



EPAVO ELECTRICALS PRIVATE LIMITED

BALANCE SHEET as at 31st March 2022

		(₹ in Lakhs)	
	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	2A	380.77	132.81
Capital Work-in-Progress	2B	140.92	163.25
Intangible Assets	2C	17.56	6.64
Intangible Assets under Development	2D	133.52	-
Right of use Assets	2E	79.41	101.72
Financial Assets			
Loans	3A	-	-
Other Financial Assets	4A	37.73	3.22
Deferred Tax Assets	5	51.07	9.60
Other Assets	6A	66.20	42.19
		907.18	459.43
CURRENT ASSETS			
Inventories	7	355.19	38.98
Financial Assets			
Trade Receivables	8	-	19.90
Cash and Cash Equivalents	9B	55.24	104.47
Loans	3B	0.67	-
Other Financial Assets	4B	0.39	-
Income Tax Assets (Net)	10	0.41	0.07
Other Assets	6B	217.79	73.96
		629.69	237.38
		1,536.87	696.81
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11	401.00	401.00
Other Equity	12	(253.18)	(52.67)
		147.82	348.33
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	13	1,061.00	185.00
Lease Liabilities	14A	65.25	84.66
Provisions	15A	5.28	0.70
		1,131.53	270.36
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Lease Liabilities	14B	19.41	17.57
Trade Payables			
-Micro and Small Enterprises	16	41.34	12.20
-Others	16	25.14	18.81
Other Financial Liabilities	17	80.69	26.10
Other Liabilities	18	90.19	3.28
Provisions	15B	0.75	0.16
		257.52	78.12
		1,536.87	696.81
TOTAL EQUITY AND LIABILITIES			
Significant Accounting Policies	1	-	-
See accompanying Notes to the Financial Statements	1-45		

As per our Report of even date

For Bhagwagar Dalal & Doshi
Chartered Accountants
(Firm Registration No. 128093W)

Jatin V. Dalal
Partner
M. No. 124528

Place : Mumbai
Dated : 14th May, 2022

For and on behalf of the Board of Directors

Mahesh Kabra
Chairman
DIN - 00137796

Ajay DD Singhania
Director
DIN- 00107555

Hemant Kabra
Director
DIN - 01812586



EPAVO ELECTRICALS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS for the year ended on 31st March 2022

(₹ in Lakhs)

	Note No.	2021-22	26.08.2020 to 31.03.2021
Revenue from Operations			
Sale of Products	19A	80.26	20.88
Other Operational Revenues	19A	11.79	-
Other Income	19B	4.15	0.53
Total Revenue		96.20	21.41
Cost of Materials Consumed	20	104.19	19.59
Changes in Inventories	21	(44.01)	(1.44)
Employee Benefits Expense	22	116.29	24.64
Finance Costs	23	59.93	5.00
Depreciation & Amortisation Expense	24	43.74	11.39
Other Expenses	25	57.67	24.50
Total Expenses		337.81	83.68
Loss Before Tax		(241.61)	(62.27)
Tax Expenses:			
Deferred tax Assets	5	41.41	9.60
		41.41	9.60
Loss After Tax		(200.20)	(52.67)
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to Profit or Loss			
a) Remeasurement benefit of defined benefit plans		(0.37)	-
b) Fair value gain on investment in equity instrument through OCI		-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		0.06	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (OCI) (A+B)		(0.31)	-
Total Comprehensive Loss for the Year		(200.51)	(52.67)
Earnings per Equity Share of ₹ 10/- each			
Basic		(4.99)	(1.31)
Diluted		(4.99)	(1.31)
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-45		

As per our Report of even date

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Director
DIN - 01812586

Place : Mumbai
Dated : 14th May, 2022



STATEMENT OF CHANGES IN EQUITY for the year ended on 31st March 2022

(₹ in Lakhs)

EQUITY SHARE CAPITAL	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	401.00	401.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	401.00	401.00

OTHER EQUITY	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1st April,2020 (A)	-	-
Additions during the year		
Profit for the year	(52.67)	(52.67)
Add/(Less): Items of OCI for the year, net of tax :	-	-
Remeasurement benefit of defined benefit plans	-	-
Net fair value gain on investment in equity instruments through OCI	-	-
Total Comprehensive Income For the year 2020-21 (B)	(52.67)	(52.67)
Reductions during the year		
Dividend	-	-
Income Tax on Dividend	-	-
Transfer to General Reserve	-	-
Total (C)	-	-
Balance as at 31st March,2021 (D)= (A+B+C)	(52.67)	(52.67)
Additions during the year		
Profit for the year	(200.20)	(200.20)
Add/(Less):Items of OCI for the year, net of tax :	(0.31)	(0.31)
Remeasurement benefit of defined benefit plans	-	-
Net fair value gain on investment in equity instruments through OCI	-	-
Total Comprehensive Income For the year 2021-22 (E)	(200.51)	(200.51)
Reductions during the year		
Dividends	0.00	0.00
Transfer to General Reserve	-	-
Total (F)	0.00	0.00
Balance as at 31st March, 2022 (D+E+F)	(253.18)	(253.18)

As per our Report of even date

For Bhagwagar Dalal & Doshi
Chartered Accountants
(Firm Registration No. 128093W)

Jatin V. Dalal
Partner
M.No. 124528

Place : Mumbai
Dated : 14th May, 2022

For and on behalf of the Board of Directors

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EPAVO ELECTRICALS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,2022

(₹ in Lakhs)

	01.04.2021 to 31.03.2022	26.08.2020 to 31.03.2021
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Loss before tax and extraordinary items	(241.61)	(62.27)
Adjustments for:		
Depreciation & amortisation	43.74	11.39
EPCG Grant related to property, plant & equipment	-	-
Finance costs	59.93	5.00
Interest income	(0.76)	(0.39)
Dividend Income	-	-
Allowance for doubtful debts and bad debts written off	-	-
Unrealised foreign exchange loss/ (gain) (net)	-	-
Loss on Sale of Property, Plant & Equipment	-	-
Operating Loss before working capital changes	(138.70)	(46.27)
Adjustments for:		
Trade receivables	19.90	(19.90)
Financial assets	(35.18)	(5.05)
Other assets	(144.57)	(75.00)
Inventories	(316.22)	(38.97)
Trade payables	35.47	31.01
Financial liabilities	28.22	5.89
Other current liabilities & short term provision	91.71	4.14
Cash generation from operations	(459.37)	(144.15)
Taxes paid (net of refund)	(0.34)	(0.07)
Net cash used in operating activities (A)	(459.71)	(144.22)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(392.12)	(325.88)
Interest on Fixed Assets	-	-
Advance for Capital Expenses	(23.28)	-
Creditors for capital expenses	26.15	-
Capitalisation of Dep	3.50	-
Sale of assets	-	-
Interest received	0.37	0.26
Net cash used in investing activities (B)	(388.25)	(325.62)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity share capital	-	401.00
Proceeds from non current borrowing	876.00	185.00
Repayment of lease liabilities	(27.06)	(11.10)
Finance costs Paid	(50.21)	(0.59)
Dividend Paid (Inclusive of dividend tax)	-	-
Net cash from financing activities (C)	798.73	574.31
Net increase in cash and equivalents (A+B+C)	(49.23)	104.47
Cash and cash equivalents as at 01st April, 2021	104.47	-
Cash and cash equivalents as at 31st March,2022	55.24	104.47
Net increase in cash and equivalents	(49.23)	104.47

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)- Statement of Cash Flow.

