

**INDEPENDENT AUDITOR'S REPORT**

To the Members of CIM Tools Private Limited

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

We have audited the accompanying financial statements of CIM Tools Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

The board report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.



## **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such



disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (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:



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

Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 35 (b) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("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 that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (Refer Note 48 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

*Anil*

per **Anil Mehta**  
Partner

Membership Number: 095812  
UDIN: 24095812BKEZEF6579  
Place of Signature: Noida  
Date: May 25, 2024





**Annexure 1 referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'****CIM Tools Private Limited ("the Company")**

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 state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangibles assets.

(b) All property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties included in the property, plant and equipment have been given as security against the financing facilities taken from the banks by the Company. Therefore, these title deeds could not be made available to us for verification, however, the same has been confirmed by the bank. Accordingly, we report that the title deeds of immovable properties are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(b) As disclosed in Note 15(b) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has not made investments in or provided loans or advances in the nature of loans, stood guarantee and provided security to companies, firms, limited liability partnerships or any other parties except loan to employees which are as follows:

<b>Particulars</b>	<b>loans (in INR million)</b>
Aggregate amount granted/ provided during the year	
- to employees	2.19
Balance outstanding as at balance sheet date in respect of above cases	
- to employees	0.96



- (b) The terms and conditions of the grant of loans provided during the year to the employees are prima facie not prejudicial to the Company's interest.
- (c) For loans granted during the year to employees, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans granted to employees which are overdue for more than ninety days for each loan given.
- (e) There were no loans granted to employees which had fallen during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of section 185 of the Companies Act, 2013 are applicable. Loans, investments, guarantees and security in respect of which provisions of section 186 of the Companies Act, 2013 are applicable, have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 related to the manufacturing of sub-assemblies for aerospace, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The Company does not have any dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues outstanding on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.



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

Chartered Accountants

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained. On an overall examination of the financial statements of the Company, no funds raised on short-term (d) basis have been used for long-term purposes by the Company. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares respectively during the year. The funds raised, have been used for the purposes for which the funds were raised. There are no fully or partially or optionally convertible debentures issued during the year.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-1 A of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3 (xvi)(b) of the Order is not applicable to the Company.



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

Chartered Accountants

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 33 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 29 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 29 to the financial statements.

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

Chartered Accountants

ICA1 Firm Registration Number: 301003E/E300005

  
per **Anil Mehta**

Partner

Membership Number: 095812

UDIN: 24095812BKEZEF6579

Place of Signature: Noida

Date: May 25, 2024





**ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CIM TOOLS PRIVATE LIMITED**

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

We have audited the internal financial controls with reference to financial statements of CIM Tools Private Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

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

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

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

**Meaning of Internal Financial Controls With Reference to these financial statements**

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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and



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

Chartered Accountants

fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls With Reference to financial statements**

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 control 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**

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Anil Mehta**

Partner

Membership Number: 095812

UDIN: 24095812BKEZEF6579

Place of Signature: Noida

Date: May 25, 2024



**CIM Tools Private Limited**  
**Standalone Financial Statements**  
**2023-24**

CIM Tools Private Limited  
Balance Sheet as at March 31, 2024  
CIN No. U29199KA1997PTC021886

(All amounts in INR Million, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,898.61	1,076.36
Capital work in progress	3	226.67	143.45
Other Intangible assets	4	9.81	7.03
<b>Financial assets</b>			
i. Investments	6	437.09	437.09
ii. Loans	6	7.00	7.00
iii. Other financial assets	7	8.00	5.44
Deferred tax assets (net)	17	10.66	34.83
Non-current tax assets (net)	20	2.48	1.78
Other non-current assets	8	103.94	155.31
<b>Total non-current assets</b>		<b>2,703.16</b>	<b>1,868.39</b>
<b>Current assets</b>			
Inventories	9	1,462.69	972.68
<b>Financial assets</b>			
i. Trade receivables	10	1,012.27	816.10
ii. Cash and cash equivalents	11	84.47	26.23
iii. Bank balances other than (ii) above	12	19.43	26.43
iv. Loans	6	0.96	0.76
v. Other financial assets	7	0.59	2.69
Current tax assets (net)	20	14.53	-
Other current assets	8	62.42	30.43
<b>Total current assets</b>		<b>2,647.36</b>	<b>1,877.31</b>
<b>Total assets</b>		<b>5,350.52</b>	<b>3,746.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	26.88	26.88
Other Equity	14	1,881.46	1,750.15
<b>Total Equity</b>		<b>1,908.34</b>	<b>1,777.03</b>
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	15(a)	932.50	480.51
ii. Other financial liabilities	19	5.82	10.61
Employee benefit obligations	16	37.93	28.59
<b>Total non-current liabilities</b>		<b>976.25</b>	<b>519.71</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	15(b)	1,614.00	1,155.79
ii. Trade payables			
total outstanding dues of micro enterprises and small enterprises	18	174.52	37.80
total outstanding dues of creditors other than micro enterprises and small enterprises	18	486.73	182.83
iii. Other financial liabilities	19	203.75	63.47
Employee benefit obligations	16	3.37	3.37
Other current liabilities	21	3.66	4.45
Current tax liabilities (net)	20	-	1.15
<b>Total current liabilities</b>		<b>2,465.93</b>	<b>1,448.96</b>
<b>Total liabilities</b>		<b>3,442.18</b>	<b>1,968.67</b>
<b>Total equity and liabilities</b>		<b>5,350.52</b>	<b>3,746.70</b>
Summary of material accounting policy information	2		

The accompanying notes form an integral part of the Standalone Financial Statements  
As per our report of even date

for S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Anil Mehta  
Partner  
Membership No.: 095812

Place: Noida  
Date: May 25, 2024



for and on behalf of the Board of CIM Tools Private Limited  
CIN No. U29199KA1997PTC021886

Srikanth G.S  
Whole Time Director  
DIN : 00472617

Place: Bengaluru  
Date: May 25, 2024

Kunal Beja  
Director  
DIN : 03545731

Place: Noida  
Date: May 25, 2024



CIM Tools Private Limited  
Statement of Profit and Loss for year ended March 31, 2024  
CIN No. U29199KA1997PTC021886

(All amounts in INR Million, unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue</b>			
Revenue from contract with customers	22 (a)	2,978.37	2,268.30
Other operating revenue	22 (b)	60.33	39.75
<b>Total revenue from operations</b>		<b>3,038.70</b>	<b>2,308.05</b>
Other income	23	49.11	4.91
<b>Total Income</b>		<b>3,087.81</b>	<b>2,312.96</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	24	1,616.66	1,073.94
(Increase)/ decrease in inventories of finished goods and work in progress	25	(297.61)	(102.94)
Employee benefits expense	26	391.29	313.39
Finance costs	28	160.48	70.84
Depreciation and amortisation expense	27	175.09	127.28
Other expenses	29	806.99	562.37
<b>Total expenses</b>		<b>2,903.80</b>	<b>2,044.86</b>
<b>Profit before tax</b>		<b>184.01</b>	<b>268.08</b>
<b>Tax expenses</b>			
- Current tax	30	62.05	62.39
- Deferred tax		(2.00)	(2.13)
<b>Total tax expense</b>		<b>49.15</b>	<b>60.26</b>
<b>Profit for the year</b>		<b>134.86</b>	<b>207.82</b>
<b>Other comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurements gains/(losses)		(5.01)	(0.50)
Income tax effect		1.48	0.16
<b>Not other comprehensive Income to be reclassified to profit or loss in subsequent periods</b>		<b>(3.55)</b>	<b>(0.35)</b>
<b>Total comprehensive income for the year, net of taxes</b>		<b>131.31</b>	<b>207.47</b>
<b>Earnings per equity share (Nominal value per share: INR 10/- (Previous year: INR 10/-))</b>	31		
Basic		60.17	77.30
Diluted		50.17	77.30
Summary of material accounting policy information	2		

The accompanying notes form an integral part of the Standalone Financial Statements  
As per our report of even date

for S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300006

per Anil Mehta  
Partner  
Membership No.: 095812

Place: Noida  
Date: May 25, 2024



for and on behalf of the Board of CIM Tools Private Limited  
CIN No. U29199KA1997PTC021886

Srinanth G.S  
Whole Time Director  
DIN : 00472617

Place: Bengaluru  
Date: May 25, 2024

Kunal Bajaj  
Director  
DIN : 03645731

Place: Noida  
Date: May 25, 2024

A. Equity share capital

	Notes	As at March 31, 2024		As at March 31, 2023	
		No of shares	Amount	No of shares	Amount
Opening Balance	13	26,88,322	26.88	22,00,000	22.00
Add: Issue of equity share capital	13	-	-	4,88,322	4.88
Closing Balance		26,88,322	26.88	26,88,322	26.88

B. Other equity

	Notes	Reserves and surplus			Total
		Securities premium	Capital redemption reserve	Retained earnings	
Balance as at April 01, 2022	14	-	38.00	978.10	1,016.10
Profit for the year		-	-	207.82	207.82
Other comprehensive income		-	-	(0.35)	(0.35)
Total comprehensive income for the year	14	-	-	207.47	207.47
Issue of share capital	14	528.58	-	-	528.58
Balance as at March 31, 2023		528.58	38.00	1,185.67	1,750.16
Balance as at April 01, 2023	14	528.58	38.00	1,185.67	1,750.16
Profit for the year		-	-	134.88	134.88
Other comprehensive income		-	-	(3.55)	(3.66)
Total comprehensive income for the year		-	-	131.31	131.31
Balance as at March 31, 2024		528.58	38.00	1,316.98	1,881.46

Summary of material accounting policy information

2

The accompanying notes form an integral part of the Standalone Financial Statements  
As per our report of even date

for S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Anil Mohta  
Partner  
Membership No.: 095812

Place: Noida  
Date: May 25, 2024

for and on behalf of the Board of CIM Tools Private Limited  
CIN No. U29199KA1997PTC021898

Srikanta G.S  
Whole Time Director  
DIN: 00472617

Place: Bengaluru  
Date: May 25, 2024

Kunal Bajaj  
Director  
DIN: 03545731

Place: Noida  
Date: May 25, 2024



CIM Tools Private Limited  
Cash Flow Statement for the year ended March 31, 2024  
CIN No. U29199KA1997PTC021886

