



INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED

[CONSOLIDATED] FINANCIAL INFORMATION

To,

The Board of Directors,

MAKS ENERGY SOLUTIONS INDIA LIMITED

Showroom-1, 599/600, Rasta Peth,
Shubham Society, Near-ParsiAgyari,
Pune- 411011 Maharashtra, India

Dear Sir,

Reference: - Proposed Public Issue of Equity Shares of **MAKS ENERGY SOLUTIONS INDIA LIMITED**

We have examined the attached Restated Consolidated Financial Statement of **Maks Energy Solutions India Limited** formerly known as **Maks Energy Solutions India Private Limited** (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021, and March 31, 2020, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the year ended March 31, 2022, March 31, 2021, and March 31, 2020, the statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Consolidated Financial Statement) as approved by the Board of Directors in their meeting held on 18th August, 2022 for the purpose of inclusion in the Draft Prospectus / Prospectus ("Offer Document") in connection with its proposed Initial Public Offering (IPO) of equity shares, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note")

The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Statement for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Pune in connection with the proposed IPO. The Restated Consolidated Financial Statements have been prepared by the management of the Company for the year ended on March 31, 2022, March 31, 2021, and March 31, 2020 on the basis of notes to restatement in note IV to the Restated Consolidated Financial Statement. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Statement.



We have examined such Restated Consolidated Financial Statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 31st December, 2019 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

This Restated Consolidated Financial Statements have been compiled by the management from:

- a) Audited financial statements of the company as at and for the year ended on March 31, 2022, March 31, 2021, and March 31, 2020 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

We have audited the Consolidated Financial Statement of the Company for the year ended March 31, 2022, March 31, 2021, and March 31, 2020 prepared by the Company in accordance with the generally accepted Accounting Standards. We have issued our report dated August 11, 2022, September 07, 2021 and November 24, 2020 respectively on these Consolidated Financial Statements, which has been approved Board of Directors in their meeting held on September 07, 2021, and September 22, 2020 respectively.

For the purpose of our examination, we have relied on:

- a) We did not audit the financial statements of joint venture whose financial statements for the year ended on March 31, 2020, March 31, 2021 and March 31, 2022, as considered in the consolidated financial statements has been Audited by overseas auditor and as certified by management and furnished to us by the Management and our examination of the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, we have placed the reliance on the same.

The modification in restated financials were carried out based on the modified reports, if any, issued by Previous Auditor which is giving rise to modifications on the financial statements as at end of respective years.

There is no qualification of auditor for the Financial Statement of March 31, 2022, March 31, 2021, and 31st March 2020, except those mentioned in our report.

- a) The Restated Consolidated Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;



- b) The Restated Consolidated Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial year to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
- d) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this report;
- e) Adjustments in Restated Consolidated Financial Statement have been made in accordance with the correct accounting policies,
- f) There was no change in accounting policies, which needs to be adjusted in the Restated Consolidated Financial Statement.
- g) There are no revaluation reserves, which need to be disclosed separately in the Restated Consolidated Financial Statement
- h) The Company has not paid any dividend since its incorporation

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

a) The "Restated Statement of Assets and Liabilities" as set out in Annexure I to this report, of the Company as at March 31, 2022, March 31, 2021, and March 31, 2020, is prepared by the Company and approved by the Board of Directors. These Restated Consolidated Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

b) The "Restated Statement of Profit and Loss" as set out in Annexure II to this report, of the Company for Financial year ended March 31, 2022, March 31, 2021, and March 31, 2020, is prepared by the Company and approved by the Board of Directors. These Restated Consolidated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

c) The "Restated Statement of Cash Flow" as set out in Annexure III to this report, of the Company for Financial year ended March 31, 2022, March 31, 2021, and March 31, 2020, is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial year ended March 31, 2022, March 31, 2021, and March 31, 2020, proposed to be included in the Offer Document for the proposed IPO.

