place: New Delhi

Place: New Delhi
Date : 13 May 2024

SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

1. Corporate information

SPR EMF Innovations Private Limited (formerly EMF Innovations Private Limited) ("the Company") having CIN U29309TZ2016PTC027538 is incorporated on 15th May, 2016 under the provisions of the Companies Act, applicable in India. The registered office of the company is located at 2/209 to 2/212 Shasti Building, Rajiv Gandhi Nagar, Mylampatti Village, Neelambur, Coimbatore - 641062. The name of the company changed to SPR EMF Innovation Private Limited w.e.f. April 30, 2024 as per MCA approval dated April 30, 2024

The Company's business activity falls under the business of Research, Development, Manufacturing and sale of Motors and Motor Controllers.

The financial statements of the Company are approved for issuance by the Company's Board of Directors on 13 May 2024

2. Material accounting policy information

2.1.1 Basis of accounting and preparation of financial statements

The financial statements ("financial statements") have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs ('MCA').

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the following assets and liabilities: -

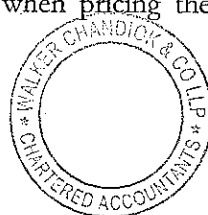
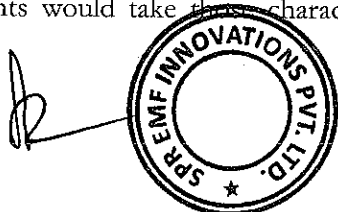
- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Investments in unquoted equity shares measured at fair value
- iii) Defined benefit liabilities are measured at present value of defined benefit obligation.
- iv) Certain financial assets and liabilities at amortised cost.

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

The financial statements are presented in INR "(Indian Rupees)" and all values are rounded to the nearest million, except when otherwise indicated.

2.1.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the



SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entirety, which are described as follows:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: This level includes financial assets and liabilities, measured using 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 prices).

- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.1.3 Current versus non-current classification

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

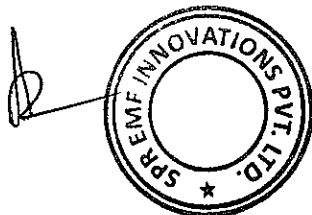
The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it holds the liability for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or



SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

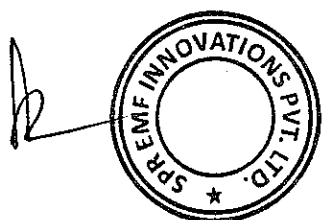
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements is in conformity with Indian Accounting Standards (Ind AS) and requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise information, about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes.

- **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 corresponding amounts used for taxation purposes. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- **Useful lives of depreciable/amortisable assets:** value of property, plant and equipment and intangibles at the end of each reporting period. Factors such as changes in the expected level of usage could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.
- **Estimation of defined benefit obligation:** Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

• **Estimation for expected credit losses of trade receivables:** Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management believes that there is uncertainty of collections. Provision is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

• **Incremental rate of borrowing for lease accounting:** The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates

2.3.1 Revenue recognition

Sale of products/services

The Company recognize revenue from the sale of products or services upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the contracts and is measured at transaction price.

Contract assets

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

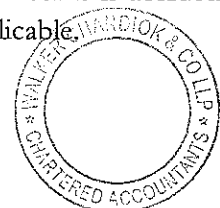
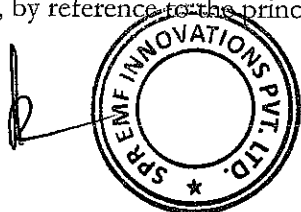
Contract liabilities

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

2.3.2 Other income

Interest Income

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



SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

Miscellaneous income

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

2.4.1 Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods and services, or for administrative purpose, are stated at historic cost, net of accumulated depreciation (net of input tax credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets up to the date the assets are ready for their intended use.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Subsequent expenditure can be capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the company.

An item of property, plant and equipment is derecognised on disposal, or when no future economic benefit are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.4.2 Intangible assets

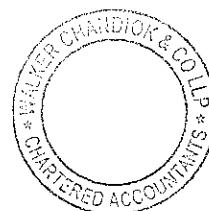
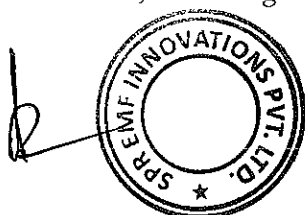
Intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

Intangible assets held for use in production or supply of goods and services, or for administrative purpose, are stated at are stated at historic cost, net of accumulated depreciation (net of input tax credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

An item of intangible asset is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.4.3 Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.



SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

2.4.4 Intangible assets under development

All development costs incurred in respect of new model development projects are capitalised under intangible assets under development. Once the new model is commercialised, the cost accumulated in intangible assets under development are classified as intangible assets corresponding to the new model development project.

2.4.5 Leases

Lessee Accounting

- i) Lease liability is initially recognised at the commencement of lease and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
- ii) Right of use asset is recognised at the commencement of lease and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee. Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets and impairment loss.
- iii) The lease liability is measured in subsequent periods using the effective interest rate method.
- iv) Recognition and measurement exemption is availed for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets: Short-term leases are defined as leases with a lease term of 12 months or less.

2.5 Depreciation and amortisation

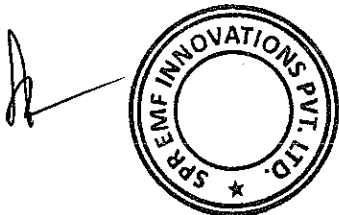
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Company is following written down value method in case of Computers, Furniture & fixtures and office equipment and straight line method in respect of other assets.

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc. Following are the estimated useful lives of various category of assets used:

Plant and equipment

- | | | |
|-------------------------|---|-------------|
| - General | - | eight years |
| - Electric equipment | - | five years |
| - Leasehold improvement | - | five years |



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Notes to the financial statements for the year ended 31 March 2024

- Plant and equipment – welding	-	fifteen years
- Furniture and fixtures	-	ten years
- Computer	-	three years
- Office equipments	-	five years
- Motor vehicles	-	eight years

All intangible assets are amortised on straight-line method over their estimated useful life as under.

Intellectual property	-	ten years
Computer software	-	three years
Right of use Assets under leases	-	over the lease period

Depreciation on assets acquired/sold/discarded during the year is charged on pro-rata basis.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

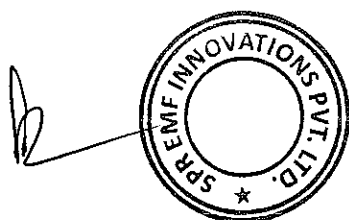
Financial assets

All regular way purchases or sales of financial assets are accounted for at trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost

- i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- i) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit or loss (FVTPL).

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. The average credit period is 56 days.

Investments

Investments in mutual funds are measured at fair value through profit or loss.

Financial liabilities

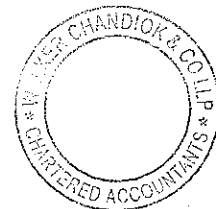
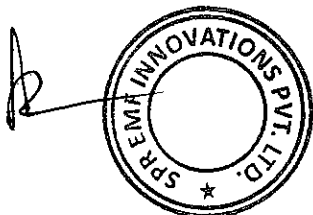
All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is determined in the manner described in note no 38.

2.7. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

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



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(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the statement of profit and loss and the resulting exchange gains or losses are included in the statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance sheet date.

(ii) Hedge accounting

The Company designates the derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transaction.

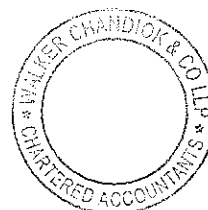
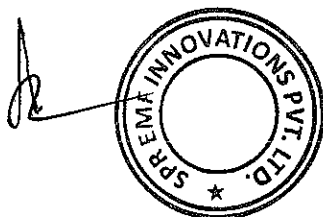
The Company documents at the inception of the hedging transaction the economic relationship between hedging instrument and hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

When forward contracts are used to hedge forecast transactions, the Company generally designates related forward contract related as the hedging instruments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. For the same, Company matches critical terms of hedge item and hedge instruments.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction and cross currency interest rate swap transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction and cross currency interest rate swap transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value is determined in the manner described in note no 38.



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Notes to the financial statements for the year ended 31 March 2024

2.8 Inventories

Inventories are valued at lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- ii) Work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.
- iii) Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Foreign currency transactions and translations

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except exchange differences on transactions entered into in order to hedge certain foreign currency risks.