(All amounts in INR Million, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from operating activities:</b>		
Profit before tax	184.01	268.08
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expense	175.99	127.28
Loss / (gain) on disposal of property, plant and equipment (net)	(0.24)	0.32
Liabilities written back to the extent no longer required	(1.31)	(0.08)
Bad debts/ advances written off	-	2.40
Provision for doubtful debts/ advances	2.32	0.10
Provision for employee benefits	6.73	5.61
Finance Income	(2.07)	(2.87)
Finance costs	150.48	70.84
Mark to Market Loss/(Gain)	(4.28)	6.20
Unrealised foreign exchange loss / (gain) (net)	(14.23)	(0.81)
<b>Operating profit before working capital changes</b>	<b>497.40</b>	<b>477.36</b>
<b>Working capital adjustments:</b>		
Increase/ (decrease) in trade payables	418.06	79.46
Increase/ (decrease) in other payables	(0.89)	0.06
Increase/ (decrease) in other financial liabilities	5.95	28.80
Increase/ (decrease) in employee benefits	(2.39)	(0.61)
(Increase)/ decrease in trade receivables	(184.70)	(398.71)
(Increase)/ decrease in inventories	(490.02)	(311.38)
(Increase)/ decrease in other financial assets	(0.68)	(0.75)
(Increase)/ decrease in other receivables	(22.00)	0.59
<b>Cash used in operations</b>	<b>(276.67)</b>	<b>(604.45)</b>
Income taxes paid (net of refund)	(39.70)	(47.25)
<b>Net cash generated from/(used in) operations</b>	<b>181.03</b>	<b>(174.34)</b>
<b>B. Cash flow from investing activities:</b>		
Payments for property, plant and equipment (including capital work in progress)	(878.97)	(387.53)
Proceeds from sale of property, plant and equipment	0.61	3.63
Investment in subsidiary	-	(391.20)
Interest received	2.07	0.65
(Investment)/ proceeds from maturity of deposits with remaining maturity for more than 3 months	9.00	64.61
<b>Net cash (used in) investing activities</b>	<b>(867.29)</b>	<b>(709.84)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issues of shares	-	531.47
Interest paid	(158.48)	(113.81)
Proceeds from long term borrowings	798.08	301.57
Repayment of long term borrowings	(163.33)	(24.83)
Buy back of Non-Voting Series "A" Equity shares of INR 10 each	-	(85.64)
Payment of tax on buy back of Non-Voting Series "A" Equity shares	-	(9.36)
Proceeds/ (Repayment) from short term borrowings (net)	267.82	287.49
<b>Net cash generated/(used in) from financing activities</b>	<b>744.09</b>	<b>886.89</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>57.83</b>	<b>2.71</b>
Net foreign exchange difference on balance with banks in foreign currency	0.40	(0.28)
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>28.23</b>	<b>23.80</b>
<b>Cash and cash equivalents as at year end</b>	<b>84.47</b>	<b>26.23</b>

*CR*



CIM Tools Private Limited  
Cash Flow Statement for the year ended March 31, 2024  
CIN No. U20109KA1997PTC021886

(All amounts in INR Million, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents comprise of the following (Note 11)		
Balances with banks	84.40	26.18
Cash on hand	0.07	0.05
<b>Cash and cash equivalents as at year end</b>	<b>84.47</b>	<b>26.23</b>

Summary of material accounting policy information (Refer Note 2)

Notes:

i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

ii) Refer note 11 for changes in liabilities arising from financing activities

The accompanying notes form an integral part of the Standalone Financial Statements  
As per our report of even date

for S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

  
per Anil Mehta  
Partner  
Membership No.: 095812

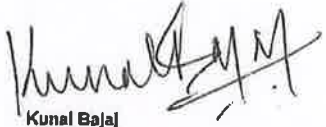
Place: Noida  
Date: May 25, 2024



for and on behalf of the Board of CIM Tools Private Limited  
CIN No. U20109KA1997PTC021886

  
Srikanth G.S.  
Whole Time Director  
DIN : 00472817

Place: Bengaluru  
Date: May 25, 2024

  
Kunal Bajaj  
Director  
DIN : 03546731

Place: Noida  
Date: May 25, 2024



## 1 Company Overview

CIM Tools Private Limited (the Company) was incorporated as Private Limited Company on 28.02.1997 vide CIN : U28199KA1897PTC021886 having its registered office at Site No.1D, Plot 467-469, 12th Cross, Peenya Industrial Area, Bangalore-560058

The Company is primarily engaged in the business of manufacturing of Sub Assemblies to Aerospace. The Company has two manufacturing facilities in Bangalore which are located in Peenya and Aerospace SEZ Sector, Hitech, Defence and Aerospace Park, Bengaluru, respectively.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on May 25, 2024

## 2 Summary of material accounting policies

### 2.01 Basis of preparation

- (a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.
- (b) The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
  - Certain financial assets and liabilities measured at fair value (refer note 2.16) below for accounting policy regarding financial instruments)
- (c) All amounts have been stated at Million (INR 000,000), unless otherwise stated.

### 2.02 New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments

#### (I) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

#### (II) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

#### (III) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

### 2.03 Current versus non-current classification

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

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

The Company classifies all other assets as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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



#### 2.04 Foreign currencies

(i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

In case of long term foreign currency monetary items obtained prior to April 01, 2021, the exchange differences arising on reporting of such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, is added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset, and in other cases, the same accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the Company's financial statements and amortized over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods.

#### 2.05 Use of Estimates and Judgements

In preparation of these financial statements, the management makes estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results may differ from estimates. Any change in the estimates is accounted for in the year of change in estimates.

Note 2.14: Recognition of deferred tax liability : the timing differences arising and reversing within the Tax Holiday period

Note 2.09: Impairment of assets being property, plant and equipment

Note 2.08: Valuation of Inventory at cost or net realisable value whichever is lower

#### 2.06 Revenue from Contracts with Customers

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

##### Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 45 to 120 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

##### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

##### Contract Balances

###### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.





**Contract Assets**

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

**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.

**Impairment**

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

**2.07 Other Income**

**Interest**

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend**

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

**2.08 Inventories:**

Raw Material, Tools & Consumables, finished goods and Goods in Transit are valued at lower of cost and net realizable value on specific identification basis. Cost includes all in bringing the goods to the point of sale, including freight and other levies, transit insurance and receiving charges. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Inventories are stated at net of written down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence or slow moving items are reviewed periodically and is provided as considered necessary.

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

**2.09 Property, Plant & Equipment, Intangible Assets and Work In Progress**

**a) Property, Plant & Equipment -**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure, net of any subsequent sale proceeds of items produced over the cost of testing, that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation**

Depreciation methods, useful life, residual values are reviewed periodically. Useful life of the assets as adopted by the Company is as per Schedule II. The same has been tabulated below.

Buildings	10 Years - 30 Years
Plant & Machinery	8 Years - 15 Years
Solar Roofs	18 Years
Furniture & fixtures	10 Years
Electrical Fittings	10 Years
Office equipments	5 Years
Computers	3 Years
Vehicles	8 Years

Schedule II to the Companies Act 2013, requires systematic allocation of the depreciable amount on an asset over its useful life. The depreciable amount of an asset is the cost of the asset or other amount substituted for cost less its residual value. The Company has adopted useful life for various categories of assets as specified in Part C of Schedule II of the Act. Part C of Schedule II also specifies that the residual value should be taken at not more than 5% of the cost of the Asset. Depreciation is recognised on a straight-line basis over the estimated useful lives of assets.



**b) Intangible Assets**

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in Statement of profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition

**Amortisation**

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use. The estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The use life of the Intangible assets are as follows:

Computer Software

5 Years - 6 Years

**Retirement/Disposal:**

An item of property, plant and equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment and intangible asset is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and intangible asset and is recognised in the Statement of profit or loss. Further in cases where the depreciation on the assets have been fully written off, the residual value of 5% or the value continued in the books are carried forward without applying further depreciation on the same.

**Depreciation on Addition/Disposal of an asset:**

In case of Addition/sale of asset including assets discarded, demolished or destroyed during the financial year, the depreciation on such asset shall be calculated on a pro rata basis from the date of such addition or as the case maybe upto the date such asset has been sold, discarded, demolished or destroyed.

**2.10 Employee Benefits**

**Short Term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Benefits such as salaries, short term compensated absences and bonus is recognized in the period in which the employee renders the related services. Short Term Employee benefits include performance incentives. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Long Term Employee Benefits**

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

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

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

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

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

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

**Defined contribution plans**

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made.

**Defined Benefit plans**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Company's liability towards Gratuity are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence.





### 2.11 Borrowing Cost

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

### 2.12 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration is considered as lease.

#### As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note 2.14, Impairment of non-financial assets.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

### 2.12 Leases (continued)

#### Short-term leases and leases of low-value assets

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

### 2.13 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



## 2.14 Taxes

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Further, Deferred income tax is created on the carry forward of unused tax losses and the carry forward of unused tax credits provided it fulfills the criteria of creation of deferred tax asset. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax originating and reversing during the tax holiday period is not provided for. Deferred tax is provided for to the extent originating and reversing after the tax holiday period.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

## 2.15 Impairment of non-financial assets

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

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

## 2.15 Impairment of non-financial assets (continued)

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount in which case the reversal is treated as a revaluation reserve.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.





## 2.16 Financial Instruments

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

### Financial assets

#### Initial recognition and measurement

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

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in note 2.08 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

#### Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt Instruments at amortised cost

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

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

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

#### Debt Instrument at FVTOCI

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

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

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

## 2.16 Financial Instruments (continued)

### Debt Instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.



#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 118
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as *income/expense* in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.





## 2.16 Financial Instruments (continued)

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- financial liabilities at fair value through profit and loss
- financial liabilities at amortised cost

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information, refer note 15

### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### Derecognition

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

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.





2.16 Financial Instruments (continued)

Original Classification	Revised Classification	Accounting Treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	FVTPL assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**Offsetting of financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External values are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 2.05, 40)
- Quantitative disclosures of fair value measurement hierarchy (note 40)
- Financial Instruments (including those carried at amortised cost) (note 40)



Handwritten initials/signature.



#### 2.18 Derivative Financial Instrument and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item acts profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

#### 2.19 Provisions and Contingent Liabilities and Contingent Assets

##### (a) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

##### (b) Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract exceed the related revenue of the contract, the Company makes a provision for the difference.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

##### (c) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

##### (d) Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

#### 2.20 Cash and cash equivalents

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

#### 2.21 GST input credit

GST input credit is accounted in the books in the period in which the underlying service as well as invoice is received and when there is no uncertainty in availing / utilizing the credits.

#### 2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker "CODM". The CODM is responsible for allocating resources and assessing performance of the operating segments.

#### 2.23 Dividend Payable

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.