Restated Consolidated Statement of Share Capital, Reserves And Surplus	Annexure-A
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Restated Consolidated Statement of Long Term And Short Term Borrowings/ Statement of principle Term of Secured loan and Assets charges as security and Statement of term & Condition of unsecured Loans.	Annexure-B, B(A) and B(B)
Restated Consolidated Statement Of Other Long Term Liabilities	Annexure-B1
Restated Consolidated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Consolidated Statement of Long Term Provisions	Annexure-D
Restated Consolidated Statement of Trade Payables	Annexure-E
Restated Consolidated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Consolidated Statement of Property, Plant and Equipment	Annexure-G
Restated Consolidated Statement of Non-Current Investments	Annexure-H
Restated Consolidated Statement of Long-Term Loans And Advances	Annexure-I
Restated Consolidated Statement of Non-Current Assets	Annexure-J
Restated Consolidated Statement of Inventory	Annexure-K
Restated Consolidated Statement of Trade Receivables	Annexure-L
Restated Consolidated Statement of Cash & Cash Equivalents	Annexure-M
Restated Consolidated Statement of Short-Term Loans And Advances	Annexure-N
Restated Consolidated Statement of Other Current Assets	Annexure-O
Restated Consolidated Statement of Turnover	Annexure-P
Restated Consolidated Statement of Non- Operating Income	Annexure-Q
Restated Consolidated Statement of Cost Of Material Consumed And Purchases Of Stock In Trade	Annexure-R
Restated Consolidated Statement of Change in Inventories	Annexure-S
Restated Consolidated Statement of Employee Benefits Expenses	Annexure-T
Restated Consolidated Statement of Finance Cost	Annexure-U
Restated Consolidated Statement of Depreciation & Amortization	Annexure-v
Restated Consolidated Statement of Other Expenses	Annexure-W
Restated Consolidated Statement of Mandatory Accounting Ratios	Annexure-X
Restated Consolidated Statement of Related Party Transaction	Annexure-Y
Restated Consolidated Statement of Capitalization	Annexure-Z
Restated Consolidated Statement of Tax Shelter	Annexure-AA
Restated Consolidated Statement of Contingent Liabilities	Annexure-AB
Restated Standalone Statement of Other Financial Ratio	Annexure-AC
Significant Accounting Policy and Notes to The Restated Consolidated financial Statements	Annexure IV
Material Adjustment to the Restated Consolidated Financial	Annexure V

In our opinion and to the best of information and explanation provided to us, the Restated Consolidated Financial Statement of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. R K Jagetiya & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our peer Review Certificate is valid as on the date of signing of this report.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.



We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above Consolidated Financial Statements along with Annexure A to AB of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV and V are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed SME IPO of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For R K Jagetiya & CO.
Chartered Accountant
FRN:- 146264W



(Ravi K Jagetiya)

Proprietor

M. No. 134691

Place: Mumbai

Date: 18th August, 2022

UDIN: 22134691APZNXF4943



ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS

A. BACKGROUND

The Company was incorporated as "MAKS ENERGY SOLUTIONS INDIA PRIVATE LIMITED" under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated 27th July 2010 bearing CIN: U31102PN2010PTC136962 issued by the Registrar of Companies, Pune. Further the Company has been converted from Private limited to Limited dated 21st Day of November 2019 Bearing CIN: U31102PN2010PLC136962.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2022, March 31, 2021, and March 31, 2020, the Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statements of Cash Flows for the year ended on March 31, 2022, March 31, 2021, and March 31, 2020, and the annexure thereto (collectively, the "**Restated Consolidated Financial Statements**") have been extracted by the management from the Audited Financial Statements of the Company for the year ended on March 31, 2022, March 31, 2021, and March 31, 2020.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014.

2. Principles of Consolidation:

During the FY 2018-19, the Company has entered into Joint Venture Agreement with M/s. Rosemary Industries Limited, Nigeria to invest in a JVC (joint Venture Company) named as M/s. Relion Power Industries Limited to expand its Generator business in African Continent.