Cash and Cash Equivalent comprises of	As at 31.03.2022
Cash on hand	0.25
Balance with banks	54.99
	55.24

(c) Reconciliation of liabilities arising from financing activities	As at 31.03.2021	Cash flow	Non cash changes		As at 31.03.2022
			fair value changes	Current/Non- Current Classification	
Borrowings- Non Current	185.00	876.00	-	-	1,061.00
Borrowing Non Current (current maturities)	-	-	-	-	-
Borrowings- Current	-	-	-	-	-

As per our Report of even date

For and on behalf of the Board of Directors

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DIN - 01812586

Place : Mumbai
Dated : 14th May, 2022



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

CORPORATE INFORMATION

EPAVO Electricals Private Limited ('the Company') is a private company limited by shares incorporated on 26th August, 2020 and domiciled in India with its registered office in Mumbai, Maharashtra. The Company is jointly promoted by Ram Ratna Wires Limited, an entity listed on the Bombay Stock Exchange and Ennov Techno Tools Private Limited.

The Company is incorporated to carry on mainly the business of manufacturing of BLDC motors for Air conditioner, Hub, HVLS Fan and Submersible Pumps etc. and related products. The Company has taken manufacturing facilities located at Dadra and Nagar Haveli (Union Territory). During the year the Company has extensively worked on the development of energy efficient BLDC Motors for Air Conditioner, Electric Vehicle and Ceiling Fans. The Company is expecting in principal approval for a trail run from the leading Air Conditioner manufacture within a month from the even date of the Financial Statements.. The Financial Statements were approved by the Board of Directors and authorised for issue on 14th May, 2022.

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

1. SIGNIFICANT ACCOUNTING POLICIES & KEY ACCOUNTING ESTIMATES & JUDGEMENTS

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) Basis of preparation:

The Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Financial Statements have been prepared on accrual and going concern basis.

The Financial Statements includes Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, Statement of Change in Equity for the year ended 31st March, 2022 and significant accounting policy and other explanatory information.

(ii) Basis of Measurement:

The Financial Statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities that are required to be measured at fair values at the end of each reporting period by Ind AS.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

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.

(iii) Recent pronouncements:

- (a) The Ministry of Corporate Affairs ("MCA") has amended the Schedule III of the Companies Act, 2013 vide notification dated 24th March, 2021, applicable with effect from 1st April, 2021. The Company has given the effect of the amendment by inclusion of the relevant disclosures by way of additional notes or explanatory notes.
- (b) MCA has notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

Ind AS 103 - Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its Financial Statements.

Ind AS 16 - Property, Plant and Equipment

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37- Provisions, Contingent Liabilities and contingent assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

(iv) Current/ Non- Current Classification:

Any asset or liability is classified as current or non-current based on company's normal- operating cycle and other criteria as set out in the Division II of schedule III to the Companies Act, 2013.

Asset/ Liability is classified as current, if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the management estimations based of nature of product and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents .

(b) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the accompanying disclosures in notes including disclosures of contingent liabilities. Uncertainty about these



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods. The estimates and the associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances as available at the time of preparation of the Financial Statement. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The estimates and the associated assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively.

Significant judgements and estimates have been made by the Company relating to

- Amount and Timing of recognising of revenue from contact at a point in time with customers
- Useful lives of property, plant and equipment and intangible assets at the end of each reporting period
- Impairment of property, plant and equipment and intangible assets
- Provision for employee benefits and other provisions
- Provision for product warrantee
- Provision for Income Tax including payment of advance Tax
- Recoverability of deferred tax assets
- Identification of Lease, assessing lease terms (including anticipated renewals) and applicable discount rate
- Commitments and contingencies

(C) SIGNIFICANT ACCOUNTING POLICIES

i) Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to the costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount or rebate is deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

nature of repairs and maintenance are recognized in the statement of profit and loss as and when incurred.

Capital work-in-progress includes cost of property, plant and equipment not ready for the intended use as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets.

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the property, plant and equipment and the resultant gains or losses are recognised in the statement of profit and loss. Property, plant and equipment to be disposed of are reported at the lower of the carrying value or the fair value less cost of disposal.

ii) Intangible Assets

Intangible assets acquired are initially measured at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets with defined useful lives are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangibles are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Computer Software an intangible asset is measured on initial recognition at cost. Costs comprise of license fees and cost of system integration services and development.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. On de-recognition the intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss.

iii) Depreciation on Property, Plant and Equipment and Amortisation of intangible Assets

Depreciation on property, plant and equipment is provided on pro rata basis using the straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 in consideration with useful life of the assets as estimated by the management.

Intangible Assets with finite lives are amortized on a straight-line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

The estimated useful lives, residual values and methods of depreciation of property, plant & equipment are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if any.

The estimated useful life of items of property, plant and equipment and intangible Assets are:

Particulars	Years	Particulars	Years
Plant and Machineries	15	Laboratory Equipment	10
Office and Other Equipment	3 to 6	Computers/Laptops/ Hardware	3-6
Electrical Installations	5	Computer Software	3-5
Furniture and Fixtures	10		



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

iv) Impairment of Assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any).

An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

v) Research and Development

Expenditure incurred by the Company on development of products are recognised as an intangible asset if and only if, expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and use or sell the assets otherwise such expenses are recognised in the Statement of Profit and Loss as incurred. Subsequent to initial recognition, the assets are measured at cost less accumulated amortisation and any accumulated impairment losses, if any. Expenditures incurred on research are charged to the Statement of Profit and Loss as incurred.

Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant & Equipment and Intangible Assets.

vi) Leases

The Company as a Lessee

The Company has taken Factory Premise on lease. The Company assesses whether a contract is qualifies to be a lease at the inception of contract. A contract is, or contains, a lease, if the contract conveys the right to control the use of an assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of identified asset, the Company assess whether, throughout the period of use, the Company has both of the following: -

- right to obtain substantially all of the economic benefits from use of the identified assets
- right to direct the use of the identified assets

Identification of lease requires significant judgment including judgement to assess the lease terms (including anticipated renewals) and the applicable discount rate. The Company determines the lease terms as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Company is reasonably certain to exercise that option; and period covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing, whether the Company is reasonably certain to exercise the option to extend a lease, or not to exercise an option to terminate a lease, the Company consider all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revise the lease term if there is a change in the non-cancellable period of lease terms.

At the date of the commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease contracts in which it is a lessee, except for leases contract for a period of twelve months or less (short term leases), variable leases and low value leases, in those cases the lease payments are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

ROU is initially recognized at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU is depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlining asset, whichever is shorter. ROU is tested for impairment and account for as per impairment of assets policy of the Company.