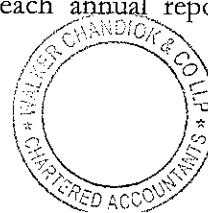
For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

2.10 Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund is paid as per the statutory provisions. These benefits are charged to the statement of profit and loss of the year when they become due. For defined post-employment employee benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.



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Re-measurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) Net interest expense or income; and
- iii) Re-measurement.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

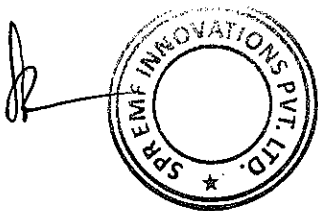
Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of reporting period. Remeasurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

2.11 Research and development

Revenue expenditure on research and development, inclusive of dies for new model development, is charged as expense in the year in which incurred. Capital expenditure is included in Property, plant, equipment and intangible assets.

2.12 Taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.



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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 realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.14 Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the Company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

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

2.15 Impairment of assets

The carrying values of Property, plant and equipment, right-of-use assets and intangible assets are reviewed at each Balance sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss



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recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

2.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

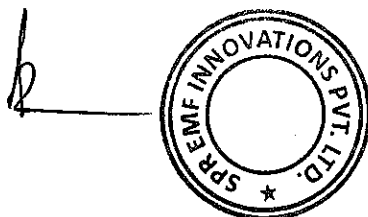
When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

2.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the design and manufacturing of electric vehicle motors and motor controllers. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

2.19 Recent accounting pronouncements which are not yet effective

As on the date of these financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards which are effective from 1 April 2024.



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Notes to the financial statements for the year ended 31 March 2024

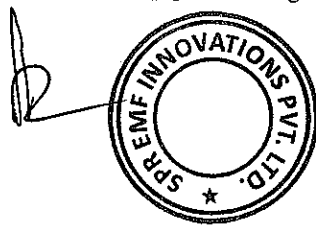
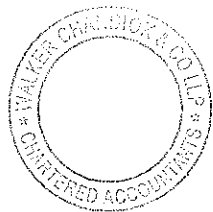
3. Property, plant and equipment

Rs. million

Particulars	Leasehold improvement	Plant and equipment	Furniture and fixtures	Computer	Office equipments	Electrical equipments	Motor vehicles	Total
As at 31 March 2023								
Gross carrying amount								
Opening gross carrying amount	11.71	27.71	1.48	3.45	2.79	1.80	0.17	49.11
Additions	7.83	3.17	0.41	0.83	0.27	0.51	-	13.02
Disposals	-	-	-	-	-	-	(0.09)	(0.09)
Closing gross carrying amount as at 31 March 2023	19.54	30.88	1.89	4.28	3.06	2.31	0.08	62.04
Accumulated depreciation								
As on 31 March 2023								
Opening accumulated depreciation	3.21	4.36	0.06	1.07	0.51	0.58	0.03	9.82
Depreciation charged during the year	3.17	3.44	0.47	2.08	1.20	0.41	0.02	10.79
Disposals	-	-	-	-	-	-	(0.03)	(0.03)
Closing accumulated depreciation as at 31 March 2023	6.38	7.80	0.53	3.15	1.71	0.99	0.02	20.58
Net carrying amount as at 31 March 2023	13.16	23.08	1.36	1.13	1.35	1.32	0.06	41.46
As at 31 March 2024								
Gross carrying amount								
Opening gross carrying amount	19.54	30.88	1.89	4.28	3.06	2.31	0.08	62.04
Additions	-	7.75	0.09	0.15	0.31	0.26	0.69	9.25
Disposals	-	-	-	-	-	-	-	-
Closing gross carrying amount as at 31 March 2024	19.54	38.63	1.98	4.43	3.37	2.57	0.77	71.29
Accumulated depreciation								
As at 31 March 2024								
Opening accumulated depreciation	6.38	7.80	0.53	3.15	1.71	0.99	0.02	20.58
Depreciation charged during the year	3.71	4.11	0.37	0.72	0.68	0.46	0.09	10.14
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31 March 2024	10.09	11.91	0.90	3.87	2.39	1.45	0.11	30.72
Net carrying amount as at 31 March 2024	9.45	26.72	1.08	0.56	0.98	1.12	0.66	40.57

Note:

The Company has not revalued any property, plant and equipment during the year.



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Notes to the financial statements for the year ended 31 March 2024

4. Capital-work-in progress

Particulars	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Balance at the beginning of the year	-	-
Additions during the year	10.30	-
Capitalised / adjusted during the year	3.06	-
Balance at the end of the year	7.24	-

Note: The capital-work-in-progress mainly consists of property, plant and equipment under construction / installations and which are not ready for use at year end.

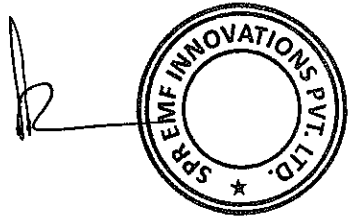
Particulars	As on 31 March 2024				Rs. million
	Amount in Capital-work-in-progress for a period of				Total
	Less than 1 year	2-3 years	2-3 years	More than 3 years	
Projects in progress **	7.24	-	-	-	7.24

Note:

** The projects in progress as on 31 March 2024, will be completed within 1 year.

There are no such projects under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2024.

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Notes to the financial statements for the year ended 31 March 2024

5. Other intangible assets

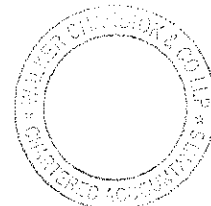
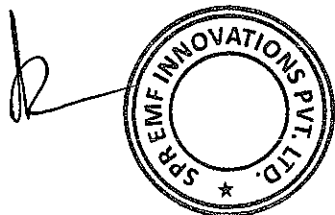
Particulars	Other intangible assets		Rs. million
	Computer software	Intellectual property	Total
As at 31 March 2023			
Gross carrying amount			
Opening gross carrying amount	-	-	-
Additions	-	-	-
Disposals	-	76.40	76.40
Closing gross carrying amount as at 31 March 2023	-	76.40	76.40
Accumulated depreciation			
Opening accumulated depreciation	-	-	-
Depreciation / amortisation charged during the year	-	-	-
Disposals	-	6.67	6.67
Closing accumulated depreciation as at 31 March 2023	-	6.67	6.67
Net carrying amount as at 31 March 2023	-	69.73	69.73
As at 31 March 2024			
Gross carrying amount			
Opening gross carrying amount	-	76.40	76.40
Additions	-	-	-
Disposals	3.01	22.21	25.22
Closing gross carrying amount as at 31 March 2024	3.01	98.61	101.62
Accumulated amortisation			
Opening accumulated depreciation	-	-	-
Depreciation / amortisation charged during the year	-	6.67	6.67
Disposals	0.81	7.64	8.45
Closing accumulated depreciation as at 31 March 2024	0.81	14.31	15.12
Net carrying amount as at 31 March 2024	2.20	84.30	86.50

(i) The Company has not revalued other intangible assets during the year.

6. Right of use assets

Particulars	Right of use assets (refer note 34)		
	Land	Buildings	Total
As at 31 March 2023			
Gross carrying amount			
Opening gross carrying amount	-	-	-
Additions	-	-	-
Closing gross carrying amount as at 31 March 2023	3.68	28.75	32.43
Accumulated amortisation			
Opening accumulated depreciation	-	-	-
Depreciation / amortisation charged during the year	-	-	-
Disposals	0.78	0.98	1.76
Closing accumulated depreciation as at 31 March 2023	0.78	0.98	1.76
Net carrying amount as at 31 March 2023	2.90	27.77	30.67
As at 31 March 2024			
Gross carrying amount			
Opening gross carrying amount	3.68	28.75	32.43
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount as at 31 March 2024	3.68	28.75	32.43
Accumulated amortisation			
Opening accumulated depreciation	-	-	-
Depreciation / amortisation charged during the year	0.78	0.98	1.76
Disposals	0.78	2.36	3.14
Closing accumulated depreciation as at 31 March 2024	1.56	3.34	4.90
Net carrying amount as at 31 March 2024	2.12	25.41	27.53

(i) The Company has not revalued right-of-use assets during the year.