The Company has 50% Ownership & Voting Power in M/s. Relion Power industries Limited, Nigeria. Apart from this company does not have any other Joint Venture.

The Company has adopted Equity method for consolidation of Financial Statements with M/s. Relion Power Industries Limited till 31st March 2019. The company in its consolidated Financial Statements recognized all line by line items of Profit & Loss Account for year ended 31/03/2019 and Balance Sheet as on 31/03/2019 of its 50% Share. The Financials of the Relion Power Industries Limited are prepared in the Local currency of Nigeria i.e. Naira

However According to the Management and in compliance with the Accounting Standard 27, "Financial Reporting of Interest in Joint Venture". The Company ceased to have control over the joint venture operation due to its non-viability of economic operation and other long term restrictions in the generator market of Nigeria. Therefore, the Management has discontinued the proportionate method of consolidation, and adopted AS-23 for the year ended March 2020 and onwards. Accordingly, while preparing Restated Consolidated financials The Company adopted AS-23 method of consolidation since first year that is FY 2019-20.



The above economic developments may result in JVC's inability to continue the operation in Nigeria.

For consolidation of financial statements, the rate of exchange for all the revenue items were taken as prevailing average rate of exchange prevailing for the respective year.

3. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

4. PROPERTY, PLANT AND EQUIPMENTS

Fixed assets are carried at cost of acquisition less depreciation. The cost includes the expenditure incurred till the date of commencement of business which is directly attributable to fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

5. DEPRECIATION

Depreciation on Tangible Fixed Asset is provided for on Written Down Value Method based on Estimated Useful Life of Fixed Assets. It is Consistent with the useful life specified in Schedule II of the Companies Act, 2013. The Economic useful Life of Asset has been assessed based on technical evaluation, taking into account nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes etc.

ASSETS	Rates (WDV)
Plant & Machinery	18.10%
Computers	63.16%
Furniture	25.89%
Factory Premises	9.50%
Office Equipment	45.07%
Vehicles	31.23%

For Intangible Assets, the company has continued the amortization in line with Accounting Standard 26 issued by ICAI. The Company is amortizing such intangible assets considering useful life of 5 years based on SLM method.

6. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



7. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

8. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

9. INVENTORIES

- i) Raw Material are valued at lower of Cost or net realizable value.
- ii) Stock-in-Trade, WIP, spares and parts are valued at cost or net realizable value whichever is less. Cost includes Cost of purchase and other Cost incurred to the extent they are incurred in bringing the inventories to their present location and conditions.
- iii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

10. REVENUE RECOGNITION

- i) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of goods have been passed to the buyer as agreed with the customer. The company collects goods & service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, it is excluded from revenue.
- ii) Income from services is recognized when the services are rendered. The company has collected goods & service tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- iii) **Other Operating Revenue**
Other Operating revenue comprises of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- iv) Interest on fixed deposits, Commission Income, Drawback, and other Incentives etc. are recognized on time proportion basis.
- v) Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".



11. EMPLOYEE BENEFITS

Defined-contribution plans:

- i) The company does not carry forward the balance of earned leave balance of employees, balance earned leave is paid to the employees according to the policy of company.
- ii) The Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation as at the date of the Balance Sheet.

12. SEGMENT ACCOUNTING

Business Segment

- (a) The business segment has been considered as the primary segment.
- (b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- (c) The Company's primary business includes Assembly of Power Generators and trading into spare parts, etc, accordingly there are two segments as envisaged in Accounting Standard 17 'Segment Reporting' i.e. Manufacturing, and Trading accordingly disclosure for Segment reporting is given below for the applicable years.

Disclosure of Segments Results for the period from FY 2019-20, FY 2020-21 and FY 2021-22.

(Amount in Lakhs Rs.)