The lease liability is initially measure at the present value of the future lease payments, which comprises of the fixed payments, variable lease payments, guaranteed residual value or exercise price of purchase option, if the Company is reasonably certain to exercise the option. The lease payments are discounted using interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet. Interest expense on lease liability is reported as finance cost in the statement of profit and loss account and lease payments have been classified as financing cash flows.

The Company as a Lessor

Leases, if any for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases mainly of workers quarters are recognised in the statement of profit and loss on straight line basis.

vii) Inventories:

- Raw Materials are valued at the lower of cost or net realizable value. The cost is determined using FIFO method.
- The cost of Inventories of work-in-progress and finished goods comprises the cost of purchases and the cost of conversion and in case of finished goods it also includes the cost of packing materials.

The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the tax authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates, duties for import under advance licenses and other similar items.

The cost of conversion comprises of depreciation and current repairs and maintenance of factory buildings and plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.

- Packing Materials, Consumable Stores and Spares and Fuel are valued at lower of cost or net realizable value.

The cost is determined using FIFO method.

- Scrap is valued at net realizable value.

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

viii) 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.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition and adjusted for transaction costs that are attributable to the acquisition or issues of financial assets and financial liabilities in case of financial assets or financial liabilities not at fair value through profit or loss account.

Where the fair value of financial assets and financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognised in the statement of profit and loss.

However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

a) Financial Assets

Cash and bank balances

Cash and bank balances consist of:

- **Cash and cash equivalents** - which include cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- **Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost if both of the following conditions are met:

- If it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to trade receivables, loans and other financial assets of the Company measured using the Effective Interest Rate (EIR) method less impairment, if any, and the amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

Financial assets measured at fair value

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met :

- If it is held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income.

A financial asset not classified as either amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

Impairment of Financial Assets

The Company applies loss allowance using the expected credit loss (ECL) model for the financial assets which are measured at amortised cost or fair value through other comprehensive income. Loss allowance for trade receivables with no significant financing component is measured following simplified approach wherein an amount equal to lifetime ECL is measured and recognised as a loss allowance.

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

For all other financial assets, ECLs are measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk for initial recognition in which case those are measured at lifetime ECL.

De-recognition of Financial Assets

A financial asset is de-recognised only when

- The contractual rights to cash flows from the financial asset expire;
- The Company has transferred the contractual rights to receive cash flows from the financial asset or;
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

b) Financial Liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liability

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest bearing loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost using effective interest rate method. Any difference between



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

proceeds (net of transaction cost) and the settlement amount of borrowing is recognised over the terms of the borrowings in the statement of profit and loss

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

c) Financial Guarantee Contracts

Financial guarantee contracts are those contracts that require specific payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make 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 cost 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 or the amount recognised less cumulative amortisation.

Derivatives financial instruments in the nature of forward currency contracts as hedge of transactions included in the financial statements or for highly probable forecast transactions/ firm contractual commitments are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any change therein is generally recognised in the statement of profit and loss. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when fair value is negative.

d) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability 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.

ix) Fair Value Measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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 asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:-

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.



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NOTES to Financial Statements for the year ended 31st March, 2022

x) Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell and are presented separately from other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet. Non-current assets held for sale are not depreciated or amortized.

xi) Provisions, Contingent Liabilities and Contingent Assets

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. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are 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.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or present 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 and where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

xii) Revenue

Revenue from contracts with customer is recognized when the Company satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes or other amount collected from customers in its capacity as an agent. In determining the transaction price, the Company considers below, if any:

Variable Consideration: This includes trade discounts, rebates, returns and etc. It 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. It is reassessed at end of each reporting period.

Consideration payable to a customer: Such Amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

xiii) Other Income

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable interest rates.

xiv) Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions. When the grant relates to revenue expense, it is recognised as an income on a systematic basis over the period necessary to match it with the expenses that it is intended to compensate. Government grant related to expenditure on property, plant and equipment is included as cost of property, plant and equipment and is credited to the statement of profit and loss over the useful lives of qualifying assets or credited to the statement of profit and loss over the period in which the corresponding export obligation is fulfilled. Total grants availed less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

xv) Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The functional and presentation currency of the Company is Indian Rupees (₹).

Transactions denominated in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary items is restated at the closing exchange rates. Non-monetary items are recorded at exchange rate prevailing on the date of transaction. 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 measured. Exchange differences arising out of these translations are recognized in the statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

xvi) Employee Benefits

a) Short Term Obligations

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Post-Employment Benefits

i) Defined benefit plan

Gratuity liability is a defined benefit obligation and is recognised based on actuarial valuation carried out using the Project Unit Credit Method.

ii) Defined contribution plan

A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund administrated by the Central Government. The Company's contribution is charged to the statement of profit and loss.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

c) Other Long Term Employee Benefits - Leave Salary

The liability towards leave salary which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

xvii) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are expensed in the period in which they occur.

xviii) Income Taxes

Tax expenses for the year comprises current tax and deferred tax.

Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because taxable profit is adjusted for items of income or expenses which are taxable or deductible in other years and also for items which are not taxable or deductible under the Income Tax Act, 1961("the I T Act").

The Company's liability for current tax is calculated using tax rates and tax laws in force.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit under the I T Act.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affects neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

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.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity, in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

MAT

Minimum Alternate Tax ('MAT') under the provisions of the IT Act is recognised as deferred tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

xix) Segment Reporting

Operating segment is a component of an entity whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decision about resource to be allocated to the segment and assess its performance. The Company has no separate reportable segment.

xx) Statement of Cash Flow

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

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of cash flow statement cash and cash equivalents consist of cash and short-term deposits, as defined above.

xxi) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions which existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

xxii) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

For the purpose calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



EPAVO ELECTRICALS PVT. LTD.

EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

Note 2

A) PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount
	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	For the Year	Deductions / Adjustments	As at 31-Mar-22	As at 31-Mar-22
Plant & Machineries	89.08	224.14	-	313.22	0.54	9.34	-	9.88	303.34
Laboratory Equipment	24.81	15.13	-	39.94	0.33	3.11	-	3.44	36.50
Electrical Installations	2.29	0.93	-	3.22	0.07	0.55	-	0.62	2.60
Furniture & Fixtures	3.47	11.12	-	14.59	0.03	0.57	-	0.60	13.99
Office & Other Equipment	15.21	17.95	-	33.16	1.08	7.74	-	8.82	24.34
Total	134.86	269.27	-	404.13	2.05	21.31	-	23.36	380.77
B) Capital Work - in - Progress	163.25	44.14	66.47	140.92	-	-	-	-	140.92
Total	298.11	313.41	66.47	545.05	2.05	21.31	-	23.36	521.69

A) PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount
	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	For the Period	Deductions / Adjustments	As at 31-Mar-21	As at 31-Mar-21
Plant & Machineries		89.08	-	89.08		0.54		0.54	88.54
Laboratory Equipments		24.81	-	24.81		0.33	-	0.33	24.48
Electrical Installations		2.29	-	2.29		0.07	-	0.07	2.22
Furniture & Fixtures		3.47	-	3.47		0.03	-	0.03	3.44
Office & Other Equipments		15.21	-	15.21		1.08	-	1.08	14.13
				-				-	-
Total	-	134.86	-	134.86	-	2.05	-	2.05	132.81
B) Capital Work - in - Progress	-	163.25	-	163.25	-	-	-	-	163.25
Total	-	298.11	-	298.11	-	2.05	-	2.05	296.06

EPAVO ELECTRICALS PVT. LTD.