*[Handwritten signature]*



CIM Tools Private Limited  
Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR Million, unless otherwise stated, otherwise stated)

1. Property, plant and equipment

Particulars	Leasehold Land (Refer Note 2)	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Electrical fittings	Office equipments	Computers	Vehicles	Sub Total	Capital work in progress (Refer Note 1, 3 & 7)	Total
<b>Year ended March 31, 2023</b>												
Cost or Valuation	157.76	18.69	279.47	693.59	19.56	19.99	7.95	14.50	0.80	1,212.50	-	1,212.50
As at April 01, 2022	-	-	3.67	69.66	5.61	-	5.40	3.49	-	87.85	143.45	231.30
Additions	-	-	-	(4.83)	(0.50)	-	(0.93)	-	-	(6.14)	-	(6.14)
Disposals / capitalisation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange fluctuations (gain)/loss	-	-	-	-	-	-	-	-	-	-	-	-
Intangible to assets (refer note 39)	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	157.76	18.69	286.64	764.10	34.60	19.99	12.43	17.99	0.81	1,302.01	143.45	1,446.46
Accumulated depreciation	-	-	9.94	81.16	2.61	2.81	2.23	4.59	0.16	103.30	-	103.30
As at April 01, 2022	-	-	10.29	101.23	2.84	2.85	2.64	4.74	0.17	124.76	-	124.76
Depreciation charge during the year	-	-	(0.61)	(0.31)	(0.31)	(0.46)	(0.49)	(0.41)	(0.41)	(1.41)	-	(1.41)
As at March 31, 2023	-	-	20.23	181.78	5.14	5.46	4.38	9.33	0.33	226.65	-	226.65
Net carrying amount	157.76	18.69	266.41	582.32	19.46	14.53	8.05	8.66	0.48	1,075.36	143.45	1,219.81
<b>Year ended March 31, 2024</b>												
Gross carrying amount	157.76	18.69	286.64	764.10	24.40	19.99	12.43	17.99	0.81	1,303.61	143.45	1,446.46
As at April 01, 2023	43.13	-	133.66	760.92	26.05	13.54	11.41	5.78	-	694.50	768.18	1,762.68
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / capitalisation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange fluctuations (gain)/loss	-	-	-	-	-	-	-	-	-	-	-	-
Intangible to assets (refer note 39)	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	200.89	18.69	420.65	1,525.73	90.65	31.53	21.84	21.78	(0.00)	2,297.78	225.67	2,523.45
Accumulated depreciation	-	-	20.23	181.78	5.14	5.46	4.38	9.33	0.33	226.65	-	226.65
As at April 01, 2023	-	-	14.87	140.57	4.86	3.65	3.40	5.21	(0.03)	(0.43)	-	(0.43)
Depreciation charge during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	-	35.10	322.25	10.09	3.51	7.78	14.54	(0.80)	399.17	-	399.17
Net carrying amount	200.89	18.69	385.55	1,203.40	40.56	24.22	16.06	9.24	0.90	1,898.61	225.67	2,124.28

Capital work in progress (CWIP) aging schedule as at March 31, 2024

	Amount in CWIP for a period of			Total
	Less than 1 year	1-3 years	More than 3 years	
- Projects in progress	225.67	-	-	225.67
- Projects temporarily suspended	-	-	-	-
Total	225.67	-	-	225.67

Capital work in progress (CWIP) aging schedule as at March 31, 2023

	Amount in CWIP for a period of			Total
	Less than 1 year	1-3 years	More than 3 years	
- Projects in progress	143.45	-	-	143.45
- Projects temporarily suspended	-	-	-	-
Total	143.45	-	-	143.45

Note 1: As at March 31, 2024 and March 31, 2023, there are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

Note 2: The Company has entered into a lease deed with Karnataka Industrial Areas Development Board (KIADB) for 12,140.50 square meters in Defence and Aerospace Park, Bangalore for a period of ninety nine years as stipulated in lease deed. The Company has further entered into a lease deed for additional land of 12,955 sq. mts on similar terms as the first lease deed.

Note 3: As per the directives from Government of Karnataka (GovK) to KIADB dated January 01, 2022, the GovK has accorded approval to the change in KIADB's existing policy of executing land deeds for a period of ninety nine years to approve allotment of land on a 10 years lease cum-sale basis. The Order does not extend only to new agreement but also gives power to KIADB to suitably modify existing lease cum-sale agreements and existing leases of KIADB. Accordingly, no depreciation of the leasehold land is charged as the same will be transferred to the Company's name on completion of the time period and on performance of all the conditions contained in the agreement and committed no breach thereof.

Note 4: Capital work-in-progress mainly comprises of building in progress, plant & machinery and furniture not ready for use for its intended progress (refer note no. 32)

Note 5: Refer note 35(a) for disclosure on capital commitments for the acquisition of property, plant and equipment.

Note 6: Refer note 35 for information on property plant and equipment and capital work in progress pledged as security by the Company.

Note 7: During the year ended March 31, 2024, the Company has capitalised borrowing cost amounting to INR 8.59 millions (March 31, 2023: Nil) in qualifying asset related to Property, plant and equipment. Borrowing cost of specific borrowings were capitalised.

Note 8: During the year ended March 31, 2024, the Company has capitalised borrowing cost amounting to INR 7.40 millions (March 31, 2023: Nil) in qualifying asset related to Capital work in progress. Borrowing cost of specific borrowings were capitalised.





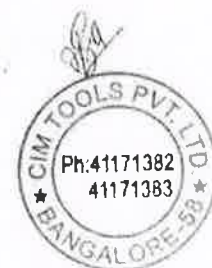
**CIM Tools Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**

(All amounts in INR Million, unless otherwise stated)

**4 Intangible assets**

	Software	Total
<b>Year ended March 31, 2023</b>		
<b>Cost</b>		
As at April 01, 2022	11.58	11.58
Additions	0.62	0.62
Disposals	-	-
Exchange fluctuations (gain)/loss attributable to assets (refer note 39)	0.01	0.01
<b>As at March 31, 2023</b>	<b>12.21</b>	<b>12.21</b>
<b>Amortisation and Impairment</b>		
As at April 01, 2022	2.66	2.66
Amortisation charge during the year	2.52	2.52
Disposals	-	-
<b>As at March 31, 2023</b>	<b>5.18</b>	<b>5.18</b>
<b>Net carrying amount</b>	<b>7.03</b>	<b>7.03</b>
<b>Year ended March 31, 2024</b>		
<b>Cost</b>		
As at April 01, 2023	12.21	12.21
Additions	5.82	5.82
Disposals	-	-
Exchange fluctuations (gain)/loss attributable to assets (refer note 39)	-	-
<b>As at March 31, 2024</b>	<b>18.03</b>	<b>18.03</b>
<b>Amortisation and Impairment</b>		
As at April 01, 2023	5.18	5.18
Amortisation charge during the year	3.04	3.04
Disposals	-	-
<b>As at March 31, 2024</b>	<b>8.22</b>	<b>8.22</b>
<b>Net carrying amount</b>	<b>9.81</b>	<b>9.81</b>

---This space has been intentionally left blank---





5 Investments

Investment in subsidiary:

(Unquoted instruments valued at cost unless stated otherwise)

**Aero Treatments Private Limited**

211,701 (March 31, 2023: 211,701) equity shares of INR 10 each (March 31, 2023: INR 10 each) fully paid-up at a premium of INR 1,837.80 per share

31 March 2024 31 March 2023

391.20 391.20

(A) 391.20 391.20

Investment in Associate:

(Unquoted instruments valued at cost unless stated otherwise)

**Lauak CIM Aerospace Private Limited**

249,850 (March 31, 2023: 249,950) equity shares of INR 10 each (March 31, 2023: INR 10 each) fully paid-up & 1,098,640 (March 31, 2023: 1,098,640) equity shares of INR 10 each (March 31, 2023: INR 10 each) fully paid-up at a premium of INR 29.20 per share

31 March 2024 31 March 2023

45.89 45.89

(B) 45.89 45.89

**Total Investments (A+B)**

437.09 437.09

Aggregate value of unquoted investments (refer note 40)

437.09 437.09

6 Loans

	31 March 2024		31 March 2023	
	Current	Non-current	Current	Non-current
<b>Loans receivable considered good - Unsecured</b>				
Loan to an associate (refer note 32)	-	7.00	-	7.00
	-	7.00	-	7.00
Loans to employees	0.96	-	0.76	-
<b>Total</b>	<b>0.96</b>	<b>7.00</b>	<b>0.76</b>	<b>7.00</b>

Disclosures of loans or advances in nature of loans granted to promoters, directors, KMPs and the related parties (as defined under companies act 2013) either severally or jointly with any other person that are repayable on demand are as follows:-

Type of borrowers	31 March 2024		31 March 2023	
	Amount of loan or advances in nature of loan outstanding	% of total loan & advances in the nature of loan	Amount of loan or advances in nature of loan outstanding	% of total loan & advances in the nature of loan
Loan to an associate*	7.00	88%	7.00	90.37%

\*Loan given for three years at interest rate of 8% per annum

---This space has been intentionally left blank---



(All amounts in INR Million, unless otherwise stated)

7 Other financial assets

	31 March 2024		31 March 2023	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security deposits	-	8.00	-	5.44
Interest receivable	0.06	-	0.08	-
Amount recoverable from related party (refer note 32)	-	-	1.80	-
Other receivables	0.54	-	0.73	-
<b>Total</b>	<b>0.59</b>	<b>8.00</b>	<b>2.69</b>	<b>6.44</b>

8 Other assets

	31 March 2024		31 March 2023	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Capital advances	-	101.92	-	153.31
Prepaid expenses	11.53	2.02	12.00	2.00
Balances with government authorities	29.28	-	14.34	-
Advance to suppliers	11.81	-	4.09	-
<b>Total</b>	<b>52.42</b>	<b>103.94</b>	<b>30.43</b>	<b>165.31</b>

9 Inventories

(At lower of cost and net realisable value)

	31 March 2024	31 March 2023
Raw materials	711.11	547.75
Work in progress	415.59	242.39
Finished goods	298.03	171.82
Stores and spares	39.96	10.92
<b>Total</b>	<b>1,482.69</b>	<b>972.88</b>

Amount recognised in statement of profit or loss:

During the year ended March 31, 2024 write down of inventories on account of provision in respect of obsolete/ slow moving items amounted to INR 23.87 million (March 31, 2023 : nil). These were recognised as an expense during the year and included in changes in value of inventories of raw material and finished goods in statement of profit or loss.

10 Trade receivables

	31 March 2024	31 March 2023
	Current	Current
Unsecured, considered good		
- from related parties (refer note 32)*	1.14	4.88
- others	1,011.13	811.42
Trade Receivables - credit impaired	2.32	0.19
	<b>1,014.59</b>	<b>816.29</b>
Less: Allowances for credit loss	2.32	0.19
<b>Total</b>	<b>1,012.27</b>	<b>816.10</b>

\* Includes receivables from companies in which Director of the Company is also a Director



10 Trade receivables (continued)

Trade receivables ageing schedule:

	Trade receivables – considered good		Trade receivable – credit impaired		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Undisputed</b>						
Current but not due	821.10	702.98	-	0.00	821.10	702.98
Outstanding for following periods from due date of payment						
Less than 6 Months	186.03	105.41	-	-	186.03	105.41
6 months – 1 year	4.83	7.67	2.32	0.08	7.15	7.75
1-2 years	0.31	0.04	-	0.11	0.31	0.15
2-3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
<b>Total</b>	<b>1,012.27</b>	<b>816.10</b>	<b>2.32</b>	<b>0.19</b>	<b>1,014.59</b>	<b>816.29</b>

As at March 31, 2024 and March 31, 2023, there are no disputed trade receivables. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule. Trade receivables are non interest bearing and are generally on terms of 45 to 120 days.

11 Cash and cash equivalents \*

	31 March 2024	31 March 2023
Balances with banks:		
- on current accounts	44.88	11.80
- EEFC accounts	39.52	14.38
Cash on hand	0.07	0.05
<b>Total</b>	<b>84.47</b>	<b>26.23</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at March 31, 2024 and March 31, 2023. For asset pledged (refer note 36).