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Notes to the financial statements for the year ended 31 March 2024

7. a) Deferred tax assets (net)

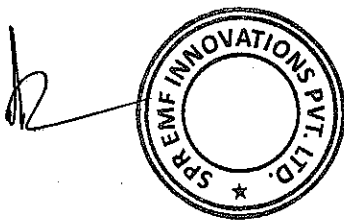
	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Deferred tax assets		
Business loss and unabsorbed depreciation	21.03	17.62
	<u>21.03</u>	<u>17.62</u>
Net deferred tax assets *	<u>21.03</u>	<u>17.62</u>

(b) Changes in deferred tax assets (net)

	As at 31 March 2023	Recognised in		As at 31 March 2024
		OCI	Profit / Loss	
Items leading to creation of deferred tax assets				
Income tax expenses calculated at current tax rate	15.79	-	3.41	19.20
Adjustment recognised in current year in relation to deferred tax of prior year	1.80	-	-	1.80
Interest on MSMED parties			-	-
Effect of tax on unabsorbed depreciation (prior years)	0.03	-	-	0.03
Net deferred tax assets / (liability)	<u>17.62</u>	<u>-</u>	<u>3.41</u>	<u>21.03</u>

	As at 31 March 2022	Recognised in		As at 31 March 2023
		OCI	Profit / Loss	
Items leading to creation of deferred tax assets				
Income tax expenses calculated at current tax rate	-	-	15.79	15.79
Unabsorbed depreciation of current year	-		1.80	1.80
Unabsorbed depreciation of previous year	-		0.03	0.03
Items leading to deferred tax liabilities				
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	(0.09)	-	0.09	-
Net deferred tax assets / (liability)	<u>(0.09)</u>	<u>-</u>	<u>17.71</u>	<u>17.62</u>

*On account of lack of virtual certainty of future taxable income, deferred tax assets have not been recognised.



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Notes to the financial statements for the year ended 31 March 2024

8. Investments

	<u>As at</u> <u>31 March 2024</u> Rs. million	<u>As at</u> <u>31 March 2023</u> Rs. million
Current investments (Unquoted)		
Carried at fair value through Statement of Profit and loss		
Investment in mutual fund (Liquid fund) units of face value of Rs 1000 each		
- 30,274 units (Previous year: Nil) UTI Liquid Fund - Direct plan - Growth	119.82	-
- 25,978 units (Previous year: Nil) Sundaram Liquid Fund - Direct plan - LFZG	55.39	-
- 29,304 units (Previous year: Nil) HSBC Liquid Fund - Direct growth	70.51	-
- 18,656 units (Previous year: Nil) SBI Liquid Fund - Direct growth	70.51	-
	<u>316.23</u>	<u>-</u>
Aggregate book value of unquoted investments	314.11	-
Aggregate market value of unquoted investments	316.23	-
Aggregate value of impairment in value of investments	-	-

9. Other financial assets

(At amortised cost excluding derivative instrument)

Non-current:

	<u>As at</u> <u>31 March 2024</u> Rs. million	<u>As at</u> <u>31 March 2023</u> Rs. million
Security deposits	1.56	1.38
Less: provision for doubtful security deposits*	(0.00)	-
	<u>1.56</u>	<u>1.38</u>

*Rounded off to zero

Current:

Security deposits	-	0.74
Interest accrued on deposits	0.75	0.62
	<u>0.75</u>	<u>1.36</u>

10. Other assets

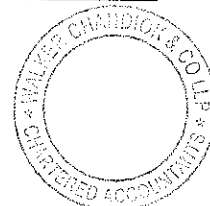
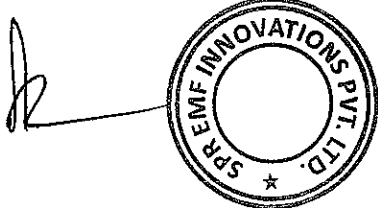
(Unsecured, considered good unless stated otherwise)

Non-current:

	<u>As at</u> <u>31 March 2024</u> Rs. million	<u>As at</u> <u>31 March 2023</u> Rs. million
i) Capital advances		
Less: Provision for doubtful advances	55.39	0.20
	(0.18)	-
	<u>55.21</u>	<u>0.20</u>
ii) Other assets		
Unsecured, considered good	-	2.11
Unsecured, considered doubtful	-	-
	<u>-</u>	<u>2.11</u>
iii) Gratuity recoverable (refer note 37)	0.21	-
iv) Advance income tax	1.19	0.39
	<u>56.61</u>	<u>2.70</u>

Current:

i) Advances other than capital advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	8.19	16.06
Unsecured, considered doubtful	0.18	-
	8.37	16.06
Less: Provision for doubtful advances	(0.18)	-
	<u>8.19</u>	<u>16.06</u>
ii) Balance with government authorities	30.22	23.25
iii) Prepaid expenses	0.48	0.31
	<u>38.89</u>	<u>39.62</u>



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Notes to the financial statements for the year ended 31 March 2024

11. Inventories

(valued at lower of cost or net realisable value)

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Raw material and components (includes in transit Rs. 11.81 million (previous year: Nil))	61.69	62.94
Work-in-progress	10.45	7.20
Finished goods	12.07	2.88
	<u>84.21</u>	<u>73.02</u>

12. Trade receivables

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Trade receivables considered goods - Secured	-	-
Trade receivables considered goods - Unsecured *	19.86	12.05
Receivable which have significant increase in credit risk	-	-
Credit impaired	0.90	0.14
	<u>20.76</u>	<u>12.19</u>
Less: Allowance for expected credit loss on receivable credit impaired	(0.90)	(0.14)
	<u>19.86</u>	<u>12.05</u>

Notes:

- i) *There is no trade receivable which have significant increase in credit risk.
ii) *Trade receivable of Rs. 10.28 million (previous year: Rs. 1.52 million) is due from related party (refer note 32).
iii) *No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivable ageing as on 31 March 2024 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	18.55	0.11	1.22	-	-	19.86
(ii) Undisputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables–considered good	-	-	0.02	0.01	0.87	-	-	0.90
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	-	-	<u>18.55</u>	<u>0.12</u>	<u>2.09</u>	-	-	<u>20.76</u>

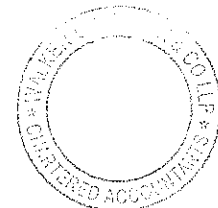
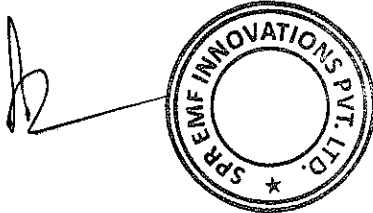
Trade receivable ageing as on 31 March 2023 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	2.14	7.41	2.50	-	-	-	12.05
(ii) Undisputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	0.14	-	-	0.14
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
	-	<u>2.14</u>	<u>7.41</u>	<u>2.50</u>	<u>0.14</u>	-	-	<u>12.19</u>

13. Cash and cash equivalents and other bank balances

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
i) Cash and cash equivalents		
Balances with banks		
- current accounts	17.35	9.74
	<u>17.35</u>	<u>9.74</u>
ii) Other bank balances		
- Deposits with banks , with original maturity more than 3 months but less than 12 months [^]	404.32	175.00
	<u>404.32</u>	<u>175.00</u>
	<u>421.67</u>	<u>184.74</u>

[^] The Company has been sanctioned a working capital loan by Kotak Mahindra Bank Limited against collateral of bank deposit amounting Rs. 53.5 million.



SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

14. Equity share capital

	As at 31 March 2024	As at 31 March 2023
	Rs. million	Rs. million
Authorised shares capital		
35,000,000 (previous year 35,000,000) equity shares of Rs. 10 each	350.00	350.00
	350.00	350.00
a. Issued, subscribed and fully paid up share capital		
17,517,082 (previous year 12,005,271) equity shares of Rs. 10 each	175.17	120.05
	175.17	120.05

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Reconciliation of numbers of equity shares outstanding at the beginning and at the end of reporting year

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Rs. million	No. of shares	Rs. million
Opening balance	1,20,05,271	120.05	99,72,955	99.73
Issued during the year (refer note 45)	55,11,811	55.12	20,32,316	20.32
Closing balance	1,75,17,082	175.17	1,20,05,271	120.05

d. Details of equity shareholders holding more than 5% shares in the Company

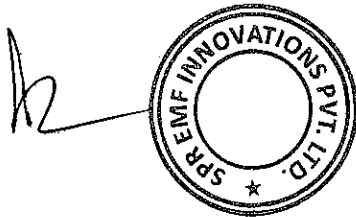
	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% shareholding	No. of shares	% shareholding
Equity shares of Rs. 10 each fully paid				
SPR Engenious Limited	1,16,34,499	66.42%	61,22,688	51.00%
EMFI International Pte Ltd	58,82,583	33.58%	58,82,583	49.00%

e. Details of shares held by promoters at the end of the year

Name of promoter	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% shareholding	% Change during the year	No. of shares	% shareholding	% Change during the year
SPR Engenious Limited	1,16,34,499	66.42	90.02	61,22,688	51.00	51.00
EMFI International Pte Ltd	58,82,583	33.58	-	58,82,583	49.00	(49.35)

f. The Company has not issued any bonus shares nor has there been any buy-back of shares nor any shares are issued for consideration other than cash in the current year and preceding five years.