NOTES to Financial Statements for the year ended 31st March, 2022

E) RIGHT OF USE ASSETS*

(₹ in Lakhs)

Description	Gross Carrying Amount				Amortisation				Net Carrying Amount
	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	For the Year	Deductions / Adjustments	As at 31-Mar-22	As at 31-Mar-22
Office Premises	110.94	-	-	110.94	9.22	22.31	-	31.53	79.41
Total	110.94	-	-	110.94	9.22	22.31	-	31.53	79.41

E) RIGHT OF USE ASSETS*

(₹ in Lakhs)

Description	Gross Carrying Amount				Amortisation				Net Carrying Amount
	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	For the Period	Deductions / Adjustments	As at 31-Mar-21	As at 31-Mar-21
Office Premises	110.94	-	-	110.94	-	9.22	-	9.22	101.72
Total	110.94	-	-	110.94	-	9.22	-	9.22	101.72

2.1 Details of additions on account of Foreign Exchange Differences and Borrowing costs:

(₹ in Lakhs)

Particulars	Foreign Exchange Difference	Interest
Plant & Machineries	-	-

2.2 No Property, Plant & Equipment are hypothecated against borrowings.

2.3 The amount of contractual commitments for the acquisition of property, plant & equipment are disclosed in Note 26 B (i).

2.4 Capital- Work- in Progress ageing Schedule :-

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31-Mar-22
Project in Progress	44.14	96.78	-	-	140.92
Project temporarily suspended	-	-	-	-	-

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31-Mar-21
Project in Progress	163.25	-	-	-	163.25
Project temporarily suspended	-	-	-	-	-

EPAVO ELECTRICALS PVT. LTD.

NOTES to Financial Statements for the year ended 31st March, 2022

2.5 Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan - Nil (PY - Nil)

2.6 Intangible assets under Development :

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31-Mar-22
Project in Progress	133.52	-	-	-	133.52
Project Temporarily Suspended	-	-	-	-	-

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31-Mar-21
Project in Progress	-	-	-	-	-
Project Temporarily Suspended	-	-	-	-	-

2.7 Intangible assets under development are in relation to development of BLDC Motors of different variant and usage.

2.8 All property, plant and equipment are held in the name of the Company.

2.9 Details of Immovable properties not in the name of the Company :- Nil

2.10 Revaluation of Property, Plant & Equipment including intangible :- Nil

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



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Note 3 A : LOANS	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good :		
Loan to Employees	-	-
	-	-

Note 3B : LOANS	Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good :		
Loan to Employees	0.67	-
	0.67	-

3.1 Loans to Promoters, Directors, Key Mangerail Persons and Related Parties : Nil (P.Y. Nil)

3.2 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security of the like to or on behalf of the Ultimate Beneficiaries.

3.3 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(₹ in Lakhs)

Note 4 A: OTHER FINANCIAL ASSETS	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good :		
Security Deposits*	3.68	3.17
Other Deposit	0.05	0.05
Term Deposits held as Margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months (Note - 44)	34.00	-
	37.73	3.22

* Includes deposit of ₹ 3.49 Lakhs (P.Y. ₹ 3.17 Lakhs) for premises taken on lease from Ram Ratna Wires Limited.

(₹ in Lakhs)

Note 4 B: OTHER FINANCIAL ASSETS	Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good :		
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	0.39	-
	0.39	-

(₹ in Lakhs)

Note 5 : DEFERRED TAXES	As at 31.03.2022	As at 31.03.2021
1. The major components of income tax expenses for the year/period are as under :		
(i) Income Tax Expenses recognised in the Statement of Profit & Loss		
(a) Current Tax :-		
In respect of current year/period	-	-
Short/(Excess) provision of earlier years	-	-
(b) Deferred Tax :-		
In respect of current year/period	(41.41)	9.60
Income tax expenses recognised in statement of profit & loss A/c	(41.41)	9.60
(ii) Income Tax Expenses recognised in the OCI		
Deferred Tax :-		
Deferred Tax benefit on remeasurements of defined benefit plans	0.06	-
	0.06	-
2. Reconciliation of estimated income tax expenses and the accounting Loss for the year/ period is as under :		
Loss before tax	(241.61)	(62.27)
Current Tax expense as per Statement of Profit and Loss for the year/ period	-	-

5.1 Details of transaction 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) : Nil (P.Y. Nil).

5.2 The Company does not have any unrecorded income and assets related to previous years which are required to be recorded during the year.

(₹ in Lakhs)

5.3: The major components of deferred tax assets / (liabilities) arising on account of timing differences are as follows:	As at 31.03.2021	Profit and Loss for the year	OCI	As at 31.03.2022
Deferred Tax Liabilities				
Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & income Tax Act,1961	(1.79)	(4.98)		(6.77)
Deferred Tax Assets				
Provision for expenses allowed for tax purpose on payment basis (net)	0.40	0.69		1.09
Others	10.99	45.70		56.69
Remeasurement benefit of defined benefit plans			0.06	0.06
Deferred Tax benefit		41.41	0.06	
Net Deferred Tax Assets	9.60			51.07



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Note 6 A: OTHER ASSETS	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good :		
Capital Advances	64.43	41.16
Advance receivable in cash or in kind	1.77	1.03
	66.20	42.19

(₹ in Lakhs)

Note 6 B: OTHER ASSETS	Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered good :		
Other Advances :		
Balance with government authorities		
GST Receivable	187.28	63.83
Advance receivable in cash or in kind	4.87	0.95
Advances to Suppliers	25.64	9.18
	217.79	73.96

(₹ in Lakhs)

Note 7 : Inventories	As at	As at
	31.03.2022	31.03.2021
Raw Materials	281.91	34.38
Work-in-Progress	24.45	-
Work-in-Progress (products under development)	18.19	-
Finished Goods	15.01	1.32
Others:		
Packing Materials	0.52	0.50
Scrap	5.99	0.12
Scrap (products under development)	5.65	-
Consumable Stores & Spares	3.47	2.66
	355.19	38.98

- 7.1 The above includes inventories held by third parties amounting to ₹ 14.36 Lakhs (P.Y. Nil).
7.2 The cost of inventories recognised as an expense during the year is disclosed in Note 20 and 21
7.3 The cost of inventories written down during the year NIL (P.Y. NIL).
7.4 The inventories are not hypothecated as the security.