Changes in liabilities arising from financing activities and non-cash financing and investing activities

	April 01 2023	Cash flow	Non cash changes**	31 March 2024
Non current borrowings (including current maturity of long term borrowing)	621.41	634.75	2.66	1,258.81
Current borrowings	889.90	243.11	4.98	1,137.99
<b>Total liabilities from financing activities</b>	<b>1,511.31</b>	<b>877.86</b>	<b>7.64</b>	<b>2,396.80</b>

	April 01 2022	Cash flow	Non cash changes**	31 March 2023
Non current borrowings (including current maturity of long term borrowing)	558.22	56.76	6.43	621.41
Current borrowings	603.51	287.49	(1.09)	889.90
<b>Total liabilities from financing activities</b>	<b>1,161.73</b>	<b>344.25</b>	<b>5.34</b>	<b>1,511.31</b>

\*\*other non cash items includes, foreign exchange movements in borrowings and increase on account of accrual of interest.

12 Other bank balances

	31 March 2024	31 March 2023
Deposits with remaining maturity of more than three months but less than 12 months		
- margin money deposits	19.43	28.43
<b>Total</b>	<b>19.43</b>	<b>28.43</b>

-----This space has been intentionally left blank-----



13 Equity Share Capital

	31 March 2024	31 March 2023
<b>Authorised Share Capital:</b>		
6,000,000 (March 31, 2023 : 6,000,000) Equity shares of INR 10 each	60.00	60.00
500,000 (March 31, 2023 : 500,000) Non-Voting Series "A" Equity shares of INR 10 each	5.00	5.00
<b>Issued, subscribed and fully paid up:</b>		
2,688,322 (March 31, 2023 : 2,688,322) Equity shares of INR 10 each	26.88	26.88
Nil (March 31, 2023 : Nil) Non-Voting Series "A" Equity shares of INR 10 each	-	-
	<b>26.88</b>	<b>26.88</b>

a. Movement In Equity Share Capital

	Numbers	Amount
As at April 01, 2022	22,00,000	22.00
Add: Issued during the year	4,88,322	4.88
As at March 31, 2023	26,88,322	26.88
Add: Issued during the year	-	-
As at March 31, 2024	<b>26,88,322</b>	<b>26.88</b>

b. Rights, preferences and restrictions attached to equity shares

Equity Shares:

The Company has 2 class of equity shares having a par value of INR 10 per share. Holders of 2,688,322 equity shares have one vote per share and holders of Non voting series "A" equity shares do not have any voting rights. Non-voting series "A" equity shares have been redeemed during the preceeding year. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shares held by holding / ultimate holding companies

	31 March 2024		31 March 2023	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Samvardhana Motherson International Limited (Formerly known as Motherson Suml Systems Limited)	14,78,577	55.00%	14,78,577	55.00%

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

	31 March 2024		31 March 2023	
	Nos.	%	Nos.	%
<b>Equity shares of INR 10 each fully paid up:</b>				
Srikanth G S	4,03,216	15.00%	4,03,216	15.00%
Umesh A S	4,03,216	15.00%	4,03,216	15.00%
Vishwanath P Deshpande	4,03,314	15.00%	4,03,314	15.00%
Samvardhana Motherson International Limited (Formerly known as Motherson Suml Systems Limited)*	14,78,577	55.00%	14,78,577	55.00%
	<b>26,88,322</b>	<b>100.00%</b>	<b>26,88,322</b>	<b>100.00%</b>

\*including shares held by nominees





13 Equity Share Capital (continued)

e. Details of share holding of promoters

As at March 31, 2024	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Srikanth.G.S	4,03,216	-	4,03,216	15.00%	0.00%
Umesh A S	4,03,215	-	4,03,215	15.00%	0.00%
Vishwanath P Deshpande	4,03,314	-	4,03,314	15.00%	0.00%
Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited)	14,78,577	-	14,78,577	55.00%	0.00%
	<b>26,88,322</b>	<b>-</b>	<b>26,88,322</b>	<b>100.00%</b>	

As at March 31, 2023	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Srikanth.G.S	6,57,301	(2,54,085)	4,03,216	15.00%	-38.66%
Umesh A S	6,57,300	(2,54,085)	4,03,215	15.00%	-38.66%
Vishwanath P Deshpande	6,57,399	(2,54,085)	4,03,314	15.00%	-38.65%
Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited)	-	14,78,577	14,78,577	55.00%	100%
	<b>19,72,000</b>	<b>7,16,322</b>	<b>26,88,322</b>	<b>100.00%</b>	

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

—This space has been intentionally left blank—



**CIM Tools Private Limited**

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

(All amounts in INR Million, unless otherwise stated)

**14 Other equity**

	31 March 2024	31 March 2023
<b>Reserves and Surplus</b>		
Securities premium	526.58	526.58
Capital redemption reserve	38.00	38.00
Retained earnings	1,316.88	1,185.57
<b>Total reserves and surplus</b>	<b>1,881.46</b>	<b>1,750.15</b>

**(i) Securities premium**

	31 March 2024	31 March 2023
Opening balance	526.58	-
Proceeds received on share issued*	-	526.58
<b>Closing balance</b>	<b>526.58</b>	<b>526.58</b>

\* pertains to shares issued to Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited)

**(ii) Capital Redemption Reserve**

	31 March 2024	31 March 2023
Opening balance	38.00	38.00
<b>Closing balance</b>	<b>38.00</b>	<b>38.00</b>

**(iii) Retained earnings**

	31 March 2024	31 March 2023
Opening balance	1,185.57	978.10
Profit for the year	134.86	207.82
Add: Item of OCI recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(3.55)	(0.35)
<b>Closing balance</b>	<b>1,316.88</b>	<b>1,185.57</b>

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Capital redemption reserve**

The reserve is created on redemption of preference shares in accordance with section 62 of Companies Act, 2013. The reserve will be utilised in accordance with the provisions of the Act.

**Retained earnings**

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

-----This space has been intentionally left blank-----



16(a) Non-current borrowings

	Effective Interest Rate %	Maturity	31 March 2024	31 March 2023
<b>Secured<sup>1</sup></b>				
<b>Term Loans</b>				
20 Crores Indian rupee loan from banks	8.75%	2025-2028	39.97	79.88
60 Crores Indian rupee loan from banks	1 year MCLR + 0.05 basis point	2027-2028	412.35	282.73
50 Crores Indian rupee loan from banks	3 month T Bill + 1.2%	2028-2029	436.23	-
Loan under Emergency Credit Line Guarantee Scheme from banks	1 Year MCLR + 0.05	2025-2028	34.37	71.88
External commercial borrowings	SOFRA + 2.3%	2025-2026	9.58	46.04
<b>Total</b>			<b>932.50</b>	<b>480.51</b>

(i) Secured Loans

1 Indian rupee loan from banks

Nature of Security	Principal Terms and Conditions
<b>a Rupee Loan from HDFC Bank : March 31, 2024 - INR 79.86 million (March 31, 2023 - INR 116.70 million)</b>	
The Company has entered into a Principal Only Swap arrangement with the Bank with a fixed rate payer currency. The Rupee loan of INR 200 million has been swapped to USD 2.80 million.	
<b>Secured by:</b>	<b>Principal Terms</b>
Primary Security : First Pari-Passu charge by way of hypothecation on all the Plant & Machinery and other movable Fixed Assets located at various factories.	Rate of Interest: 8.75% p.a on rupee Loan, 4.8% p.a on swapped USD loan
Secondary Security : First Pari-passu charge on current assets with DBS Bank	Total Repayment Term : 20 Quarterly payment of INR 10 million each or 20 Quarterly payment of USD 0.14 million each
Pari-Passu charge by way of equitable mortgage on the property located at Site no 1 & 2, Plot no 87, 488 & 489, Survey no 46, 12th cross, 4th phase, Peenya Industrial Area, Nellikadaranahalli Village, Yeswanthpur Hobli, Bangalore	No. of installment remaining as at : March 31, 2024 - 6 (March 31, 2023 - 12)
Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 37,38,39,40 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company	Interest Accrued and due : Nil
Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 101,102,103,104 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company	Interest Accrued but not due : March 31, 2024 - INR 0.61 million (March 31, 2023 - INR 0.91 million)

1 Indian rupee loan from banks

Nature of Security	Principal Terms and Conditions
<b>b Rupee Loan from HDFC Bank : March 31, 2024 - INR 562.29 million (March 31, 2023 - INR 361.57 million)</b>	
<b>Secured by:</b>	<b>Principal Terms</b>
Primary Security : First Pari-Passu charge by way of hypothecation on all the Plant & Machinery and other movable Fixed Assets located at various factories.	Rate of Interest: 1 year MCLR + 0.05 basis point
Secondary Security : First Pari-passu charge on current assets with DBS Bank	Total Repayment Term : Door to door tenor of 5 year including 1 year of moratorium from first disbursement and 16 quarterly repayments
Pari-Passu charge by way of equitable mortgage on the property located at Site no 1 & 2, Plot no 87, 468 & 469, Survey no 46, 12th cross, 4th phase, Peenya Industrial Area, Nellikadaranahalli Village, Yeswanthpur Hobli, Bangalore	No. of installment remaining as at : March 31, 2024 - 15 (March 31, 2023 - 16 quarterly installments)
Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 37,38,39,40 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company	Interest Accrued and due : Nil
Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 101,102,103,104 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company	Interest Accrued but not due : March 31, 2024 - INR 4.66 million (March 31, 2023 - INR 2.03 million)



Nature of Security	Principal Terms and Conditions
<p><b>c Rupee Loan from HDFC Bank : March 31, 2024 - INR 499.87 million (March 31, 2023 - Nil)</b></p> <p><b>Secured by:</b>                      Primary Security : First Pari-Passu charge by way of hypothecation on all the Plant &amp; Machinery and other movable Fixed Assets located at various factories.                      Secondary Security : First Pari-passu charge on current assets with DBS Bank                      Pari-Passu charge by way of equitable mortgage on the property located at Site no 1 &amp; 2, Plot no 67, 468 &amp; 469, Survey no 46, 12th cross, 4th phase, Peenya Industrial Area, Nallakadaranahalli Village, Yeswanthpur Hobli, Bangalore                      Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 37,38,39,40 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company                      Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 101,102,103,104 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company</p>	<p><b>Principal Terms</b>                      Rate of Interest: 3 month T Bill + 1.2% (effective pricing of 8% pa on first disbursement)                      Total Repayment Term : Door to door tenor of 5 year including 1 year of moratorium from first disbursement and 16 quarterly repayments                      No. of installment remaining as at : March 31, 2024 - 16 quarterly installments (March 31, 2023 - Nil)                      Interest Accrued and due : Nil                      Interest Accrued but not due : March 31, 2024 - INR 3.18 million (March 31, 2023 - Nil)</p>