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SPR EMF Innovations Private Limited
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Notes to the financial statements for the year ended 31 March 2024

15. Other equity

Particulars	Reserves and surplus			Items of other comprehensive income	Equity component of compound financial instrument	Total
	Securities premium	Retained earnings	Sub Total	Effective portion of cash flow hedge reserve		
Balance as at 31 March 2022	-	(18.87)	(18.87)	-	-	(18.87)
Loss for the year	-	(52.58)	(52.58)	-	-	(52.58)
Allotment of equity shares	238.59	-	238.59	-	-	238.59
Equity component of compound financial instrumen	-	-	-	-	28.72	28.72
Balance as at 31 March 2023	238.59	(71.45)	167.14	-	28.72	195.86
Loss for the year	-	(57.37)	(57.37)	-	-	(57.37)
Issuance of equity shares	644.88	-	644.88	-	-	644.88
Other comprehensive income for the year, net of tax	-	0.33	0.33	(0.55)	-	(0.22)
Balance as at 31 March 31 2024	883.47	(128.49)	754.98	(0.55)	28.72	783.15

Nature and purpose of reserves:

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities. Also includes re-measurement gains or loss on defined benefit plans.

Cash flow hedge reserve

Cumulative changes in the fair value of financial instruments designated as effective hedge are recognised in this reserve through OCI (net of taxes). Amounts recognised in the hedging reserve are reclassified to the statement of profit and loss when the underlying transaction occurs.

Securities premium

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

Equity component of compound financial instrument

The company has accounted equity component basis on difference between fair value of the instrument as a whole and fair value of the liability component as per Ind AS 32. This equity is the residuary interest in assets after deducting liabilities and initial carrying amount of compound instrument. No gain or loss recognised on initial recognition of the component.

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SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

Notes to the financial statements for the year ended 31 March 2024

16. Borrowings

(At amortised cost)

Unsecured

Unsecured loans from related parties (refer note 33) ^

	As at 31 March 2024	As at 31 March 2023
	Rs. million	Rs. million
	41.00	58.53
	41.00	58.53

^ The Company borrowed external commercial borrowings ECB of SGD 14,13,000 bearing zero interest rate from EMF International Pte. Ltd. Out of this, ECB of SGD 4,20,700 has been paid during the year. Consequently, ECB of SGD 9,92,300 is outstanding at the end of the year.

Repayment schedule for the ECB loan is given as under:

Date	Amount in SGD
9 March 2029	3,79,300
26 July 2029	6,13,000
Total	9,92,300

Amount Outstanding	Repayment period from origination (years)	Instalments outstanding	Effective rate of interest per annum (%)
As at 31 March 2024 (Rs. million)		As at 31 March 2024	As at 31 March 2024
		No.	
41.00	8	2	Nil

Disclosure under Para 44A as set out in IND AS on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Changes in liabilities arising from financing activities:

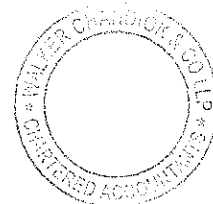
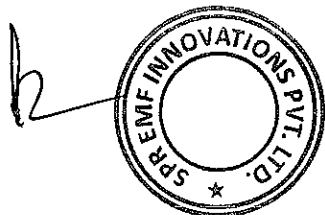
Particulars	Outstanding balance as on 1 April 2023	Net proceeds/ (repayment) of borrowing	Non-cash changes	Rs. million
				Outstanding balance as on 31 March 2024
Long term borrowing (including current maturities of long term borrowings)	58.53	(26.13)	8.60	41.00

Particulars	Outstanding balance as on 1 April 2022	Net proceeds/ (repayment) of borrowing	Non-cash changes	Rs. million
				Outstanding balance as on 31 March 2023
Long term borrowing (including current maturities of long term borrowings)	37.64	20.89	-	58.53

17. Other liabilities

	As at 31 March 2024	As at 31 March 2023
	Rs. million	Rs. million
Non current:		
Others* (refer note 37)	-	0.81
	-	0.81
Current:		
Revenue received in advance	39.71	48.98
Statutory dues	0.62	0.70
Other payable	0.52	0.50
	40.85	50.18

*Gratuity (net of gratuity asset)



SPR EMF Innovations Private Limited
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Notes to the financial statements for the year ended 31 March 2024

18. Trade payables
(At amortised cost)

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
- Total outstanding dues of micro enterprises and small enterprises	10.88	4.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises	29.24	7.58
	40.12	11.64

Trade payables ageing schedule as on 31 March 2024 is as under:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Rs. million
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	10.71	0.17	-	-	-	10.88
(ii) Disputed dues – Micro enterprises and small enterprises	-	-	-	-	-	-	-
(iii) Others	-	29.24	-	-	-	-	29.24
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	39.95	0.17	-	-	-	40.12

Trade Payables ageing schedule as on 31 March 2023 is as under:

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Rs. million
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	1.88	2.18	-	-	-	4.06
(ii) Disputed dues – Micro enterprises and small enterprises	-	-	-	-	-	-	-
(iii) Others	-	0.52	7.06	-	-	-	7.58
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	2.40	9.24	-	-	-	11.64

Trade payable includes nil (previous year: Rs. 3.85 million) due to related parties (refer note 33)

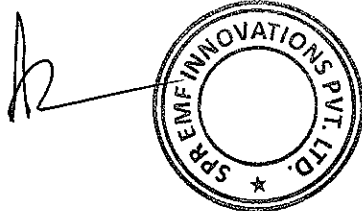
19. Other financial liabilities (Non-current)
(At amortised cost)

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Employee related payable	2.27	2.95
	2.27	2.95

20. Other financial liabilities (Current)
(At amortised cost)

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Current:		
Capital creditors *	5.27	0.70
Employee related payable	5.60	3.75
Derivatives instruments (refer note 41)	0.55	-
	11.42	4.45

* Capital creditors includes Rs. 1.14 million (previous year: nil) due to related parties (refer note 33)



SPR EMF Innovations Private Limited
(formerly EMF Innovations Private Limited)
Notes to the financial statements for the year ended 31 March 2024

21. Revenue from operations

	Year ended 31 March 2024 Rs. Million	Year ended 31 March 2023 Rs. Million
Sale of products		
-Domestic sales	126.64	223.10
-Export sales	-	0.57
Other operating revenues		
- sale of scrap	2.02	-
- others	0.21	5.46
	128.87	229.13
Contract balances		
	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Revenue received in advance (refer note 17) *	39.71	48.98
Contract liabilities - Revenue received in advance		
	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Opening balance of contract liabilities	48.98	94.62
Less: Amount of revenue recognised against opening contract liabilities	(48.98)	(94.62)
Add: Addition in balance of contract liabilities for current year (net of refunds)	39.71	48.98
Closing balance of contract liabilities	39.71	48.98

22. Other income

	Year ended 31 March 2024 Rs. million	Year ended 31 March 2023 Rs. million
Interest income		
- Bank deposits*	11.16	2.79
Other non-operating income		
-Net gain on sale/ fair valuation of current investments ^	2.41	0.05
-Miscellaneous income	0.13	0.07
	13.70	2.91

* underlying assets on which income is recognised are carried at amortised cost

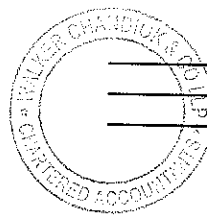
^ underlying assets on which income is recognised at fair value through profit and loss

23. Cost of material consumed

	Year ended 31 March 2024 Rs. million	Year ended 31 March 2023 Rs. million
Cost of raw material and components consumed	130.07	205.52
Cost of packing material consumed	0.63	1.59
	130.70	207.11

24. (Increase) / decrease in inventories of finished goods and work-in-progress

	Year ended 31 March 2024 Rs. million	Year ended 31 March 2023 Rs. million
Inventories at the end of the year		
Work-in-progress	10.45	7.20
Finished goods	12.07	2.88
	22.52	10.08
Inventories at the beginning of the year		
Work-in-progress	7.20	2.98
Finished goods	2.88	8.34
	10.08	11.32
(Increase) / decrease in inventories of finished goods and work-in-progress	(12.44)	1.24