(₹ in Lakhs)

Note 8: TRADE RECEIVABLES	Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured - Considered Good	-	19.90
	-	19.90

(₹ in Lakhs)

8.1 Due from Directors, Firm or Private Limited Company	As at	As at
	31.03.2022	31.03.2021
Due from Directors or other officers of the Company	-	-
Due from a Private Company in which two of the Directors are Director	-	-
Due from a Firm in which a Director is a Partner	-	-

8.2 The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
At the beginning of the year	-	-
Provision/ (Provision Reversal) for the year (net)	-	-
Bad debts written off (net)	-	-
At the end of the year	-	-

- 8.3 Generally Sale of goods are against advance payment or with nominal credit period of 5-10 days.
8.4 The Company's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in Note 33(C).
8.5 Accounting policies on financial instruments - Note 1(C)(viii)
8.6 Unbilled receivables Nil (P.Y. Nil), hence the same is not disclosed in the ageing schedule below.
8.7 Trade Receivables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of the payment					As at
	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 years	More than 3 years	31.03.2022
Undisputed- considered good						
Undisputed- significant increase in credit risk						
Undisputed- credit impaired						
Disputed- considered good						
Disputed- significant increase in credit risk						
Disputed- credit impaired						
Total						-

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of the payment					As at
	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 years	More than 3 years	31.03.2021
Undisputed- considered good	19.90					19.90
Undisputed- significant increase in credit risk						-
Undisputed- credit impaired						-
Disputed- considered good						-
Disputed- significant increase in credit risk						-
Disputed- credit impaired						-
Total						19.90



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Note 9 A: CASH AND BANK BALANCE	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Other Balance with Banks		
Term Deposits held as Margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	34.00	-
Less: Amount included under the head Other Financial Assets	34.00	-
	-	-

(₹ in Lakhs)

Note 9 B: CASH AND BANK BALANCE	Current	
	As at 31.03.2022	As at 31.03.2021
Cash & Cash Equivalents		
(a) Balance with Bank Current Account	54.99	104.40
(b) Cash on hand	0.25	0.07
Total	55.24	104.47

Note 10 : INCOME TAX ASSETS (NET)		
	As at 31.03.2022	As at 31.03.2021
Advance payment of Income Tax (net) ₹	0.41	0.07
	0.41	0.07

(₹ in Lakhs)

Note 11 : EQUITY SHARE CAPITAL		
	As at 31.03.2022	As at 31.03.2021
Authorised Capital		
50,00,000 Equity Shares of ₹ 10/- each	500.00	500.00
Issued, Subscribed and Paid Up Capital		
40,10,000 Equity Shares of ₹ 10 each fully paid-up	401.00	401.00
	401.00	401.00

11.1 Reconciliation of Equity Shares outstanding at the beginning & at the end of the year

(Nos. in Lakhs)

Fully Paid up Equity Shares	As at 31.03.2022		As at 31.03.2021	
	Number	₹ in Lakhs	Number	₹ in Lakhs
As at the beginning of the year/period	40.10	401.00	40.10	401.00
Add/(Less):- Change during the year/period				
As at the end of the year/period	40.10	401.00	40.10	401.00

11.2 Details of Shareholders holding more than 5% Equity Shares #

Name of Shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Ram Ratna Wires Limited (Holding Company) and its nominees	29.67	74%	29.67	0.74
Ennov Techno Tools Private Limited (joint Venture Company) and its nominees	10.43	26%	10.43	0.26

As per the records of the company, including its register of members

11.3 Details of Shareholding of promoters:

Promoter Name	Change during the year	As at 31.03.2022		As at 31.03.2021	
		No. of Shares	% of Total shares	No. of Shares	% of Total Shares
Ram Ratna Wires Limited (Holding Company)	-	29.67	74%	29.67	0.74
Ennov Techno Tools Private Limited (Joint Venture Company)	-	10.43	26%	10.43	0.26

11.4 Terms/ rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

As per the Companies Act, 2013 the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts in the event of the liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.5 There were no buy back of shares or issued of bonus shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years immediately preceding the reporting date.



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Note 12: OTHER EQUITY		Retained Earnings
Balance as at 1st April, 2020	(A)	
Additions during the period		
Loss for the period		(52.67)
Add/(Less): Items of OCI for the year, net of tax : Remeasurement benefit of defined benefits plans		-
Total Comprehensive Income For the period ended on 31.03.2021	(B)	(52.67)
Balance as at 31st March, 2021	(C) = (A+B)	(52.67)
Balance as at 1st April, 2020		
Additions during the year		
Loss for the year		(200.20)
Add/(Less): Items of OCI for the year, net of tax : Remeasurement benefit of defined benefits plans		-
Total Comprehensive Income For the year 2021-22	(D)	(200.51)
Balance as at 31st March, 2022	(C+D)	(253.18)

(₹ in Lakhs)

Note 13 : BORROWINGS	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Unsecured		
Loan from Directors	261.00	185.00
Inter Corporate loans	800.00	-
	1,061.00	185.00

13.1 Unsecured Loans carry interest rates of 9% to 10% p.a. with tenure of 2-3 years.

13.2 Loans availed during the year have been applied for the purpose for which they are availed.

13.3 Fund raised on short term basis have not been utilised for long term purpose.

13.4 Default in terms of repayment of Principal and Interest - NIL

13.5 The Company has no secured borrowing in respect of which charge is required to be registered with Registrar of Companies.

13.6 The Company has not been sanctioned any working capital limits in excess of Rupees Five Crores, in aggregate, from banks or financial institutions on the basis of security of current assets and therefore, not required to file any returns/ stock statements with them.

(₹ in Lakhs)

Note 14 A: LEASE LIABILITIES	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Lease Liability (Note 36)	65.25	84.66
	65.25	84.66

(₹ in Lakhs)

Note 14 B: LEASE LIABILITIES	Current	
	As at 31.03.2022	As at 31.03.2021
Lease Liabilities (Note 36)	19.41	17.57
	19.41	17.57

(₹ in Lakhs)

Note 15 A: PROVISIONS	Non-Current	
	As at 31.03.2022	As at 31.03.2021
Provision for Employee Benefits		
-Leave Encashment (Note 29 C))	2.97	0.70
-Gratuity (Note 29 A))	2.31	-
	5.28	0.70

(₹ in Lakhs)

Note 15 B: PROVISIONS	Current	
	As at 31.03.2022	As at 31.03.2021
Provision for Employee Benefits		
-Leave Encashment (Note 29 C))	0.74	0.16
-Gratuity (Note 29 A))	0.01	-
	0.75	0.16



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Note 16: TRADE PAYABLES	Current	
	As at 31.03.2022	As at 31.03.2021
Trade Payables		
- Micro & Small Enterprises (Note 26)	41.34	12.20
- Others	25.14	18.81
	66.48	31.01

16.1 Unbilled Trade Payable Nil (P.Y. Nil) , hence the same is not disclosed in the ageing schedule below.

16.2 Trade paybles includes payable to related parties NIL (P.Y. NIL).

16.3 Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of the payment				As at 31.03.2022
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed- Micro and Small Enterprises	16.35	-	-	-	16.35
Undisputed- Others	25.14	-	-	-	25.14
Disputed- Micro and Small Enterprises	24.99	-	-	-	24.99
Disputed- Others	-	-	-	-	-

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of the payment				More than 3 years
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed- Micro and Small Enterprises	12.20	-	-	-	12.20
Undisputed- Others	18.81	-	-	-	18.81
Disputed- Micro and Small Enterprises	-	-	-	-	-
Disputed- Others	-	-	-	-	-