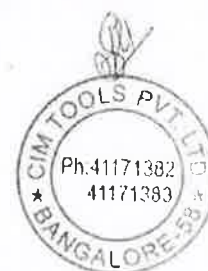
## 2 External Commercial Borrowings

Nature of Security	Principal Terms and Conditions
<p><b>a External Commercial Borrowings from DBS Bank : March 31, 2024 - INR 46.71 million (March 31, 2023 - INR 90.77 million)</b></p> <p><b>Secured by:</b>                      Primary Security : First Pari-Passu charge by way of hypothecation on all the Plant &amp; Machinery and other movable Fixed Assets located at various factories.                      Secondary Security : First Pari-passu charge on current assets with DBS Bank                      Pari-Passu charge by way of equitable mortgage on the property located at Site no 1 &amp; 2, Plot no 67, 468 &amp; 469, Survey no 46, 12th cross, 4th phase, Peenya Industrial Area, Nallakadaranahalli Village, Yeswanthpur Hobli, Bangalore                      Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 37,38,39,40 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company                      Pari-Passu charge by way of equitable mortgage on the leasehold right property located at site no 101,102,103,104 at Aerospace SEZ, KIADB, Bangalore and building in the name of the Company</p>	<p><b>Principal Terms</b>                      Rate of Interest: three month SIFOR plus 2.3% p.a                      Facility 1 : March 31, 2024 - INR 24.99 million (March 31, 2023 - INR 67.42 million)                      Total Repayment Term: 21 Quarterly payment of USD 0.1 million                      No. of quarterly installment remaining as at : March 31, 2024 - 3 (March 31, 2023 - 7)                      Facility 2 : March 31, 2024 - INR 21.72 million (March 31, 2023 - INR 33.36 million)                      Total Repayment Term: 24 Quarterly payment of USD 0.036 million each and 1 installment of USD 0.04 million                      No. of quarterly installment remaining as at : March 31, 2024 - 7 (March 31, 2023 - 11)                      Interest Accrued and due : Nil                      Interest Accrued but not due : March 31, 2024 - INR 1.08 million (March 31, 2023 - INR 0.87 million, April 01, 2021 - Nil)</p>

## 3 Loan under Emergency Credit Line Guarantee Scheme from banks

Nature of Security	Principal Terms and Conditions
<p><b>a Rupee Loan under Emergency Credit Line Guarantee Scheme from HDFC Bank : March 31, 2024 - INR 71.86 million (March 31, 2023 - INR 109.38 million)</b></p> <p>The Company has entered into a Loan agreement to augment working capital requirement to enable business unit to meet operating liabilities &amp; restart increase operations arrangement with the Bank with a 48 months including moratorium of 12 months from the date of disbursement</p> <p><b>Secured by:</b>                      Extension of second ranking charge over existing primary &amp; collateral securities including mortgages created in favour of the bank and Government ECGLS Guarantee</p>	<p><b>Principal Terms:</b>                      Rate of Interest: one year MCLR + 0.05 basis point                      Total Repayment Term: 48 months excluding moratorium of 12 months from the date of disbursement per month INR 3.12 million                      No. of installment remaining as at : March 31, 2024 - 23 (March 31, 2023 - 35)                      Interest Accrued and due : Nil                      Interest Accrued but not due : March 31, 2024 - INR 0.55 million (March 31, 2023 - INR 0.58 million)</p>

<sup>1</sup> The carrying amount of financial and non financial assets pledged as security for long term borrowings is disclosed in Note 36





15(b) Current borrowings

	Effective Interest Rate %	Maturity	31 March 2024	31 March 2023
<b>Secured <sup>1,2</sup></b>				
Working capital loans - from banks (refer note below)				
HDFC Bank Packing Credit (foreign currency)	SOFR + 2%	270 days	1,137.09	889.90
DBS Bank Packing Credit (foreign currency)	SOFR + 2.0%	180 days	149.70	124.89
Current maturities of long term borrowings (refer note below)				
20 Crores Indian rupee loan from banks	8.75%	2025-2026	39.90	39.83
50 Crores Indian rupee loan from banks	1 year MCLR + 0.05 basis point	2027-2028	149.94	18.85
50 Crores Indian rupee loan from banks	3 month T Bill + 1.2%	2028-2029	81.84	-
Loan under Emergency Credit Line Guarantee Scheme from banks	1 Year MCLR + 0.05	2025-2026	37.50	37.50
External commercial borrowings	SOFR + 2.3%	2025-2028	37.13	44.72
<b>Total</b>			<b>1,614.00</b>	<b>1,165.79</b>

1 Packing Credit (foreign currency)

Nature of Security	Principal Terms and Conditions
<b>a Packing Credit (foreign currency) from DBS Bank : March 31, 2023 - INR 149.70 million (March 31, 2023 - INR 124.98 million)</b>	
<b>Secured by:</b> Primary Security : First pari-passu charge on Stock and Receivables of the company present and future along with DBS Bank, Secondary Security: First pari-passu charge on the plant & machinery other movable fixed asset located at Peenya Factory and at SEZ unit First pari-passu charge by way of equitable mortgage on the property located at Site no 1 & 2, plot no. 87, 468 & Survey no 46, 12th cross, 4th phase, Peenya Industrial Area, Nallakadaranahalli Village, Yeshwanthpur, Bangalore owned by the Company. Further, fixed deposit margin of 10% of limit) First pari-passu charge by way of equitable mortgage on the leasehold right property located at Site no 37,38,39,40 totalling 1 acre at SEZ and the building along with DBS Bank First pari-passu charge by way of equitable mortgage on the leasehold right property located at Site no 101 to 104 at SEZ and the building along with DBS Bank	<b>Principal Terms:</b> Rate of Interest: SOFR plus 2.0% p.a Sanctioned Limits : March 31, 2024 - INR 150.00 million (March 31, 2023 - INR 150.00 million) Total Repayment Terms : Within 180 days of drawing the loan Interest Accrued but not due : March 31, 2024 - INR 1.11 million (March 31, 2023 - INR 0.76 million)

1 Packing Credit (foreign currency)

Nature of Security	Principal Terms and Conditions
<b>b Packing Credit (foreign currency) from HDFC Bank : March 31, 2024 - INR 1137.98 million (March 31, 2023 - INR 889.90 million)</b>	
<b>Secured by:</b> Primary Security : First pari-passu charge on Stock and Receivables of the company present and future along with DBS Bank, Secondary Security: First pari-passu charge on the plant & machinery other movable fixed asset located at Peenya Factory and at SEZ unit First pari-passu charge by way of equitable mortgage on the property located at Site no 1 & 2, plot no. 67, 468 & Survey no 46, 12th cross, 4th phase, Peenya Industrial Area, Nallakadaranahalli Village, Yeshwanthpur, Bangalore owned by the Company. First pari-passu charge by way of equitable mortgage on the leasehold right property located at Site no 37,38,39,40 totalling 1 acre at SEZ and the building along with DBS Bank First pari-passu charge by way of equitable mortgage on the leasehold right property located at Site no 101 to 104 at SEZ and the building along with DBS Bank	<b>Principal Terms:</b> Rate of Interest: SOFR plus 2% Sanctioned Limits : March 31, 2024 - INR 1,300.68 million (March 31, 2023 - INR 1,000.20 million) Total Repayment Terms : Within 270 days of drawing the loan Interest Accrued but not due : March 31, 2024 - INR 6.6 million (March 31, 2023 - INR 4.8 million)

The Company has borrowings from banks on basis of primary security on current assets and secondary security on plant and machinery and land in peenya and SEZ. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

-----This space has been intentionally left blank-----



16 Employee benefit obligations

	Non-current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Gratuity	37.83	28.58	3.37	3.37
<b>Total</b>	<b>37.93</b>	<b>28.59</b>	<b>3.37</b>	<b>3.37</b>

The long term defined employee benefits and contribution schemes of the Company are as under:

A. Defined contribution plan

The Company makes contribution to Provident Fund and Employee State Insurance contributions for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following expenditure in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Amount recognised in the Statement of Profit and Loss is as follows (refer note 26)

	For the year ended	
	31 March 2024	31 March 2023
Provident Fund	10.70	9.00
Employee State Insurance Fund	0.38	0.73
	<b>11.08</b>	<b>9.73</b>

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

B. Compensated absences

The employees are entitled for leave for each year of service and part thereof and subject to the limits specified, the un-availed portion of such leaves is encashed at the end of the financial year. The un-availed balances are not allowed to be carried forward. The plan is not funded.

Amount recognised in the Statement of Profit and Loss is as follows (refer note 26)

	For the year ended	
	31 March 2024	31 March 2023
Leave encashment	4.47	3.04
	<b>4.47</b>	<b>3.04</b>

C. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is unfunded.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present Value of Defined Benefit Obligation

	For the year ended	
	31 March 2024	31 March 2023
Obligations at year beginning	31.86	26.36
Service cost - current	4.42	3.73
Interest expense	2.31	1.88
(Gains) and losses on curtailment and settlement	-	-
Amount recognised in profit or loss	6.73	5.61
<b>Remeasurements</b>		
Actuarial (gain) / loss from change in demographic assumption	-	-
Actuarial (gain)/ loss from change in financial assumption	1.03	(0.81)
Experience (gain)/loss	3.87	1.31
Change in asset ceiling, excluding amounts included in interest expense	-	-
Amount recognised in other comprehensive income	5.00	0.50
Less: Benefit payouts	(2.39)	(0.51)
Obligations at year end	<b>41.30</b>	<b>31.96</b>





vi) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions (movement by 100 basis point):

31 March 2024	Change in Assumption		Present value of obligation	
	Increase by (%)	Decrease by (%)	due to increase in %	due to decrease in %
Discount Rate per annum	1.00%	1.00%	38.04	45.11
Future salary increases	1.00%	1.00%	44.69	38.33
Withdrawal Rate	1.00%	1.00%	41.63	40.94

31 March 2023	Change in Assumption		Present value of obligation	
	Increase by (%)	Decrease by (%)	due to increase in %	due to decrease in %
Discount Rate per annum	1.00%	1.00%	29.51	34.81
Future salary increases	1.00%	1.00%	34.50	29.74
Withdrawal Rate	1.00%	1.00%	32.27	31.62

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

vii) Risk exposure

The gratuity scheme is a salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yield fall, the defined benefit obligation will tend to increase.