SPR EMF Innovations Private Limited

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Notes to the financial statements for the year ended 31 March 2024

25. Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Salaries and wages	30.01	36.12
Contribution to provident and other funds	3.45	3.37
Staff welfare expenses	3.12	3.92
	36.58	43.41

26. Finance costs

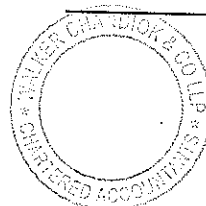
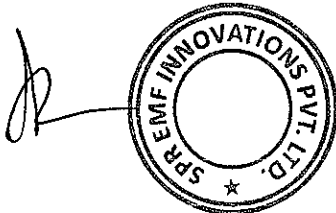
	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Interest expense on borrowings	8.87	4.34
Interest expense on lease liabilities	2.64	1.10
Other borrowing costs	0.37	5.94
	11.88	11.38

27. Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
- Depreciation on property, plant and equipment (refer note 3)	10.14	10.78
- Depreciation on right of use assets (refer note 6)	3.14	1.76
- Amortisation of intangible assets (refer note 5)	8.45	6.67
	21.73	19.21

28. Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Freight outward	1.08	1.43
Power and fuel	1.37	1.19
Professional fees	2.40	5.02
Auditors' remuneration (refer note 29)	0.68	0.19
Rent	-	1.44
Repairs to buildings	0.21	0.38
Repairs to machinery	0.26	0.23
Selling and distribution expenses	0.10	0.64
Loss on sale of property, plant and equipment	-	0.03
Bad debts written off	2.12	0.02
Provision for doubtful debts	0.76	0.14
Provision for doubtful advances	0.36	-
Miscellaneous expenses	5.12	6.36
Business promotion	0.29	-
Directors sitting fees	0.15	-
Foreign exchange fluctuation loss (net)	-	2.91
	14.90	19.98



SPR EMF Innovations Private Limited

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Notes to the financial statements for the year ended 31 March 2024

29. Auditors' remuneration

(excluding goods and service tax, as applicable)

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
As auditor:		
- Audit fee	0.35	0.10
- Limited review	0.30	-
- Other services	-	0.09
- Reimbursement of expenses	0.03	-
	0.68	0.19

30. Earnings per share (EPS)

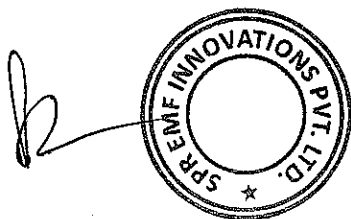
	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to equity shareholders (Rs million)	(57.37)	(52.58)
Weighted average number of equity shares (million)	12.47	10.42
Earnings per share		
-*Basic (Rs)	(4.60)	(5.05)
-*Diluted (Rs)	(4.60)	(5.05)

* During the current year, the Company has issued 55,11,811 equity shares of Rs. 10 each against the right issue to SPR Engenious Limited on 1 March 2024 (refer note 45).

31. Capital and other commitments

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
i) Estimated amount of contracts to be executed on capital account (net of advances) and not provided for	253.72	-
ii) Contingent liabilities as at 31 March 2024 and 31 March 2023 is Nil.		
iii) Total outstanding export obligation of Rs. 5.22 million to be fulfilled under the Export Promotion Capital Goods scheme against import of some machines/ capital equipments. Average export obligation of Rs. 0.87 million every year (previous year - Rs. 0.87 million).		

32. The Company has other commitments, for purchase/ sales orders which are issued after considering requirement as per operating cycle for purchase/ sale of goods, employee benefits in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.



SPR EMF Innovations Private Limited
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Notes to the financial statements for the year ended 31 March 2024

33. Related Party Disclosure

As per Indian Accounting Standard – 24 the Company's related parties and transactions with them are disclosed below :

A List of related parties

Ultimate Holding Company
Holding Company

Shriram Pistons & Rings Limited
SPR Engenious Limited

Fellow subsidiary company

SPR Takahata Precision India Private Limited (Formerly Takahata Precision India Private Limited)

Key management personnel (KMP)

Mr. Krishnakumar Srinivasan, Chairman
Mr. Hang Xue Yi, Director
Mr. Arun Kumar Shukla, Director (upto 31 January 2024)
Mr. Arun Kumar Shukla, Whole Time Director (w.e.f. 1 February 2024)
Mr. Prem Rathi, Director (upto 18 September 2023)
Mr. Sudip Nandy, Director (w.e.f. 6 November 2023)
Mr. Alok Ranjan, Director (w.e.f. 6 November 2023)
Mrs. Ferida Chopra, Director (w.e.f. 6 November 2023)
Mr. Krishna M, Director (w.e.f. 14 September 2023)
Mrs. T.P. Sivasankari, Managing Director (upto 23 September 2023)
Mrs. T.P. Sivasankari, Director (from 24 September 2023 to 6 November 2023)

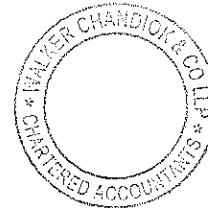
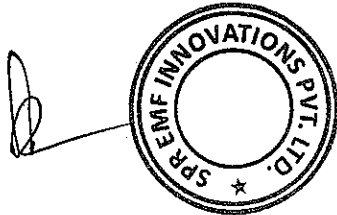
Close members of the family of key management personnel

Mr. Arun Kumar Shukla, Whole Time Director (w.e.f. 1 February 2024)
Mrs. T.P. Sivasankari, Managing Director (upto 23 September 2023)

Mrs. Vartika Shukla

Entity over which, key management personnel and their close members of the family has significant influence or control

EMFI International Pte Ltd
AR4 Tech Private Limited
Sodion Energy Private Limited
Radax Motors Private Limited
Hairbitat Hair Treatment Private Limited



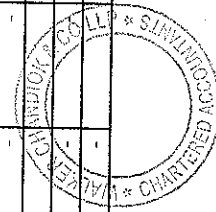
SPR EMF Innovations Private Limited

(formerly EMF Innovations Private Limited)

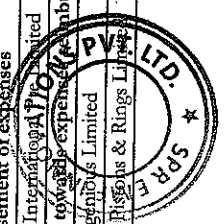
Notes to the financial statements for the year ended 31 March 2024

(i) Related party transactions

Particulars	Ultimate Holding Company		Holding Company		Key management personnel (KMP)		Entity over which, key management personnel and their close members of the family has significant influence or control		Close members of the family of key management personnel		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Purchase											
- AR4 Tech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Pistons & Rings Limited	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of capex	0.10	2.77	-	-	-	-	-	-	-	-	-	-
- AR4 Tech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Radax Motors Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Pistons & Rings Limited	-	-	-	-	-	-	-	-	-	-	-	-
Payment towards Resource & Facilities Sharing	0.05	-	-	-	-	-	-	-	-	-	-	-
Loan taken (refer note - ii)	1.80	-	-	-	-	-	-	-	-	-	-	-
Loan repaid (refer note - ii)	20.00	-	-	-	-	-	-	-	-	-	-	-
Interest on loan taken	20.00	-	-	-	-	-	-	-	-	-	-	-
Directors remuneration	0.10	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Sivasankari T.P.	-	-	-	-	-	-	-	-	-	-	-	-
Sales/services	-	-	-	-	-	-	3.24	-	-	-	-	-
- AR4 Tech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- DRM Innovations Pte Limited	-	-	-	-	-	-	-	-	-	-	-	-
External commercial borrowings (ECB) - receipt	-	-	-	-	-	-	-	21.17	-	-	-	-
- EMFI International Pte Limited	-	-	-	-	-	-	-	-	-	-	-	-
External commercial borrowings (ECB) - repayment	-	-	-	-	-	-	-	-	-	-	-	-
- EMFI International Pte Limited	-	-	-	-	-	-	-	-	-	-	-	-
Rent income	-	-	-	-	-	-	-	26.12	-	-	-	-
- Sodion Energy Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Radax Motors Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Equity infusion (allotment of shares)	-	-	-	-	-	-	-	-	-	-	-	-
- SPR Engenious Limited	-	-	700.00	258.92	-	-	-	-	-	-	-	-
Others recoverable	-	-	-	-	-	-	-	-	-	-	-	-
- AR4 Tech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Sodion Energy Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Radax Motors Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-
- EMFI International Pte Limited	-	-	-	-	-	-	-	-	-	-	-	-
Recovery towards expenses (KMP) reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
- SPR Engenious Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Pistons & Rings Limited	-	-	0.97	-	-	-	-	-	-	-	-	-
Total	0.10	-	-	-	-	-	-	-	-	-	-	-