16.4 Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) (Note 28)

16.5 For explanation on the Company's liquidity risk management policy (Note 33 (c)).

Note 17: OTHER FINANCIAL LIABILITIES	Current	
	As at 31.03.2022	As at 31.03.2021
Other Payables :		
Interest accrued and due	0.28	-
Accrued Salary & Benefit	10.87	1.60
Creditors for Expenses	20.75	2.01
Creditors for Capital Expenditure	46.31	20.15
Other Payable	2.48	2.34
	80.69	26.10

(₹ in Lakhs)

Note 18: OTHER LIABILITIES	Current	
	As at 31.03.2022	As at 31.03.2021
Revenue Received in advance		
Contract Liabilities	84.43	-
Others		
Towards Provident Fund	1.00	0.54
Towards TDS/TCS Payable	4.76	2.74
	90.19	3.28



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)

Note 19 A: REVENUE FROM OPERATIONS	2021-22	26.08.2020 to 31.03.2021
Sales of Products	80.26	20.88
Other operating revenues		
Sale of Scrap	1.68	-
Sales of Service (Fan Installation Charges)	10.11	-
	92.05	20.88

(₹ in Lakhs)

Note 19 B: OTHER INCOME	2021-22	26.08.2020 to 31.03.2021
Interest Income on Financial assets carried at amortised cost		
Bank Deposit	0.43	0.26
Others	0.33	0.13
Dividend Income		
Other Income	3.39	0.14
	4.15	0.53

(₹ in Lakhs)

Note 20: COST OF MATERIALS CONSUMED	2021-22	26.08.2020 to 31.03.2021
Raw Materials Consumption		
HVLS Fans	99.98	18.17
Others		
Packing Materials	4.21	1.42
	104.19	19.59

20.1 For determination of cost (Note 1(c)(vii))

(₹ in Lakhs)

Note 21: CHANGE IN INVENTORIES	2021-22	26.08.2020 to 31.03.2021
Inventories at the end of the year/period:		
Finished Goods	15.01	1.32
Work-in-Progress	24.45	-
Scrap	5.99	0.12
(A)	45.45	1.44
Less:- Inventories at the beginning of the year/period:		
Finished Goods	1.32	-
Scrap	0.12	-
(B)	1.44	-
(B-A)	(44.01)	(1.44)

(₹ in Lakhs)

Note 22: EMPLOYEE BENEFITS EXPENSE	2021-22	26.08.2020 to 31.03.2021
Salaries, Wages and Incentives	104.57	22.96
Contributions to -		
Provident Fund (Note 29 B)	5.60	0.75
Gratuity Fund (Note 29 A)	1.94	
Staff welfare expenses	4.18	0.93
	116.29	24.64

(₹ in Lakhs)

Note 23: FINANCE COSTS	2021-22	26.08.2020 to 31.03.2021
Interest on financial liabilities carried at amortised cost		
Interest on Borrowings	50.22	0.59
Other Borrowing costs	0.28	
Interest on Lease Liabilities	9.43	4.41
	59.93	5.00



EPAVO ELECTRICALS PRIVATE LIMITED

NOTES to Financial Statements for the year ended 31st March, 2022

(₹ in Lakhs)		
Note 24: DEPRECIATION AND AMORTISATION EXPENSE	2021-22	26.08.2020 to 31.03.2021
Depreciation of Property, Plant & Equipment (Note 2A)	21.31	2.04
Less :- Capitalised for Product Development	3.50	17.81
Amortisation of Intangible Assets (Note 2C)	3.62	0.13
Depreciation of Right of use assets (Note 2D)	22.31	9.22
	43.74	11.39

(₹ in Lakhs)		
Note 25: Other Expenses	2021-22	26.08.2020 to 31.03.2021
Auditors' Remuneration (Note 27)	2.70	0.85
Bank Charges	0.52	-
Consumption of Consumable Stores and Spares	12.39	1.71
Power and Fuel	1.03	4.47
Freight & Handling Charges	0.77	0.09
Insurance	0.35	0.01
Legal & Professional Fees	9.70	5.36
Repairs and Maintenance of :		
Plant and Machinery	0.69	0.04
Others	0.90	0.03
Research & Development Expenses	10.01	1.73
Rates and Taxes	1.31	7.42
Travelling	4.71	0.82
Fan Installation Charges	5.63	-
Miscellaneous Expenses	6.96	1.97
	57.67	24.50

EPAVO ELECTRICALS PVT. LTD.

NOTES to Financial Statements for the year ended 31st March, 2022

26 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
A. Contingent Liabilities		
B. Commitments		
(i) Estimated amount of contracts remaining to be executed and not provided for		
- On Capital Account (Net of advance)	68.02	85.75
ii) For Lease commitment (Note No. 36)		

27 Auditors' Remuneration (Excluding GST)

(₹ in Lakhs)

Particulars	2021-22	26.08.2020 to 31.03.2021
Statutory Audit Fees	2.00	0.75
Others	0.70	0.10
	2.70	0.85

28 Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Principal amount remaining unpaid to suppliers as at the end of the accounting year	66.76	12.20
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed due day during the year	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.28	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(₹ in Lakhs)

Summary of Principal amount remaining unpaid to suppliers as at the end of the accounting year	As at 31.03.2022	As at 31.03.2021
Trade Payables	41.34	12.20
Creditors for Capital Expenditure	13.50	-
Creditors for Expenses	11.92	-
Total	66.76	12.20

29 Employee Benefits

A) Defined Benefit Plan- Gratuity (Non Funded)

The Company is liable to pay to every employee who has completed at least five years of service, gratuity, on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation determined based on actuarial valuation using the Projected Unit Credit Method for the year is as below. The Company has not maintained any fund for the said liability.

(₹ in Lakhs)

Particulars	2021-22	26.08.2020 to 31.03.2021
Amount recognized in the Balance Sheet		
Current Liability	0.01	-
Non- Current Liability	2.31	-

B) Defined Contribution Plan - Provident fund

The Company makes its contribution along with the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund administered by the Central Government. The Company's Contribution is charged to Statement of Profit & Loss. The Company has no obligation for any further contribution in case of any shortfall. The details of contribution are as under :-

(₹ in Lakhs)

Particulars	2021-22	26.08.2020 to 31.03.2021
Contribution to Provident Fund	5.60	0.75

includes incentive of ₹ 2.99 Lakhs (P.Y. ₹ 0.07 Lakhs) under Aatmanirbhar Bharat Rojgar Yojana.

C) Other Employee benefits - Leave Encashment

The employees are entitled for the compensation in respect of unavailed leave as per the policy of the Company. The liability towards compensated absences is recognised based on actuarial valuation carried out using Projected Unit Credit method.

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Amount recognized in the Balance Sheet		
Current Liability	0.74	0.16
Non- Current Liability	2.97	0.70

EPAVO ELECTRICALS PVT. LTD.