(b) **Salary Inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

(c) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

viii) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024 Defined benefit obligation	3.37	3.64	18.89	30.80	56.50
31 March 2023 Defined benefit obligation	3.37	2.78	15.55	23.93	45.63

ix) Average duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 14.61 years

-----This space has been intentionally left blank-----





17 Deferred tax assets (net)

	31 March 2024	31 March 2023
<b>Deferred tax assets</b>		
Unused tax credits (Minimum Alternate Tax)	52.27	81.01
Provision for employee benefit obligations	12.03	9.31
Expenses allowable on payment basis	27.25	-
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	80.98	55.22
Others	0.03	0.17
<b>Deferred tax asset/(Deferred tax liabilities)</b>	<b>10.56</b>	<b>34.93</b>

Movement in Deferred tax assets

	Property, plant and equipment and intangible assets	Provision for employee benefits	Unused tax credits (Minimum Alternate Tax)	Expenses allowable on payment basis	Others	Total
At April 01, 2022	(55.71)	7.68	96.51	-	(0.32)	48.16
(Charged)/ credited:						
to profit or loss	0.49	1.48	-	-	0.15	2.12
to other comprehensive income	-	0.15	-	-	-	0.15
utilisation of unused tax credits (Minimum Alternate Tax)	-	-	(15.80)	-	-	(15.50)
At March 31, 2023	(55.22)	9.31	81.01	-	(0.17)	34.93
(Charged)/ credited:						
to profit or loss	(26.74)	1.28	-	27.25	0.14	2.01
to other comprehensive income	-	1.48	-	-	-	1.48
utilisation of unused tax credits (Minimum Alternate Tax)	-	-	(28.74)	-	-	(28.74)
At March 31, 2024	(80.98)	12.03	82.27	27.25	(0.03)	10.56

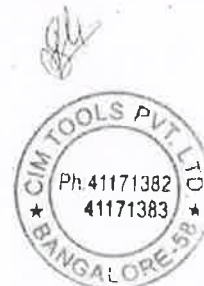
---This space has been intentionally left blank---





(All amounts in INR Million, unless otherwise stated)

	For the year ended	
	31 March 2024	31 March 2023
<b>22 (a) Revenue from contract with customers</b>		
Sales of products		
Finished goods		
Within India	537.18	505.94
Outside India	2,425.21	1,751.71
Total gross sales	2,962.39	2,257.65
Sale of services	15.98	10.65
<b>Total revenue from contract with customers (refer note 37)</b>	<b>2,978.37</b>	<b>2,268.30</b>
Timing of revenue recognition		
Goods transferred at a point in time	2,962.39	2,257.65
Services transferred at a point in time	15.98	10.65
	2,978.37	2,268.30
<b>22 (b) Other operating revenue</b>		
Scrap sales	80.33	39.75
Total	80.33	39.75
<b>23 Other non-operating income:</b>		
Interest income from financial assets at amortised cost (refer note 32)	2.07	2.67
Exchange fluctuation (net)*	45.06	2.02
Liabilities written back no longer required	1.31	0.08
Miscellaneous Income	0.87	0.14
Total	49.11	4.91
*Includes mark to market (loss)/gains on derivative liabilities		
<b>24 Cost of raw materials and components consumed</b>		
Opening stock of raw materials	547.75	343.34
Add : Purchases of raw materials	1,780.02	1,278.35
Less: Closing stock of raw materials	711.11	547.75
Total	1,616.66	1,073.94
<b>25 Changes in Inventory of finished goods and work in progress</b>		
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	171.62	153.86
Work in progress	242.39	157.21
Total (A)	414.01	311.07
Stock at the end of the year		
Finished goods	298.03	171.62
Work in progress	415.59	242.39
Total (B)	711.62	414.01
(Increase)/ decrease in stocks		
Finished goods	(124.41)	(17.76)
Work in progress	(173.20)	(85.18)
Total (A-B)	(297.61)	(102.94)
<b>26 Employee benefits expense</b>		
Salary, wages & bonus	328.51	273.67
Contribution to provident & other fund (refer note 16)	11.08	9.73
Gratuity expense (refer note 16)	6.73	5.61
Staff welfare expenses	40.50	21.34
Leave compensallon/ Compensated absence (refer note 16)	4.47	3.04
Total	391.29	313.39



**27 Depreciation and amortisation expense**

Depreciation on property, plant and equipment (refer note 3)	
Amortisation on Intangible assets (refer note 4)	
<b>Total</b>	

For the year ended	
31 March 2024	31 March 2023
172.95	124.76
3.04	2.52
<b>176.99</b>	<b>127.28</b>

**28 Finance costs**

Interest on long term borrowings	
Interest on loans from related parties	
Interest on loans repayable on demand	
Other finance costs	
<b>Total</b>	

For the year ended	
31 March 2024	31 March 2023
61.26	30.54
-	-
88.75	40.25
0.47	0.05
<b>150.48</b>	<b>70.84</b>

**29 Other expenses**

Sub contract charges-treatment	
Sub contract charges-machining	
Electricity, water and fuel	
Repairs and maintenance:	
Machinery	
Building	
Computers & software	
Others	
Consumption of stores and spare parts	
Travelling and conveyance charges	
Freight & forwarding	
Payment to Auditors (refer note (a) below)	
Legal & professional expenses	
Management consultancy charges	
Rental expenses (refer note 34)	
Rates & taxes	
Insurance	
Commission	
Communication expenses	
Security charges	
Business promotion charges	
Donation	
Bad debts/ advances written off	
Provision for doubtful receivables	
Loss on sale/discard of asset	
Expenditure towards corporate social responsibility (CSR) activities (Refer note (b) below)	
Miscellaneous expenses	
<b>Total</b>	

For the year ended	
31 March 2024	31 March 2023
333.64	230.32
122.01	82.20
46.05	34.82
28.40	18.68
1.36	1.28
14.12	9.50
11.06	5.28
125.67	77.86
25.12	22.94
23.65	17.02
1.89	1.53
25.31	15.05
53.22	-
2.11	1.87
1.05	3.94
11.21	7.74
6.21	1.90
4.15	3.67
4.83	4.37
5.28	4.82
0.08	0.07
-	2.40
2.32	0.19
-	0.32
3.89	4.30
14.15	10.30
<b>866.99</b>	<b>582.37</b>

**(a) Payment to auditors:**

As Auditor:	
Audit fees	
Reimbursement of expenses	
<b>Total</b>	

For the year ended	
31 March 2024	31 March 2023
1.72	1.50
0.17	0.03
<b>1.89</b>	<b>1.53</b>





(b) Corporate social responsibility expenditure :

	For the year ended	
	31 March 2024	31 March 2023
a) Amount required to be spent as per Section 135 of the Companies Act, 2013	3.89	3.67
b) Amount approved by the Board to be spent during the year	3.89	3.67
c) Amount spent during the year on:		
(i) Construction/acquisition of asset	-	-
(ii) Purpose other than (i) above	3.89	4.30
	<u>3.89</u>	<u>4.30</u>
Contribution to Charitable Trust	3.89	4.30

Shortfall at the end of the year

Note: The Company does not have any on going projects for the year ended March 31, 2024 and March 31, 2023

30 Income tax expense

	For the year ended	
	31 March 2024	31 March 2023
<b>(a) Income tax expense</b>		
<b>through Statement of Profit and Loss</b>		
Current tax		
Current income tax charged	62.79	62.39
Adjustments for current tax of prior years	(0.74)	-
<b>Total current tax expense</b>	<u>62.05</u>	<u>62.39</u>
Deferred tax (refer note 17)		
Decrease/ (increase) in deferred tax assets (net)	(2.90)	(2.13)
(Decrease) / Increase in deferred tax liabilities	-	-
<b>Total deferred tax expense / (credit)</b>	<u>(2.90)</u>	<u>(2.13)</u>
<b>Income tax expense</b>	<u>49.15</u>	<u>60.26</u>
<b>through other comprehensive income</b>		
Decrease/ (increase) in deferred tax assets (net)	(1.46)	0.15
<b>Total deferred tax expense / (credit)</b>	<u>(1.46)</u>	<u>0.15</u>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	31 March 2024	31 March 2023
Profit before tax	184.01	268.08
Tax at India's tax rate of 29.12% (March 31, 2023: 29.12%)	53.59	78.07
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax deductions under Chapter VIA	(0.57)	(0.63)
Tax deductions under Chapter III (tax holiday)	(9.31)	(19.10)
Adjustments for current tax of prior years	(0.74)	-
Account on expenses not allowed as deduction	7.25	-
Other adjustments	(1.07)	1.92
<b>Income tax expense</b>	<u>49.15</u>	<u>60.26</u>

31 Earnings per share

	For the year ended	
	31 March 2024	31 March 2023
<b>a) Basic</b>		
Net profit after tax available for equity shareholders	134.86	207.82
Weighted average number of equity shares of INR 10 each (March 31, 2023: INR 10 each )	26,88,322	26,88,322
Basic earnings (in INR) per share of INR 10 each. (March 31, 2023: INR 10 each )	<u>50.17</u>	<u>77.30</u>
<b>b) Diluted (refer note (i) below)</b>		
Net profit after tax available for equity shareholders	134.86	207.82
Weighted average number of equity shares of INR 10 each (March 31, 2023: INR 10 each )	26,88,322	26,88,322
Diluted earnings (in INR) per share of INR 10 each. (March 31, 2023: INR 10 each )	<u>50.17</u>	<u>77.30</u>

(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.



**32 Related Party Disclosures**

- I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:
- a. Promoters / entities with control over the Company  
Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited) (Holding Company)  
(with effect from April 06, 2022)
- b. Entities over which the Company exercises control  
Aero Treatments Private Limited (subsidiary) (with effect from April 06, 2022)
- c. Entities over which the Company exercises significant influence  
Lauak CIM Aerospace Private Limited
- d. Is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity  
Directors of the Company  
Mr. Laksh Vasmann Sehgal (with effect from April 06, 2022)  
Mr. Kunal Bajaj (with effect from April 06, 2022)  
Mr. Kunal Malani (with effect from April 06, 2022)  
Mr. Rajesh Goel (with effect from April 06, 2022)  
Mr. Srikanth Garani Sheshadri  
Mr. Vishwanath Prahlad Rao Deshpande  
Mr. Anekere Shankaranarayana Umesh  
Mr. Naveen Ganzu  
Mr. Ramesh Dhar

Relatives of Key Management Personnel of the reporting entity or of a parent of the reporting entity  
Mrs. Jayshree

- e. The entity and the reporting entity are the members of same group  
Fellow subsidiaries of Holding Company  
Samvardhana Motherson Global Carriers Limited  
Motherson Air Travel Agencies Limited  
SMR Automotive Systems India Limited  
Aneet Iwala Motherson Private Limited  
Motherson Technology Services Limited  
Motherson Techno Tools Limited

II. Related party transactions for the year

	For the year ended	
	31 March 2024	31 March 2023
Revenue from contract with customers		
Sale of services		
Lauak CIM Aerospace Private Limited	4.80	2.35
Other Income		
Interest Income		
Lauak CIM Aerospace Private Limited	0.56	0.57
Ramuneration to Key Managerial Personnel		
Mr. Srikanth Garani Sheshadri	25.46	21.52
Mr. Vishwanath Prahlad Rao Deshpande	25.46	21.52
Mr. Anekere Shankaranarayana Umesh	25.46	21.52