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Notes to the financial statements for the year ended 31 March 2024

(ii) Balance due from/ (to) related parties

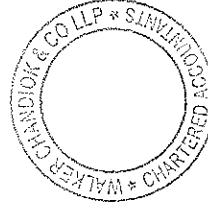
Particulars	Ultimate holding company		Holding company		Key management personnel (KMP)		Entity over which, key management personnel and their close members of the family has significant influence or control		Close members of the family of key management personnel		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Shriram Pistons & Rings Limited	-	(2.77)										(2.77)
SPR Engenious Limited			(1.14)								(1.14)	-
AR4 Tech Private Limited					10.28	1.50					10.28	1.50
Sodium Energy Private Limited					0.16	0.16					0.16	0.16
EMFI International Pte Limited					(41.00)	(85.16)					(41.00)	(85.16)
DRM Innovations Pte Limited					-	0.02					-	0.02
Radax Motors Private Limited					-	(1.08)					-	(1.08)

Note:

- i) No guarantees have been given or received in respect of related parties.
- ii) The purpose of this loan from Ultimate Holding Company is to meet the funding requirements for future business opportunities in the areas related to the automotive segment.
- iii) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions.



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SPR EMF Innovations Private Limited

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Notes to the financial statements for the year ended 31 March 2024

34. Leases

The changes in the carrying value of right of use assets for the year ended 31 March 2024 are as follows:

Particulars	Rs. million	
	Right of use asset	
	Land	Buildings
Balance as of 01 April 2022	-	-
Addition	3.68	28.75
Amortisation of right of use asset	(0.78)	(0.98)
Balance as of 31 March 2023	2.90	27.77
Balance as of 1 April 2023	2.90	27.77
Additions	-	-
Amortisation of right of use asset	(0.78)	(2.36)
Balance as of 31 March 2024	2.12	25.41

The break-up of current and non-current lease liabilities as of 31 March 2024 is as follows:

	Year ended	Year ended
	31 March 2024	31 March 2023
	Rs. million	Rs. million
Current	1.50	1.21
Non-current	27.17	28.67
Total	28.67	29.88

The movement in lease liabilities during the year ended 31 March 2024 is as follows:

	Year ended	Year ended
	31 March 2024	31 March 2023
	Rs. million	Rs. million
Balance at the beginning	29.88	-
Additions	-	30.68
Finance cost accrued during the period	2.64	1.10
Payment of lease liabilities	(3.85)	(1.90)
Balance at the end	28.67	29.88

The details of contractual maturities of lease liabilities on an undiscounted basis:

	Year ended	Year ended
	31 March 2024	31 March 2023
	Rs. million	Rs. million
Less than one year	4.02	3.85
One to five years	15.84	16.05
More than five years	25.74	32.89
Total	45.60	52.79

The following are the amounts recognised in Statement of Profit or Loss:

	For the year ended	For the year ended
	31 March 2024	31 March 2023
	Rs. million	Rs. million
Depreciation expense of right of use assets	3.14	1.76
Interest expenses on lease liabilities	2.64	1.10
Expense relating to other than non-current leases (included in other expenses) #	-	1.44
Total amount recognised in Statement of Profit or Loss	5.78	4.30

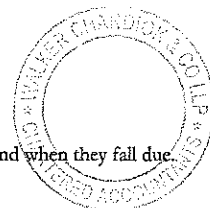
Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for current leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

	No. of right of assets leased	Range of remaining term (in years)	Average remaining lease term
Buildings			
- 31 March 2024	1	10.75	10.75
- 31 March 2023	1	11.75	11.75
Land			
- 31 March 2024	1	2.75	2.75
- 31 March 2023	1	3.75	3.75

The Company does not face a significant liquidity risk with regard to its lease liabilities to meet the obligations related to lease liabilities as and when they fall due.



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Notes to the financial statements for the year ended 31 March 2024

35. Segment reporting

The Company is engaged in a single segment i.e. the business of "automotive components" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical information in respect of sale of products from customers is given below

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Domestic sale	126.64	223.10
Export sale	-	0.57
	126.64	223.67

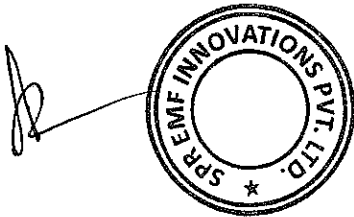
Note:

- i) There are no material non current asset domiciled outside India.
- ii) Revenue from four customers amounting to Rs. 69.35 million (previous year Rs. 97.25 million from one customer) represents 10% or more of the Company's revenue from operations.

36. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	10.87	3.63
- Interest due thereon	0.01	0.43
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	12.48	37.98
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	0.07	0.43
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.07	0.43
- Interest remaining unpaid as at the end of the year	0.01	0.43
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.07	0.43



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Notes to the financial statements for the year ended 31 March 2024

37. Employee benefits

The Company has classified the various employee benefits as under :-

i) Defined contribution plans

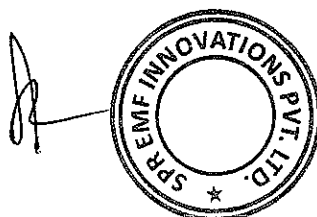
The Company has recognised the following amount in the statement of profit and loss:-

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Employers' contribution to provident fund	2.07	1.82
Employers' contribution to state insurance fund	0.38	0.33
	2.45	2.15

ii) Defined benefit plans - gratuity

In accordance with Ind AS 19, actuarial valuation of defined benefit plans was done for gratuity and details of the same are given below :

	Year ended 31 March 2024	Year ended 31 March 2023
Particulars	Rs. million	Rs. million
Amount recognized in Statement of Profit and Loss		
Current service cost	0.94	0.61
Past service cost	-	0.61
Net Interest cost on defined benefit/ liability	-	-
Total expense recognised in the Statement of Profit and Loss	0.94	1.22
Actual contribution and benefit payments for the year		
Actual benefit payments	-	-
Actual contributions	1.69	0.41
	1.69	0.41
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1.90	1.22
Fair value of plan assets	2.11	0.41
Funded status [Surplus / (Deficit)]	0.21	(0.81)
Net asset / (liability) recognised in the Balance Sheet	0.21	(0.81)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	1.22	-
Current service cost	0.94	0.61
Interest cost	0.09	0.61
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)		
- Changes in Demographic assumptions	0.06	-
- Changes in Financial assumptions	(0.15)	-
- Experience Variance	(0.26)	-
Benefits paid	-	-
Present value of DBO at the end of the year	1.90	1.22
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	0.41	-
Investment income	0.03	-
Employer's contributions	1.69	0.41
Return on Plan assets excluding amount recognised in net interest expenses	(0.02)	-
Benefits paid	-	-
Plan assets at the end of the year	2.11	0.41
Expected return on plan assets	-	-
Amount recognised in other comprehensive income		
Actuarial (gains)/ losses		
- Changes in demographic assumptions	0.06	-
- Changes in financial assumptions	(0.15)	-
- Experience variance	(0.26)	-
(Return)/loss on plan assets, excluding amount recognized in net interest expense	0.02	-
	(0.33)	-



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Notes to the financial statements for the year ended 31 March 2024

Actuarial assumptions for Gratuity		Year ended 31 March 2024	Year ended 31 March 2023
Discount rate		7.15%	7.35%
Expected return on plan assets		0.00%	0.00%
Salary escalation		9.00%	10.00%
Attrition		10%, p.a.	11 %, p.a.
Mortality table used		100% of IALM 2012-14	100% of IALM 2012-14

Sensitivity Analysis for significant actuarial assumptions	Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
		Impact on Liability		Impact on Liability	
		Increase Rs. million	Decrease Rs. million	Increase Rs. million	Decrease Rs. million
Discount Rate	+100 basis points	-	2.12	-	1.35
	-100 basis points	1.72	0.00	1.10	-
Salary growth rate	+100 basis points	2.11	-	1.35	-
	-100 basis points	-	1.72	-	1.10
Attrition Rate	+100 basis points	-	2.28	-	1.53
	-100 basis points	1.65	-	1.02	-
Mortality Rate	+100 basis points	-	1.90	-	1.22
	-100 basis points	1.90	-	1.22	-

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

Risk factors in actuarial assumptions

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity risk: This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary use to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Company has used certain mortality and attrition assumption in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset liability mismatching or market risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/ fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The following payments are expected future cash flows to the defined benefit plan (undiscounted in future years):

	Year ended 31 March 2024	Year ended 31 March 2023
	Rs. million	Rs. million
Year 1	0.05	0.01
Year 2 - 5 years	0.62	0.43
Year 6 - 10 years	0.95	0.66
More than 10 years	3.29	2.00

Regulatory framework/ Governance / benefits under the plan:

The gratuity benefit is a post employment benefit. It is calculated at the terminal salary (Basic+VDA) at the time of retirement/ resignation of the employee according to the provisions of Payment of Gratuity Act, 1972. However, there is no restriction on the maximum amount of gratuity payable. The plan assets are managed by Life Insurance Corporation of India. Under this policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Asset liability matching strategies

The Company has purchased insurance policy, which is a cash accumulation plan. Interest on the fund balances during the year is accumulated at the interest rate declared by insurance company at the end of the financial year. Gratuity claims are settled by the insurance company out of the fund, thus mitigating any liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of the liabilities. Thus, the Company is exposed to movement in interest rate.