Segment Disclosure for the year ended March 31, 2022

Particulars	Trading	Manufacturing/Assembling	Un-Allocable	Total
Revenue From Operation	1,066.35	1,487.41	0	2,553.76
Other Operating Income	0	7.6	263.3	270.90
Identifiable Operating Expenses	934.11	835.16	0	1,769.27
Allocated Expenses	63.22	586.84	205.3	855.36
Depreciation and Amortization	0	0	4.96	4.96
Segment Operating Income	69.02	73.01	53.04	195.07
Un allocable Expenses	0	0	0	0.00
Operating Profit Before Extraordinary Item	69.02	73.01	53.04	195.07
Other Income (net)	0	0	0	0.00
Extra Ordinary Item - JV Investment Written off	0	0	-94.58	-94.58
Profit before Income Tax	69.02	73.01	-41.54	100.49
Income tax Expenses	0	0	49.15	49.15
Net Profit before Share of JV	69.02	73.01	-90.69	51.34
Share of Profit/(Loss) from Joint Venture	0	0	-158.41	-158.41
Net Profit After Share of JV	69.02	73.01	-249.10	-107.07
Depreciation and Amortization				0.00
Non Cash expenses other than Depreciation and amortization				-



Segment Disclosure for the year ended March 31, 2021

Particulars	Trading	Manufacturing/Assembling	Un-Allocable	Total
Revenue From Operation	650.82	1,420.13	0	2,070.95
Other Operating Income	18.76	-7.02	9.06	20.80
Identifiable Operating Expenses	618.57	1,138.76	61.4	1,818.73
Allocated Expenses	39.82	218.66	3.57	262.05
Depreciation and Amortization	0	0	5.62	5.62
Segment Operating Income	11.19	55.69	-61.53	5.35
Unallocable Expenses	0	0	4.36	4.36
Operating Profit Before Extraordinary Item	11.19	55.69	-65.89	0.99
Other Income (net)	0	0	0	0.00
Profit before Income Tax	11.19	55.69	-65.89	0.99
Income tax Expenses	0	0	1.79	1.79
Net Profit before Share of JV	11.19	55.69	-67.68	-0.80
Share of Profit/(Loss) from Joint Venture			-32.09	-32.09
Net Profit After Share of JV	11.19	55.69	-99.77	-32.89
Depreciation and Amortization	0	0	5.62	5.62
Non Cash expenses other than Depreciation and amortization			0	0.00

Segment Disclosure for the Year ended March 31, 2020

Particulars	Trading	Manufacturing	Un-Allocable	Total
Revenue From Operation	1,580.39	2,636.79	0	4,217.18
Other Operating Income	0	117.86	0	117.86
Identifiable Operating Expenses	1,521.76	1,711.14	-33.8	3,199.10
Allocated Expenses	74.79	829.08	0	903.87
Depreciation and Amortization	0	0	7.17	7.17
Segment Operating Income	-16.16	214.43	26.63	224.90
Un allocable Expenses	0	0	0	0.00
Operating Profit Before Extraordinary Item	-16.16	214.43	26.63	224.90
Other Income (net)	0	0	0	0.00
Profit before Income Tax	-16.16	214.43	26.63	224.90
Income tax Expenses	0	0	56.14	56.14
Net Profit before Share of JV	-16.16	214.43	-29.51	168.76
Share of Profit/(Loss) from Joint Venture			0.37	0.37
Net Profit After Share of JV	-16.16	214.43	-29.14	169.13
Depreciation and Amortization	0	0	7.17	7.17
Non Cash expenses other than Depreciation and amortization	0	0	0	0.00



13. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

14. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



15. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Allotment of Bonus shares has been considered as if it took place at the beginning of Restatement period as per AS 20 "Earnings per Share".

16. CASH FLOW:

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

C. CHANGES IN ACCOUNTING POLICIES IN THE YEARSS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including other financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been reported basis of the information memorandum received from the suppliers.



3. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

Gratuity

Particulars	(Amount in Rs. Lakhs)		
	31-03-2022	31-03-2021	31-03-2020
1.The amounts recognized in the Balance Sheet are as follows:			
Present value of unfunded obligations Recognized	10.65	9.06	2.92
Net Liability	10.65	9.06	2.92
2.The amounts recognized in the Profit & Loss A/c are as follows:			
Current Service Cost	2.03	1.47	0.90
Interest on Defined Benefit Obligation	0.66	0.20	0.16
Expected Return on Plan Assets	-	-	-
Net actuarial losses (gains) recognized in the year	(1.10)	4.47	(0.41)
Total, Included in "Salaries, Allowances & Welfare"	1.58	6.14	0.65
3.Changes in the present value of defined benefit obligation:			
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	9.06	2.92	2.28
Service cost	2.03	1.47	0.90
Interest cost	0.66	0.20	0.16
Expected Return on Plan Assets	-	-	-
Net actuarial losses (gains) recognized in the year	(1.10)	4.47	(0.41)
Contribution made by the Company	-	-	-



Defined benefit obligation as at the end of the year /period		10.65	9.06	2.92
Benefit Description				
Benefit type:				
Retirement Age:				
Vesting Period:		58 years	58 years	58 years
		5 years	5 years	5 years
The principal actuarial assumptions for the above are:				
Future Salary Rise:				
Discount rate per annum:		5.00% P.A	5.00%P.A	5.00%P.A
		7.25% P.A	7.00%P.A	7.00%P.A
Attrition Rate:		5% at younger ages and reducing to 1% at older ages according to graduated scale		
Mortality Rate:		IALM 2012-14 Ultimate		

4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure -AB, for any of the years covered by the statements.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure - Y of the enclosed financial statements.

6. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard - 22: "Accounting for Taxes on Income" as at the end of the year/period is reported as under:



Particulars	(Amount in Lakhs Rs.)	
	31-03-2022	As at 31-03-2021
Major Components of deferred tax arising on account of timing differences are:		
Timing Difference Due to Depreciation		
Deferred Tax Assets/(Liabilities) (A)	6.48	5.68
Gratuity Expenses booked in P&L	1.63	1.43
Timing Difference Due to Gratuity Expenses	1.58	6.14
Deferred Tax Assets/(Liabilities) (B)	10.65	9.06
	2.68	2.28
Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A+B)	4.31	3.71
		2.40

7. Earnings Per Share (AS 20):

Earnings per Share have been calculated in the Annexure -X of the enclosed financial statements.

8. Realizations:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Restated financials has used internal and external sources on the expected future performance of the Company and management expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these restated Financials.

9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

10. Amounts in the financial statements

Amounts in the financial statements are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.



11. Investment in Joint Venture

During the Financial year 2021-22, Management has recorded erosion in the remaining value of investment in Relion Power industries Limited, Nigeria by Rs.94.58 Lakhs due to major losses incurred by the JV during the FY 2021-22 on account of Civil war, and covid pandemic which is having no value left as on the end of FY 2021-22, therefore management decided for not continue the investment and exit the joint venture entity.

12. Auditors Qualifications –

Details of Auditors qualifications and their impact on restated financial statement is given below.

a) Qualification which required adjustment in restated financial statements

Financial Year	Audit Qualifications	Management Remark
2019-20	The Company has not maintained the quantitative records of the Inventory therefore we are unable to quantify the impact of such limitation on valuation of Closing stock and opening stock. Any possible impact on financials Statement cannot be ascertained in the absence of quantitative records of the Inventory.	Quantitative Stock Records has been started maintaining henceforth.
2020-21	There is no Qualification in the Auditors Report as applicable to Firm.	Not Applicable
2021-22	There is no Qualification in the Auditors Report as applicable to Firm.	Not Applicable

b) Qualification which does not require adjustment in restated financial statements – Details given below

Financial Year	Audit Qualifications
2019-20	There is no Qualification Auditors Report as applicable to Company.
2020-21	There is no Qualification Auditors Report as applicable to Company.
2021-22	There is no Qualification Auditors Report as applicable to Company.