II. Related Party Transactions for the year (continued)

	For the year ended	
	31 March 2024	31 March 2023
<b>Other expenses</b>		
<b>Sub contract charges-treatment</b>		
Aero Treatments Private Limited	257.48	173.42
<b>Sub contract charges-machining</b>		
Leauk CIM Aerospace Private Limited	-	6.39
<b>Repairs and maintenance: Computers &amp; Software</b>		
Motherson Technology Service Limited	3.96	-
<b>Repairs and maintenance: Machinery</b>		
Anest fwata Motherson Private Limited	0.42	-
<b>Purchase of stores and spare parts</b>		
Samvardhana Motherson Global Carriers Limited	0.32	0.04
Motherson Techno Tools Limited	1.80	-
<b>Travelling and conveyance charges</b>		
Motherson Air Travel Agencies Limited	1.83	3.02
Mr. Vishwanath Prahlad Rao Deshpande	-	0.39
<b>Professional charges</b>		
Motherson Air Travel Agencies Limited	-	0.63
SMR Automotive Systems India Limited	-	0.01
<b>Management Consultancy Charges</b>		
Samvardhana Motherson Global Management Services ( A Division of Samvardhana Motherson International Limited )	53.37	-
<b>Rental Expenses</b>		
Mrs. Jayshree	0.41	-
<b>Insurance</b>		
Samvardhana Motherson Global Management Services ( A Division of Samvardhana Motherson International Limited )	0.09	-
<b>Director's Sitting Fees</b>		
Mr. Naveen Ganzu	0.09	-
Mr. Ramesh Dhar	0.09	-
<b>Business promotion</b>		
Motherson Air Travel Agencies Limited	-	0.16
<b>Other transactions</b>		
<b>Re-imburement received of expenses incurred</b>		
Aero Treatments Private Limited	(15.31)	(12.94)
<b>Expenses re-imbursed</b>		
Motherson Advance System	0.80	-
Samvardhana Motherson Global Management Services ( A Division of Samvardhana Motherson International Limited )	0.01	0.01



iii. Amount outstanding as at the balance sheet date

	31 March 2024	31 March 2023
<b>Assets</b>		
<b>Purchase of Property, plant and equipment</b>		
Mothercon Techno Tools Limited	6.78	-
Anesalwata Mothercon Private Limited	4.34	-
<b>Financial assets - Loans</b>		
Lauak CIM Aerospace Private Limited	7.00	7.00
<b>Financial assets - Trade receivables</b>		
Lauak CIM Aerospace Private Limited	1.14	4.68
<b>Other financial assets</b>		
Aero Treatments Private Limited	-	1.90
<b>Liabilities</b>		
<b>Financial liabilities - Trade payables</b>		
Lauak CIM Aerospace Private Limited	-	6.29
Aero Treatments Private Limited	129.96	23.79
Mothercon Air Travel Agencies Limited	1.34	0.32
Samvardhana Mothercon Global Management Services ( A Division Of Samvardhana Mothercon International Limited )	28.48	0.01
Mothercon Techno Tools Limited	2.62	-
Mothercon Technology Services Limited	1.76	-
<b>Financial liabilities - Payables for Property, plant and equipment</b>		
Anesalwata Mothercon Private Limited	0.23	-
<b>Financial liabilities - Other financial Liabilities</b>		
Mr. Naveen Ganzu	0.02	-
Mr. Ramesh Dhar	0.02	-

—This space has been intentionally left blank—





(All amounts in INR Million, unless otherwise stated)

33 Ratio Analysis and its elements

Key financial ratios along with the details of significant changes (25% or more) in FY 2023-24 compared to FY 2022-23 is as

	For the year ended		% change	Reason for variance (In case of variation of 25% or more from preceding year)
	March 31, 2024	March 31, 2023		
Current Ratios (In times) (Current Assets / Current Liabilities)	1.07	1.30	-17.1%	
Debt- Equity Ratio (In times) [(Long term borrowing including current maturities + short term borrowing) / Shareholders equity]	1.33	0.92	44.9%	The Company has obtained loans of approximately INR 800 Mn during the year ended March 31, 2024 for capitalisation.
Debt Service Coverage ratio (In times) [(Earnings before interest, depreciation, dividend income, interest income, loss on sale of property, plant and equipment and exceptional items but after tax) / (Interest expense on short term and long term borrowings + scheduled principal repayment of long term borrowing during the year)]	0.96	1.91	-49.5%	The Company has obtained loans of approximately INR 800 Mn during the year ended March 31, 2024 for capitalisation.
Return on Equity ratio (In %) (Net Profit after taxes / Average Shareholder's Equity)	7.32%	14.76%	-50.4%	Due to global market crisis for obtaining raw material, the net profit for year ended March 31, 2024 ended lower than planned
Inventory Turnover ratio (In times) (Cost of goods sold / Average inventories)	1.08	1.19	-8.0%	
Trade Receivable Turnover Ratio (In times) (Revenue from contract with customers / Average trade receivables)	3.32	3.74	-11.2%	
Trade Payable Turnover Ratio (In times) (Purchase of goods / Average trade payable)	4.08	6.89	-39.0%	Due to increase in business and due to global supply chain issues, there has been delays in receipt of goods. Such instances has led to increase in trade payable days.
Net Capital Turnover Ratio (In times) (Revenue from contract with customers / Average working capital excluding current maturities of long term debt)	2.09	2.09	-0.3%	
Net Profit ratio (In %) (Profit / (loss) for the period / Revenue from contract with customers)	4.44%	9.00%	-50.7%	Due to increase in debt and capitalisation, the net profit for year ended March 31, 2024 declined
Return on Capital Employed (In %) (Earnings before interest expenses, dividend income, interest income and taxes / Average capital employed)	11.94%	15.56%	-23.3%	
Return on Investment (In %) (Dividend Income / Investment (on which dividend income earned))	0.00%	0.00%	0.0%	No dividend income

34 Leases

The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for office equipments such as printers and coffee machine, the period for which is 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases

Amount recognised in statement of profit and loss during the year on account of short term and low value lease payments

	31 March 2024	31 March 2023
	2.11	1.87



**CIM Tools Private Limited**

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

(All amounts in INR Million, unless otherwise stated)

**35 Contingent liabilities and capital commitments**

**(a) Capital commitments**

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	31 March 2024	31 March 2023
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (net of advances of INR 101.92 million (March 31, 2023: 139.77 million)	374.47	578.73
<b>Total</b>	<b>374.47</b>	<b>578.73</b>

**(b) Contingent Liabilities**

	31 March 2024	31 March 2023
Towards Income Tax matters	-	0.30
	-	<b>0.30</b>

**36 Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are as follows:

	Notes	31 March 2024	31 March 2023
<b>Current:</b>			
<b>First charge</b>			
Inventories	9	1,462.69	972.68
Trade receivables	10	1,012.27	816.10
Cash and cash equivalents	11	84.47	26.23
Other bank balances	12	19.43	28.43
Other current assets	6 to 8	53.97	33.86
<b>Total current assets pledged as security</b>		<b>2,632.83</b>	<b>1,877.30</b>
<b>Non Current:</b>			
<b>First charge</b>			
Plant & Machinery	3	1,203.40	582.32
Other items of property, plant and equipment	3	90.07	51.18
Capital advance	8	101.92	153.31
Capital work in progress	3	141.39	61.71
		1,536.78	848.52
<b>Second charge</b>			
Freehold and leasehold land	3	219.59	176.45
Buildings and leasehold improvements	3	385.55	266.41
Capital work in progress	3	84.28	81.74
		689.42	524.60
<b>Total non-current assets pledged as security</b>		<b>2,226.20</b>	<b>1,373.12</b>

**37 Ind AS 115 Revenue from contracts with customers**

The transaction price is charged to revenue under Statement of Profit and Loss as and when performance obligations of the Company are completed which generally coincides with the time at which the risks and rewards as a seller are fulfilled as per the incoterms of the shipment.

As at March 31, 2024 and March 31, 2023, the transaction price is charged to Statement of Profit and Loss at a point in time on completion of performance obligations under the contract. Therefore, there is no transaction price to be allocated on account of remaining performance obligations.

The table below represents summary of contract assets and liabilities relating to contracts with customers:

	31 March 2024	31 March 2023
Trade receivables	1,012.27	816.10
Advances from customers	3.01	3.00



**38 Segment Information:**

**Description of segments and principal activities**

The Company is primarily in the business of manufacture, assembly and sale of aerospace components. Operating segments are reported in a manner consistent with the Internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

**A: Disaggregated revenue information**

**i) Revenue from customers**

India  
Outside India (based on location)

For the year ended	
31 March 2024	31 March 2023
553.16	516.59
2,425.21	1,761.71
<b>2,978.37</b>	<b>2,288.30</b>

**Type of goods or services**

Sale of manufactured goods  
Sale of services

**Total revenue from contracts with customers**

For the year ended	
31 March 2024	31 March 2023
2,962.39	2,257.65
15.98	10.65
<b>2,978.37</b>	<b>2,268.30</b>

**Timing of revenue recognition**

At a point in time  
Over a period of time

**Total revenue from contracts with customers**

For the year ended	
31 March 2024	31 March 2023
2,978.37	2,268.30
-	-
<b>2,978.37</b>	<b>2,268.30</b>

**ii) Segment Assets**

Total of non-current assets other than financial instruments, investment in subsidiary and associate and deferred tax assets broken down by location of the assets, is shown below.

India  
Outside India

31 March 2024	31 March 2023
2,255.52	1,398.36
-	-
<b>2,255.52</b>	<b>1,398.36</b>

**iii) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows**

Customer 1  
Customer 2  
Customer 3  
Customer 4

31 March 2024	31 March 2023
1,142.49	934.58
444.53	215.21
418.38	348.57
208.62	220.45
<b>2,214.02</b>	<b>1,718.81</b>

**39 Capitalisation of Exchange Differences as per para D13AA of Ind AS 101 "First Time Adoption"**

The Company has exercised the option in the preceding year to capitalise the exchange differences as per para 48A of Accounting Standard 11. The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset, and in other cases, can be accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods.



40 Fair value measurements  
Financial Instruments by category

	Note	Carrying Value	31 March 2024		Amortised Cost*
			FVTPL	FVOCI	
<b>Financial assets</b>					
Investments	5	437.09	-	-	437.09
Loans	6	7.96	-	-	7.96
Trade receivables	10	1,012.27	-	-	1,012.27
Cash and cash equivalents	11	84.47	-	-	84.47
Other bank balances	12	19.43	-	-	19.43
Other financial assets	7	8.60	-	-	8.60
<b>Total financial assets</b>		<b>1,569.82</b>	<b>-</b>	<b>-</b>	<b>1,569.82</b>
<b>Financial Liabilities</b>					
Borrowings	15(a) & 15(b)	2,546.50	-	-	2,546.50
Trade payables	18	641.25	-	-	641.25
Other financial liabilities	19	203.75	-	-	203.75
<b>Total financial liabilities</b>		<b>3,391.50</b>	<b>-</b>	<b>-</b>	<b>3,391.50</b>

	Note	Carrying Value	31 March 2023		Amortised Cost*
			FVTPL	FVOCI	
<b>Financial assets</b>					
Investments	5	437.09	-	-	437.09
Loans	6	7.75	-	-	7.75
Trade receivables	10	816.10	-	-	816.10
Cash and cash equivalents	11	26.23	-	-	26.23
Other bank balances	12	28.43	-	-	28.43
Other financial assets	7	8.13	-	-	8.13
<b>Total financial assets</b>		<b>1,323.73</b>	<b>-</b>	<b>-</b>	<b>1,323.73</b>
<b>Financial Liabilities</b>					
Borrowings	15(a) & 15(b)	1,636.30	-	-	1,636.30
Trade payables	18	230.73	-	-	230.73
Other financial liabilities	19	53.47	-	-	53.47
<b>Total financial liabilities</b>		<b>1,920.50</b>	<b>-</b>	<b>-</b>	<b>1,920.50</b>