Effect of plan on entity's future cash flows

The company has purchased insurance policies to provide for payment of gratuity to the employees. The contribution to the funds are made based on estimated shortfall in plan assets from liabilities. Expected contribution during the next annual reporting period is Rs. 0.74 million (previous year - Rs.1.60 million). Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

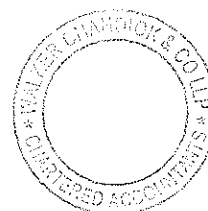
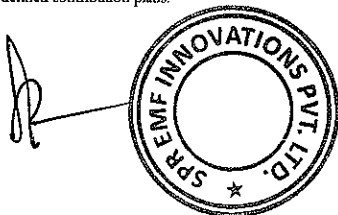
The plan assets are managed by Life Insurance Corporation of India (LIC). Under this policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes. Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Assets and liabilities

	Year ended 31 March, 2024	Year ended 31 March, 2023
	Rs. million	Rs. million
Present value of DBO	1.90	1.22
Employer's contributions	2.11	0.41
Net Asset/(liability)	0.21	(0.81)

Defined contribution plan

The Company makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Company recognised Rs. 2.45 million (31 March 2022 : Rs. 2.15 million) towards defined contribution plans.



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Notes to the financial statements for the year ended 31 March 2024

38. Fair value measurement

i) The carrying value and fair value of financial instruments by categories as of 31 March 2024 are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	316.23	316.23	316.23
Derivatives instruments*			
- Forward contracts	(0.55)	(0.55)	(0.55)
Total	315.68	315.68	315.68

The carrying value and fair value of financial instruments by categories as of 31 March 2023 are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	-	-	-
Derivatives instruments*			
- Forward contracts	-	-	-
Total	-	-	-

*Change in fair value is recognised in other comprehensive income.

ii) Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques: The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3.

Level 1 - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using 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 prices).

Level 3 - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2024:

(Rs. million)

Particulars	As at 31 March 2024	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets/(liabilities)				
Investment in mutual fund *	316.23	-	316.23	-
Derivatives instruments **				
- Forward contracts	(0.55)	-	(0.55)	-
Total	315.68	-	315.68	-

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

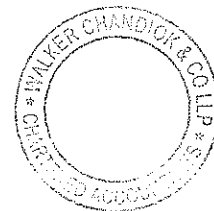
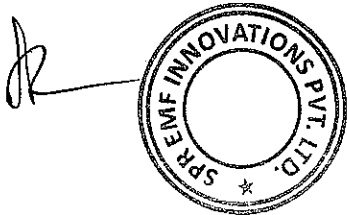
(Rs. million)

Particulars	As at 31 March 2023	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets/(liabilities)				
Investment in mutual fund *	-	-	-	-
Derivatives instruments **				
- Forward contracts	-	-	-	-
Total	-	-	-	-

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

* The fair values are based on net asset value

** The fair values are based on exchange rates as at the reporting date.



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Notes to the financial statements for the year ended 31 March 2024

iii) Financial assets and financial liabilities that are measured at amortised cost are :

Particulars	Carrying amount	
	As at 31 March 2024	As at 31 March 2023
Financial assets		
Security deposits	1.56	1.32
Interest accrued on bank deposit	0.75	0.62
Trade receivables	19.86	12.05
Cash and cash equivalents	17.35	9.74
Other bank balances	404.32	175.00
Financial liabilities		
Borrowings	41.00	58.53
Lease liabilities	28.67	29.87
Capital creditors	5.27	0.70
Trade payables	40.12	11.64
Employee related payable	7.87	6.70

The carrying value of above financial assets and financial liabilities approximate its fair value.

39. Capital management

The Company's objective for managing capital is to ensure as under:

- i) Ensure the Company's ability to continue as a going concern
- ii) Maintain a strong credit rating and debt equity and capital gearing ratio in order to support business and maximize the shareholders' value.
- iii) Maintain an optimal capital structure.
- iv) Compliance of financial covenants under the borrowing facilities.

The Company manages its capital structure keeping in view of:

- i) Compliance of financial covenants under the borrowing facilities
- ii) Changes in economic conditions

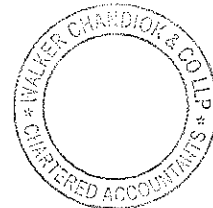
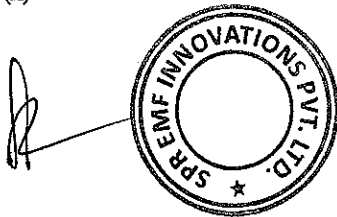
In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings. There have been no breach in the financial covenants of any borrowing facility in the current period. There is no change in the objectives, policies or processes for managing capital over previous year.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company and net debt includes total liabilities, comprising interest bearing loans and borrowings.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts adjusted with available cash and bank balances divided by total capital (equity attributable to owners of the Company).

The funding requirement of the company is primarily met through internal accruals, leading to a negative net debt position as under:

	As at 31 March 2024 Rs. million	As at 31 March 2023 Rs. million
Borrowings (refer note 16) (including current maturities)	41.00	58.53
Less: cash and bank balances (refer note 13)	421.67	184.74
Net debt (A)	(380.67)	(126.21)



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Notes to the financial statements for the year ended 31 March 2024

40. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Company also holds FVTPL current investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk, price risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

i) Market risk

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

a) Foreign exchange risk

The Company is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD, CNY and SGD. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations may be adversely affected as the rupee appreciates/ depreciates against these currencies.

Sensitivity

Each percentage point change in the foreign exchange rates has an impact on profit before interest and tax as follows:

	Increase / (decrease)	
	As at 31 March 2024	As at 31 March 2023
	Rs. million	Rs. million
Exchange rate - increase in by 1%	(0.64)	(0.87)
Exchange rate - decrease by 1%	0.64	0.87

The Company's foreign currency risk from financial instruments are as under:

Particulars	Currency	(Foreign currency million)					
		As at 31 March 2024			As at 31 March 2023		
		Total	Hedged	Net	Total	Hedged	Net
Borrowings	SGD	0.99	0.99	-	1.41	-	1.41
Trade payables	USD	0.03	-	0.03	-	-	-
Advance to suppliers	USD	0.30	-	0.30	-	-	-
Capital advance	USD	0.10	-	0.10	-	-	-
	CNY	3.19	-	3.19	-	-	-

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not any exposure towards long term debts bearing interest and hence, the Company is not exposed to any interest rate risk.

ii) Credit risk

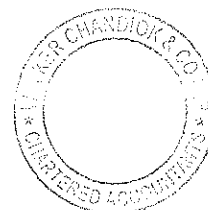
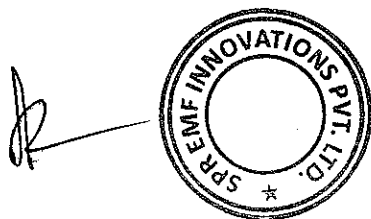
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss and makes an allowance for doubtful debts using expected credit loss model on case to case basis.