NOTES to Financial Statements for the year ended 31st March, 2022

30 Disclosure in respect of Related Parties pursuant to Ind AS- 24 " Related Party Disclosures"

List of Related Parties with whom transactions have taken place - (as certified by Management)

a) Key Management Personnel

Shri Mahhesh Kabra	Chairman
Shri Hemant Kabra	Director
Shri Ajay DD Singhania	Director
Shri Satishkumar Agarwal	Director

b) Entities over which Key Management Personnel and their close family members are able to exercise significant influence

Ram Ratna Wires Limited
 Ennov Techno Tools Private Limited
 R R Kabel Limited
 Global Copper Private Limited
 Bgauss Auto Private Limited
 Epack Durables Solutions Private Limited

Transactions with the related parties in the ordinary course of business (Excluding Reimbursement)

(₹ in Lakhs)

Particulars	Referred in		Referred in	
	(a) above		(b) above	
	2021-22	2020-21	2021-22	2020-21
Purchases: Goods and Services				
Ram Ratna Wires Limited	-	-	23.45	1.70
R R Kabel Limited	-	-	4.07	-
Capital Goods:				
Ram Ratna Wires Limited (Purchases and Assignment)			-	109.33
Ram Ratna Wires Limited. (Purchases)	-	-	-	68.44
R R Kabel Limited (Purchases)	-	-	-	-
Sales: Goods and Services				
Ram Ratna Wires Limited	-	-	2.19	-
R R Kabel Limited	-	-	102.74	-
Expenses:				
Rent / Lease Liabilities payment (Including GST)				
Ram Ratna Wires Limited	-	-	31.80	13.16
Interest on Unsecured Loans:				
Ram Ratna Wires Limited			31.55	-
Shri Hemant Kabra	14.35	0.44	-	-
Shri Ajay Singhania	4.32	0.15	-	-
Deposits / Loans Accepted				
Ram Ratna Wires Limited			800.00	-
Shri Hemant Kabra	76.00	137.00	-	-
Shri Ajay Singhania	-	48.00	-	-
Issue of Equity Shares				
Ram Ratna Wires Limited			-	296.74
Ennov Techno Tools Private Limited			-	104.26
Outstanding as at:				
Rental Deposits*				
Ram Ratna Wires Limited	-	-	5.00	5.00
Trade - Net (Payable) / Receivable				
Ram Ratna Wires Limited	-	-	-	(0.06)
Bgauss Auto Private Limited	-	-	(50.00)	-
R R Kabel Limited	-	-	(26.99)	-
Loans Outstanding				
Ram Ratna Wires Limited	800.00	-		
Shri Hemant Kabra	213.00	137.00	-	-
Shri Ajay Singhania	48.00	48.00	-	-

*Undiscounted Value



NOTES to Financial Statements for the year ended 31st March, 2022

31 Financial Performance Ratio :-

(₹ in Lakhs)

	Numerator	Denominator	As at 31.03.2022		As at 31.03.2021		Ratio %		Variance
			Numerator	Denominator	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	
			A	Liquidity Ratios					
	Current Ratio	Current Assets	629.69	257.52	237.38	78.12	2.45	3.04	-19.53%
B	Leverage Ratios								
	Debt Equity Ratio	Total Borrowings	1,061.00	147.82	185.00	348.33	7.18	0.53	1251.45%
	Debt Service coverage Ratio	Profit Before tax +Interest+ Depreciation and amortisation expense	(137.94)	59.93	(45.88)	5.00	(2.30)	(9.18)	-74.92%
C	Efficiency Ratios								
	Inventory Turnover Ratio	Cost of goods Sold	60.18	197.09	18.15	38.98	0.31	0.47	-34.42%
	Trade Receivable Turnover Ratio	Revenue from Operation	92.05	19.90	20.88	19.90	4.63	1.05	340.85%
	Trade payable Turnover Ratio	Net Purchases of Raw Materials and Packing Materials	430.42	48.75	54.46	31.01	8.83	1.76	402.79%
D	Performance Ratios								
	Net Profit Ratio	Profit After Tax	(200.20)	92.05	(52.67)	20.88	-2.17%	-2.52%	-13.78%
	Net Capital Turnover Ratio	Revenue from Operation	92.05	372.17	20.88	159.26	0.25%	0.13%	88.65%
	Return on Capital Employed	Profit Before Interest and tax	(181.68)	1,279.35	(57.27)	618.69	-0.14%	-0.09%	53.41%
	Return on Equity Ratio	Profit After Tax	(200.20)	147.82	(52.67)	348.33	-1.35%	-0.15%	795.69%
	Return on Investment	Profit After Tax	(200.20)	1,116.84	(52.67)	696.81	-0.18%	-0.08%	137.15%

* P.Y. being the first year, Avg. has been considered as closing balance.

Explanation for variance in ratios by more than 25%

The changes in the ratio by more than 25% is due to the fact that the Company was operating only for the part of the year in the previous year and further the Company is not fully operated and presently under product development stage.

EPAVO ELECTRICALS PVT. LTD.

NOTES to Financial Statements for the year ended 31st March, 2022

32 Calculations of Earnings Per Share

(₹ in Lakhs)

Particulars	2021-22	26.08.2020 to 31.03.2021
Loss after Tax	(200.20)	(52.67)
Weighted average number of equity shares outstanding during the year (Nos.)	40.10	40.10
Face value of equity share (in ₹)	10.00	10.00
Earnings Per Share		
Basic Earnings Per Share (in ₹)	(4.99)	(1.31)
Diluted Earnings Per Share (in ₹)	(4.99)	(1.31)

33 A) Category-wise classification of financial instruments

(₹ in Lakhs)

Particulars	Refer Note	Non-Current	Current	Non-Current	Current
		As at	As at	As at	As at
		31.03.2022	31.03.2022	31.03.2021	31.03.2021
Financial assets measured at amortised cost					
Loans		-	0.67	-	-
Security deposit	4A	3.68	-	3.17	-
Other deposit	4A	0.05	-	0.05	-
Term Deposit	4A	34.00	-	-	-
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments*	4B	-	0.39	-	-
Trade receivables	8	-	-	-	19.90
Cash and cash equivalents	9B	-	55.24	-	104.47
Financial Liabilities measured at amortised cost					
Borrowings	13	1,061.00	-	185.00	-
Lease Liabilities	14A & 14B	65.25	19.41	84.66	17.57
Interest accrued and due	17	-	0.28	-	-
Accrued salary & benefits	17	-	10.87	-	1.60
Creditors for expenses	17	-	20.75	-	2.01
Creditors for capital expenditure	17	-	46.31	-	20.15
Other payables	17	-	2.48	-	2.34
Trade Payable	16	-	66.49	-	31.01

B) Fair Value Measurements

(i) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:

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

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs that are unobservable for the asset or liability.