40 Fair value measurements  
Financial Instruments by category

	Note	Carrying Value	31 March 2024		Amortised Cost*
			FVTPL	FVOCI	
<b>Financial assets</b>					
Investments	5	437.09	-	-	437.09
Loans	6	7.96	-	-	7.96
Trade receivables	10	1,012.27	-	-	1,012.27
Cash and cash equivalents	11	84.47	-	-	84.47
Other bank balances	12	19.43	-	-	19.43
Other financial assets	7	8.60	-	-	8.60
<b>Total financial assets</b>		<b>1,569.82</b>	<b>-</b>	<b>-</b>	<b>1,569.82</b>
<b>Financial Liabilities</b>					
Borrowings	15(a) & 15(b)	2,546.50	-	-	2,546.50
Trade payables	18	641.25	-	-	641.25
Other financial liabilities	19	203.75	-	-	203.75
<b>Total financial liabilities</b>		<b>3,391.50</b>	<b>-</b>	<b>-</b>	<b>3,391.50</b>

	Note	Carrying Value	31 March 2023		Amortised Cost*
			FVTPL	FVOCI	
<b>Financial assets</b>					
Investments	5	437.09	-	-	437.09
Loans	6	7.75	-	-	7.75
Trade receivables	10	816.10	-	-	816.10
Cash and cash equivalents	11	26.23	-	-	26.23
Other bank balances	12	28.43	-	-	28.43
Other financial assets	7	8.13	-	-	8.13
<b>Total financial assets</b>		<b>1,323.73</b>	<b>-</b>	<b>-</b>	<b>1,323.73</b>
<b>Financial Liabilities</b>					
Borrowings	15(a) & 15(b)	1,636.30	-	-	1,636.30
Trade payables	18	230.73	-	-	230.73
Other financial liabilities	19	53.47	-	-	53.47
<b>Total financial liabilities</b>		<b>1,920.50</b>	<b>-</b>	<b>-</b>	<b>1,920.50</b>



40 Fair value measurements (continued)

\* The carrying amounts of trade receivables, borrowings, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the same as their face values.

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024

	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Foreign currency swaps	-	-	11.64	11.64
<b>Total financial liabilities</b>	-	-	11.64	11.64

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023

	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Foreign currency swaps	-	-	15.92	15.92
<b>Total financial liabilities</b>	-	-	15.92	15.92

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of the remaining financial instruments covered under level 3 is determined using discounted cash flow

iii. Fair value of non current financial assets and liabilities measured at amortised cost

	31 March 2024		31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loan to related party <sup>1</sup>	7.00	7.00	7.00	7.00
Other financial assets	8.00	8.00	5.44	5.44
	<b>15.00</b>	<b>15.00</b>	<b>12.44</b>	<b>12.44</b>
<b>Financial liabilities</b>				
Borrowings	932.50	932.50	480.51	480.51
Other financial liabilities	197.93	197.93	48.16	48.16
	<b>1,130.42</b>	<b>1,130.42</b>	<b>528.67</b>	<b>528.67</b>

<sup>1</sup> The fair value of non-current financial assets and financial liabilities carried at amortised cost is substantially same as their carrying amount.

Note: The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.



41 (a) Financial risk management objectives and policies

The Company in its capacity as an internationally active supplier for the aerospace industry is exposed to various risks i.e., market risk, liquidity risk and credit risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Below are the major risks which can impact the Company:

A 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 price/rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

a. Price risk:

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The key raw materials for the Company's business is aluminium, steel and titanium. The Company has arrangements with major vendors for a long term agreement which gives the Company a leverage to source its materials at below spot prices.

Further, the Company avails the services of its Holding Company's Global Sourcing Procurement (GSP) set up at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

b. Foreign currency risk:

The Company operates internationally and a major portion of the sales, raw material purchases, packing credit facilities and external commercial borrowings are transacted in USD. Other transactions such as sub contract charges, major portion of borrowings, travelling and other transactions in the ordinary course of business is made in INR. Consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and purchases are in US Dollars, whereas other transactions are largely made locally. The exchange rate between the Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Over the past years, rupee has depreciated against the USD. However, as the Company's earnings are in USD and purchase of raw materials is in USD, the Company is not adversely affected on account of foreign exchange as it is naturally hedged.

The unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars/ Purpose	As at	As at
	31 March 2024	31 March 2023
Foreign Currency Swaps	11.64	15.92

(ii) Particulars of unhedged foreign currency exposure as at the reporting date (Net exposure to foreign currency risk)

	31 March 2024		31 March 2023	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency in million	Amount in INR	Amount in Foreign currency in million	Amount in INR
<b>Transactions in USD</b>				
Trade receivables	12.07	1,006.68	9.78	802.14
Cash and cash equivalents	0.47	39.52	0.13	10.81
Trade payables	(4.92)	(409.84)	(1.99)	(163.37)
Borrowings (current)	(15.44)	(1,287.70)	(12.34)	(1,014.89)
Borrowings (non current)	(0.58)	(46.79)	(1.11)	(91.03)
Others	-	-	-	-
<b>Transactions in GBP</b>				
Trade receivables	0.03	3.18	0.05	4.87
Trade payables	(0.01)	(0.54)	(0.00)	(0.49)
<b>Transactions in JPY</b>				
Payable towards Property, plant and equipment	(208.68)	(114.77)	-	-



41 (a) Financial risk management (continued)

b. Foreign currency risk (to be continued) :

Foreign currency sensitivity on unhedged exposure

1% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

	Impact on profit before tax	
	31 March 2024	31 March 2023
<b>USD</b>		
Increase by 1% in forex rate	(6.98)	(4.56)
Decrease by 1% in forex rate	8.98	4.56
<b>GBP</b>		
Increase by 1% in forex rate	0.03	0.04
Decrease by 1% in forex rate	(0.03)	(0.04)
<b>JPY</b>		
Increase by 1% in forex rate	(1.15)	-
Decrease by 1% in forex rate	1.15	-

(iii) Mark to market losses / (gain) on cross currency swaps

	For the year ended	
	31 March 2024	31 March 2023
Mark to Market losses/(gain) on cross currency swaps	11.84	15.92

c. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2024 and March 31, 2023, the Company's borrowings at variable rate were mainly denominated in INR and USD.

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2024	31 March 2023
Variable rate borrowings	1,258.81	821.41
Total borrowings	1,268.81	821.41

An analysis by maturities is provided in Note [C (ii)] Maturities of financial liabilities below.

(ii) Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit before tax	
	31 March 2024	31 March 2023
Interest rates-increase by 50 basis points*	(6.29)	(3.11)
Interest rates-decrease by 50 basis points*	6.29	3.11

\* Holding all other variables constant

B Credit risk:

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions.

Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Tier I and Tier II companies in Aerospace Industry with good credit ratings. The adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

Financial instruments and cash deposits

The Company has deposited funds at two major banking institutions with high credit ratings assigned by international and domestic credit rating agencies. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

C Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed by the Company. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.





41 (a) Financial risk management (continued)

C Liquidity risk (continued) :

(II) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities:

Year ended March 31, 2024	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Long Term Borrowings (including current maturities)	326.31	932.50	-	1,258.81
Short Term Borrowings	1,287.89	-	-	1,287.89
Trade payables	841.25	-	-	841.25
Other financial liabilities	187.93	-	-	187.93
<b>Total non-derivative liabilities</b>	<b>2,463.18</b>	<b>932.50</b>	<b>-</b>	<b>3,385.68</b>
<b>Derivatives</b>				
Derivatives	5.82	5.82	-	11.64
<b>Total derivative liabilities</b>	<b>5.82</b>	<b>5.82</b>	<b>-</b>	<b>11.64</b>
<b>Year ended March 31, 2023</b>				
<b>Non-derivatives</b>				
Long Term Borrowings (including current maturities)	140.80	480.51	-	621.41
Short Term Borrowings	1,014.89	-	-	1,014.89
Trade payables	230.73	-	-	230.73
Other financial liabilities	48.18	-	-	48.16
<b>Total non-derivative liabilities</b>	<b>1,434.68</b>	<b>480.51</b>	<b>-</b>	<b>1,915.19</b>
<b>Derivatives</b>				
Derivatives	5.31	10.61	-	15.92
<b>Total derivative liabilities</b>	<b>5.31</b>	<b>10.61</b>	<b>-</b>	<b>15.92</b>

---This space has been intentionally left blank---

*[Handwritten Signature]*



42 Capital management

(a) Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBITDA ratio i.e. Net debt (total borrowings (including lease liabilities) net of cash and cash equivalents) divided by EBITDA (Earnings before interest, depreciation, dividend income, interest income and exceptional items)

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	31 March 2024	31 March 2023
Net Debt	2,462.03	1,610.07
EBITDA	510.48	466.20
Net Debt to EBITDA	4.82	3.45

(b) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

43 Exemption from preparation of consolidated financial statements

As per Ind AS 110, paragraph 4(a), a Holding company need not present consolidated financial statements if it meets following conditions:

i) It is a wholly owned subsidiary or is a partially owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, have been intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements.

ii) Its ultimate or intermediate holding company files the consolidated financial statements with the registrar which are in compliance with the applicable accounting standards.

The financial statements are separate financial statements and the exemption from consolidation has been used, as :

i) the Company has informed the other shareholders about its intention of not presenting consolidated financial statements and the shareholders has not objected to the Company not preparing consolidated financial statements.

ii) the Company's Holding Company, Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited), files the consolidated financial statements with the registrar which are in compliance with the applicable accounting standards.

List of significant investment in subsidiaries, joint ventures and associates:

Name of the Investees	Proportion of ownership	Principal place of business	Method used to account
Leuak CIM Aerospace Private Limited (Associate)	49.50%	India	Cost
Aero Treatments Private Limited (Subsidiary)	83.02%	India	Cost



**44 Dues to micro, small and medium enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

	31 March 2024	31 March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	174.52	37.90
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

**45 Other Statutory Information**

- (i) There are no proceedings that have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules thereunder.
- (ii) There are no transactions with companies that are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have 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)
- (viii) The Company is not declared as wilful defaulter by any bank or financial institutions.
- (ix) The Company has not revalued its Property, Plant and equipment (including Right-of-Use Assets) and intangible assets during the year.
- (x) The Title deeds of the immovable properties are held in the name of the Company.


- 46 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company.
- 47 There are no standards that are notified and not yet effective as on date.
- 48 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with.

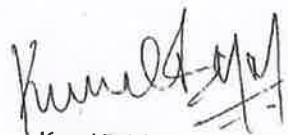
for S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

for and on behalf of the Board of CIM Tools Private Limited  
CIN No. U29199KA1997PTC021886

  
per Anil Mohta  
Partner  
Membership No.: 095812  
Place: Noida  
Date: May 25, 2024



  
Srikanth G.S  
Whole Time Director  
DIN : 00472617  
Place: Bengaluru  
Date: May 25, 2024

  
Kunal Bajaj  
Director  
DIN : 03545731  
Place: Noida  
Date: May 25, 2024