ANNEXURE-V

MATERIAL ADJUSTMENTS [AS PER THE ICDR) REGULATION]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013, and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective years and their impact on the profit / (losses) of the Company is as under.

Statement of adjustments in the Financial Statements
Statement of Surplus in Profit and Loss Account (Other than Security Premium)
Particulars

	31-Mar-22	31-Mar-21	31-Mar-20
Reserves and Surplus as per audited accounts but before adjustments for restated accounts:			
Add: Cumulative Adjustment made in Statement of Profit and Loss Account	257.78	463.16	460.50
Adjustment with the Opening Reserves as on 01-04-2019	67.59	(30.72)	4.83
Elimination of Adjustment of Revised Depreciation and Gratuity Exp.	(85.45)	(85.45)	(85.45)
Net Adjustment in Profit and Loss Account	0.22	0.22	0.22
Reserves and Surplus as per Restated Consolidated Accounts:	(17.64)	(115.95)	(80.40)
	240.14	347.21	380.10

(Amount in Lakhs Rs.)



Statement of Profit and Loss after Tax

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

(Amount in Lakhs Rs.)

Particulars	31-03-2022	31-03-2021	31-03-2020
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:			
(Short)/Excess Provision of Income Tax including of Interest on shortfall of advance tax	(205.38)	2.65	167.28
Short/(Excess) Provision for Deferred Tax Assets	(29.95)	12.70	(0.42)
Adjustment of prior period Income tax provision	(0.57)	(0.00)	1.56
Adjustment of Prior period Expenses in respective year	56.00	(56.00)	-
Net Adjustment in Profit and Loss Account	72.84	7.75	0.72
Net Profit After Tax as per Restated Accounts:	(107.07)	(35.55)	1.86
		(32.90)	169.13



a) Advances to Vendors written off

The Company has made advance payment of Rs. 56.00 Lakhs in FY 2020-21, due to faulty supplies made by such vendors, Company's outward supply order cancelled leading to purchase return, but the advances were not received back to the Company. Company has written off such balances in Statement of Profit and loss of FY 2021-22, and during the restatement such effect has been given in FY 2020-21 accordingly.

b) Accounting of Prior Period Expenses:

During the restatement of Employee PF and Admin Charges of Rs. 0.72 Lakhs accounted in FY 2019-20, has been restated and accounted in FY 2018-19. Further during the FY 2020-21 & FY 2021-22 Pursuant to Sales tax assessment for the FY 2015-16, 2016-17 and 2017-18, demand resulted in prior period expenses of 7.75 Lakhs & Rs 72.84 Lakhs and accordingly such prior period sales tax demand adjusted with the opening balance of retained earnings as on 01-04-2019.


c) Provision of Income Tax (Current/Prior Period):

During the restatement, for presentation purpose, provision for tax was transferred from capital account to Statement of Profit and Loss Account. Further the Income tax provision was recalculated as per the prevailing tax rates, accordingly the revised income tax provision has been charged to the Statement of Profit and Loss account. Short/(Excess) provision has adjusted in respective year/period. For More details, refer Annexure AA enclosed with the Restated Financial Statement.

d) Adjustment on account of Provision of Deferred Tax Assets:

Due to Provision for Gratuity (Employee benefits), Change in WDV of Fixed Assets as per Books during the period of restatement, The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year/period ended at the rate of normal Tax rate applicable at the end of relevant year/period. Due to same deferred tax assets has been recognized in the financial statement of the respective year. For More details refer Annexure C

For R K Jagetiya & CO.
Chartered Accountant
FRN:- 146264W


(Ravi K Jagetiya)

Proprietor

M. No. 134691

Place: Mumbai

Date: 18th August, 2022

UDIN: 22134691APZNXF4943