Movement in the expected credit loss allowance of financial assets

Particulars	(Rs. million)	
	Year ended 31 March 2024	Year ended 31 March 2023
Balance at beginning of the year	0.14	-
Add: Provided during the year	0.76	0.14
Balance at the end of the year	0.90	0.14

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Notes to the financial statements for the year ended 31 March 2024

The ageing analysis of trade receivables (net) before adjustment of expected credit loss provision of Rs. 0.90 million (31 March 2023: Rs. 0.14 million) as of the reporting date is as follows:

Age bracket	0-180 days	180-365 days	More than 365 days	Total
As at 31 March 2024				
Trade receivable (gross)	18.55	0.12	2.09	20.76
Less: Allowance for expected loss	(0.02)	(0.01)	(0.87)	(0.90)
Trade receivable (net)	18.53	0.11	1.22	19.86
Expected credit loss %	(0.11%)	(8.33%)	(41.63%)	(4.34%)
As at 31 March 2023				
Trade receivable (gross)	9.55	2.50	0.14	12.19
Less: Allowance for expected loss	-	-	(0.14)	(0.14)
Trade receivable (net)	9.55	2.50	-	12.05
Expected credit loss %	-	-	(100.00%)	(1.15%)

iii) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by Company's established policy and procedures made under liquidity risk management framework. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The financial assets and liabilities have been appropriately disclosed in financial statements as current and non current portion. The maturity period of non current financial assets and financial liabilities ranges between 1 to 6 years except lease liabilities where period may vary as per respective lease agreements.

	<u>As at 31 March 2024</u>	<u>As at 31 March 2023</u>
	Rs. million	Rs. million
On demand		
- Borrowings	-	-
Less than 1 year		
- Borrowings	-	-
- Trade payables	40.12	11.64
- Lease liabilities	1.50	1.21
- Other financial liabilities	11.42	4.45
More than 1 year		
- Borrowings	41.00	58.53
- Lease liabilities	27.17	28.67
- Other financial liabilities	2.27	2.95

Details of undrawn facilities of the Company from banks and financial institutions (fund based as well as non fund based):

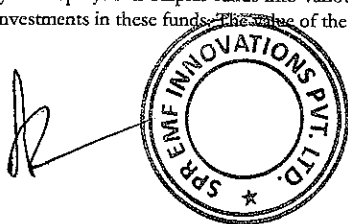
Total Committed working capital limits from Banks	49.50
Utilized working capital limit	-
Unutilized working capital limit	49.50

iv) Commodity risk

Commodity price risk is the financial risk on the Company's profitability upon fluctuations in the prices of commodities since they are primarily driven by external market forces. Sharp fluctuations in commodity prices can affect production costs, product pricing and earnings. This price volatility makes it imperative for an entity to manage the impact of commodity price fluctuations across its value chain to effectively manage its financial performance and profitability. To mitigate these risks, the company employs multiple levers, each chosen based on a cost benefit analysis and the extent of exposure to commodity price fluctuations. These include assessing the feasibility of passing any adverse fluctuations onto customers through price increases, continuously engaging in cost optimisation initiatives and process improvement exercises. The Company also explores options such as localizing imports/ implementing global sourcing strategies to ensure most cost effective sourcing. Based on the assessment by the Company and after factoring the ability to optimise costs and pass on prices to customers, no individual commodity is expected to have a significant adverse impact on the financial performance/profitability beyond its materiality threshold approved by the Board.

v) Other price risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.



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Notes to the financial statements for the year ended 31 March 2024

41. Hedge accounting

Forwards contracts

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Details of forward foreign currency contracts outstanding at the end of reporting period are as under:

Outstanding contracts	Currency	(Foreign currency million)	
		As at 31 March 2024	As at 31 March 2023
Maturing later than three month and not later than one year	SGD/INR	1.00	0.00

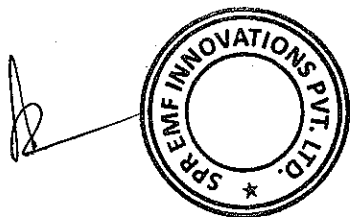
The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance lying in cash flow hedging reserve are expected to occur and reclassified in the statement of profit or loss within 6 months.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Company matches the critical terms of the hedged items and hedging instruments.

Reconciliation of cash flow hedge reserve are as under:

Particulars	Rs million	
	As at 31 March 2024	As at 31 March 2023
Assets / (liability)		
Balance at the beginning of the year	-	-
Gain / (loss) recognised in other comprehensive income during the year	(0.55)	-
Tax impact on above	-	-
Balance at the end of the year	(0.55)	-

42. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.



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Notes to the financial statements for the year ended 31 March 2024

43. Additional regulatory information

Particulars	Unit	Numerator	Denominator	Year ended 31 March 2024	Year ended 31 March 2023	Variance %
Current ratio*	Times	Total current assets	Total current liabilities	9.92	4.66	112.96%
Debt-Equity ratio**	Times	Debt consist of borrowings	Total Equity	0.04	0.19	(76.91%)
Debt service coverage ratio ***	Times	Earnings for Debt service= Net profit after tax + depreciation + interest	Debt service = Interest and lease payments+ Principal repayments	(1.14)	(1.90)	(39.83%)
Return on equity ratio**	%	Profit for the year	Average total equity	(9.01)	(28.58)	(68.49%)
Inventory turnover ratio^	Times	Cost of Goods sold	Average inventory	1.50	3.69	(59.19%)
Trade receivables turnover ratio^	Times	Sales of products	Average trade receivables	7.95	11.54	(31.14%)
Trade payables turnover ratio^	Times	Cost of material + employee benefit expense+ other expenses	Average trade payable	6.41	13.47	(52.45%)
Net capital turnover ratio#	Times	Sales of products	Average working capital (i.e Total current assets less Total current liabilities)	0.24	1.60	(84.70%)
Net profit ratio@	%	Profit for the year	Sales of products	(45.23)	(23.51)	92.36%
Return on capital employed**	%	Profit before tax and finance cost	Capital employed = Net worth+Debt	(4.91)	(15.75)	(68.86%)
Return on investment.	%	Income generated from invested funds	Average invested funds in treasury investment	3.76	3.19	18.07%

* The variation is more than 25% over last year due to increase in financial assets in the current year.

** The variation is more than 25% over last year on account of fresh equity infusion.

*** The variation is more than 25% over last year on account of decrease in loss during the current year.

^ The variation is more than 25% over last year on account of decrease in revenue/ cost of goods consumed in the current year.

The variation is more than 25% over last year on account of increase of working capital and decrease in revenue during the current year.

@ The variation is more than 25% over last year on account decrease in revenue during the current year.

44. The Company has no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

45. The Board of directors, in its meeting of 30 January 2024, has approved to raise additional capital of Rs. 700.00 million by way of right issue to the existing shareholders @ Rs. 127/- per share of face value of Rs. 10 each at premium of Rs. 117 each. The Shares shall rank pari passu in all respects and carry the same rights as the existing equity shares. EMF International Pte. Ltd. vide its letter dated 30 January 2024, renounced its right to acquire 2,700,787 equity shares in favour of SPR Engenious Limited (SEL). Subsequent to this, SEL subscribed the entire right issue of 5,511,811 shares and shares were issued on 1 March 2024 accordingly.

46. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

47. There are no charges or satisfaction yet to be registered with registrar of companies (ROC) beyond the statutory period.

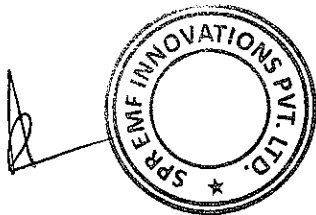
48. The Company has not traded or invested in crypto currency or virtual currency during the financial year.

49. The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(i) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 1 April 2023.

The Company has used Tally Prime Gold Release 4.0 as its accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) but the same was not enabled from 1 April 2023 to 9 February 2024. Subsequently, the Company has migrated to Tally Prime Edit Log 4.0 on 9 February 2024, which includes an audit trail (edit log) feature for recording all relevant transactions.

50. The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51. Figures of previous year have been regrouped/ reclassified, wherever necessary, to correspond with the figures of the current period. The impact of such regrouping/ reclassification is not material to these financial statements.



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Notes to the financial statements for the year ended 31 March 2024

52. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

53. The Company has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54. The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

55. The Company has complied with the number of layers as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

In terms of our report attached

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Arun Tandon

Arun Tandon

Partner

Membership no. 517273



For and on behalf of the Board of Directors

Krishnakumar Srinivasan

Krishnakumar Srinivasan

Chairman

DIN: 00692717

Place: New Delhi

Alok Ranjan

Alok Ranjan

Director

DIN: 08254398

Place: Lucknow

Deepak Kumar

Deepak Kumar

Chief Financial Officer

Place: Coimbatore

Hang Xue Yi

Hang Xue Yi

Director

DIN: 07060360

Place: Singapore

Arun Kumar Shukla

Arun Kumar Shukla

Whole - time Director

DIN: 09854946

Place: New Delhi

Place: New Delhi

Date : 13 May 2024