(ii) Fair value of financial assets and liabilities measured at amortised cost:

(₹ in Lakhs)

Particulars	Refer Note	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		Financial Assets			
Loan to employees	3B	0.67	0.67	-	-
Security deposit	4A	5.18	3.68	5.00	3.17
Other deposit	4A	0.05	0.05	0.05	0.05
Term Deposits held as Margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	4A	34.00	34.00	-	-
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments*	4B	0.39	0.39	-	-
Trade receivables	8	-	-	19.90	19.90
Cash and cash equivalents	9B	55.24	55.24	104.47	104.47
Total Financial Assets		94.86	93.36	129.42	127.59
Financial Liabilities					
Borrowings	13	1,061.00	1,061.00	185.00	185.00
Lease Liabilities	14A & 14B	101.45	84.66	128.45	102.23
Interest accrued and due	17	0.28	0.28	-	-
Accrued salary & benefits	17	10.87	10.87	1.60	1.60
Creditors for expenses	17	20.75	20.75	2.01	2.01
Creditors for capital expenditure	17	46.31	46.31	20.15	20.15
Other payables	17	2.48	2.48	2.34	2.34
Trade Payable	16	66.49	66.49	31.01	31.01
Total Financial Liabilities		1,309.63	1,292.84	370.56	344.34

There have been no transfers between Level 1 and Level 2 for the year/period ended 31st March, 2022 and 31st March, 2021 respectively

EPAVO ELECTRICALS PVT. LTD.

NOTES to Financial Statements for the year ended 31st March, 2022

C) Financial Risk Management- Objectives and Policies

This being the initial period of business, the Company has not formulated formal risk management policy. The Company is exposed to market risks comprising of Interest Rate Risk and Commodity Price Risk. The Key management are closely monitoring the market risk on regular basis.

The Company's exposure to Market Risk, Credit Risk and Liquidity Risk have been summarized below:

Market Risk :-

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company is presently not exposed to interest rate risk as borrowings are fixed rate interest bearing liabilities.

Foreign Currency Risk:

The Company is exposed to fluctuations in foreign currency exchange rates where transaction references more than one currency and/or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company has limited transactions for import of material in foreign currencies and which is generally against advance payment, thus risk of fluctuation in Foreign Currency is negligible. There are no assets/ liabilities as at reporting date denominated in foreign currency.

Liquidity Risk

Liquidity risk refers to the risk that the Company encounter difficulty in raising fund to meet its financial commitments. The objective of liquidity risk management is to maintain the liquidity and to ensure that funds are available for short operational needs and to fund Company's expansion projects. The Promoters of the Company are committed to provided the necessary financial assistance in timely and cost effective manner as well as the company is in the process of discussion to avail credit facility from the banks & financial institutions to meet its financial commitments.

The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.

(₹ in Lakhs)				
Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
At 31st March, 2022				
Borrowings (Note 13)	-	1,061.00	1,061.00	1,061.00
Other Financial Liabilities	100.10	65.25	165.35	182.14
Trade Payables (Note 16)	66.49	-	66.49	66.49

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company exposed to credit risk is negligible or nil as normally terms of sales are against advance payment.

34 Segment Information/Revenue

a) In accordance with Ind AS 108 the Company operates only in two segments namely "HVLS Fans and BLDC Motors". There is no separate reportable segment for the year.

b) Revenue from contract with external Customers:

(₹ in Lakhs)		
Particulars	2021-22	26.08.2020 to 31.03.2021
- India	92.05	20.88
- Outside India	-	-
Total Revenue	92.05	20.88

c) All non current assets of the Company are located in India.

d) Transaction with single external customer which amounts to 10% or more of the Company's revenue :-

(₹ in Lakhs)		
Name of the Customers	2021-22	26.08.2020 to 31.03.2021
R R Kabel Limited	87.07	-
Rachana Trading Corporation	-	19.58

e) Contract liabilities of ₹ 84.43 (P.Y Nil) is in respect of advance received against sales order.

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NOTES to Financial Statements for the year ended 31st March, 2022

35 The Company has incurred cash loss during the year and in the immediate preceding period thereby has total accumulated losses of ₹ 253.18 Lakhs as on the date of Balance Sheet and accordingly, its Capital has been eroded more than 50%. This condition indicates the existence of an uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, considering the fact that the products under development are in the final stage of necessary testing and approvals by the prospective customers, expected demands in the domestic market considering few manufacturers in India, make in India initiative of the government and business at large, availability of necessary resources including financial assistance from the promoters and expected forecast of commencement of the commercial production within a period of 2-3 months from the even date, the Management is of the view that the Company will be able to continue as a going concern and accordingly this Financial Statements have been prepared on the going concern basis.

36 Operating Lease:-

Lease Contracts entered into by the Company are in respect for factory premise and workers quarter taken on the lease in the ordinary course of business. Lease Contracts are for the period of 3- 5 years.

The changes in the Lease Liabilities are as follows :-

	(₹ in Lakhs)	
Particulars	2021-22	26.08.2020 to 31.03.2021
Opening Lease Liabilities	102.23	-
Recognised during the year/period	-	108.98
Finance cost accrued during year/ period	9.43	4.41
Deletions	-	-
Payment of lease liabilities	27.00	11.16
Closing Lease Liabilities	84.66	102.23

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

	(₹ in Lakhs)	
Particulars	As at 31.03.2022	As at 31.03.2021
Not later than 1 year	27.00	27.00
Later than 1 year but not later than 5 years	74.45	101.45

The following are the amounts recognised in profit or loss:

	(₹ in Lakhs)	
Particulars	2021-22	26.08.2020 to 31.03.2021
Depreciation expenses on right-of-use assets	22.31	9.22
Interest expenses on lease liabilities	9.43	4.41
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-

37 Particulars of Loans, Guarantees and Investments made U/s 186(4) of the Companies Act, 2013

As on 31 March 2022, there was no outstanding loan or guarantee covered under the provision of section 186 of the Companies Act, 2013. Further, the Company has not made any investment during the year.

38 The Company has complied with the provision of section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layer) Rules, 2017.

39 The Company has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

40 The Company has not been declared as a Wilful Defaulter. The Company has not borrowed any sum of money from banks or financial institutions.

41 Details of transactions with Struck off Companies :- Nil (P.Y. Nil)

42 The Company is not covered by the provisions of Corporate Social Responsibility (CSR) u/s 135 of the Companies Act, 2013.

43 Trade or investment in Crypto Currency or Virtual Currency :- Nil (P.Y. Nil)

44 The Company has received the approval for application filed under Product Linked Incentive Scheme (PLI Scheme) for white Goods (Air Conditioners & Leds) as notified vide Gazette Notification No. CG- DL- E-01042020-218990. In terms of the PLI Scheme, the Company has given bank guarantee for an amount ₹ 29 Lakhs in favour of the Department of Promotion of Industry and Internal Trade (DPIIT) being 0.5% of the committed investment of ₹ 5800.00 Lakhs within the period stipulated in the PLI Scheme. The Company has lien fixed deposit with bank of ₹ 35 Lakhs for the said bank guarantee. Upon satisfaction of conditions as specified under the PLI Scheme, the Company will be entitled to 4% -6% incentive on incremental sale of qualified products.

45 Previous period's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our Report of even date

For and on behalf of the Board of Directors

For Bhagwagar Dalal & Doshi
Chartered Accountants
(Firm Registration No. 128093W)

Mahhesh Kabra	Ajay DD Singhania
Chairman	Director
DIN - 00137796	DIN- 00107555

Jatin V. Dalal
Partner
M. No. 124528

Hemant Kabra
Director
DIN - 01812586

Place : Mumbai
Dated : 14th May, 2022