Directors' Report 2023 -24

Dear Members,

Your Directors take pleasure in presenting the Twelfth (12th) Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended on 31st March 2024.

1. Financial Results

The financial performance of the Company, for the financial year ended 31st March, 2024 is summarised below:

	Rs. in Crores	
	2023-24	**2022-23**
Total Income	**655.66**	**605.57**
Earnings before Interest, Depreciation & Tax	(8.18)	(24.49)
Profit/(Loss) Before Taxation	(5.66)	(18.81)
Profit / (Loss) After Taxation	**(4.14)**	(13.01)
Earnings Per Share (Rs.)	**(1.52)**	**(4.77)**

2. Review of Operations

During the financial year under review, sales for FY 2023-24 were Rs. **655.66 Crores** as compared to Rs **605.57 Crores** in the previous year, i.e. an Increase of 8.65%. In Quantitative terms, sales for FY 2023-2024 was 22283.14 MT as compared to 19034.440 MT in the previous year, i.e. an Increase of 17.07%.

3. Outlook for Financial Year 2024-25

The order position of the Company at the start of 2024-25 is very good. We expect that the markets shall remain steady during FY 2024-25 even though there are some uncertainties due to the Ukraine War and upsurge in commodity prices and high inflation. The domestic market is expected to grow in line with the GDP growth of the country. The export market shall remain subdued due to various quota restrictions in the EU market.

4. Subsidiaries/ Associates / Joint Venture

The Company does not have any subsidiaries, associates and joint ventures.

5. Dividend

In view of reduced profits and the need to conserve funds for Capital Expenditure, the Directors have decided not to declare dividend for the year.

6. Transfer to Reserves

No amount has been transferred to Reserves during the year under review.

7. Share Capital

The paid up Equity Share Capital of the Company was Rs. 27.30 Crores as on 31st March, 2024 which is same as in the previous year as on 31st March 2023.

8. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

9. Material Changes and Commitments

The application was filed with National Company Law Tribunal, Mumbai Bench (NCLT) for demerger of Stainless Steel Cold Finished Bars and Wires Business into Mukand Limited (ML) on 22nd March, 2024.

10. Particulars of Loans, Guarantees and Investments

The Company has neither given any loans/guarantees to any other entities during the financial year.

11. Related Party Transactions

There were no related party transactions entered into by the Company during the financial year which attracted the provisions of Section 188 of the Companies Act, 2013 as all related party transactions that were entered into by the Company during the year were on an arm's length basis and were in the ordinary course of the Company's business. Hence there are no transactions which are required to be disclosed in Form AOC-2.

12. Director's Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made there from;
ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31st March, 2024 and of the profit of the Company for the said period;
iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv. the directors have prepared the annual accounts on a going concern basis;
v. the Company being an unlisted public company, is not required to lay down internal financial controls to be followed by the Company; and
vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Annual Return for the financial year ended 31st March, 2023 is prepared as per the provisions of Section 92(3) of the Act, and Rule 12 of Companies (Management and Administration) Rules, 2014. The Company is required to host a copy of annual return on the website, if any of the Company and a web link of the same to be given in the Directors' Report. Since, the company doesn't have any website hence the Company is not required to host the same.

14. Board of Directors & Key Managerial Personnel

A. Board of Directors:

The Board of Directors of the Company consisted of Four (4) directors, out of which one (1) is non-executive independent, three (3) were non-executive and non-independent (including one woman director) as per details given in the table below.

Sr. No.	Name of the Director	Category
1	Mr. Arvind M. Kulkarni	Chairman - Director & Chief Executive Officer
2	Mr. Vipul M. Mashruwala	Non Executive Director
3	Mr. R. Sankaran	Independent Director
4	Mrs. Meeta Khalsa	Non Executive Director

Mr. Vipul M. Mashruwala retire by rotation and being eligible offer himself for reappointment. The Board recommends his reappointment.

B. Key Managerial Personnel:

Mr. Arvind M. Kulkarni, Chief Executive Officer, is not drawing remuneration from the Company.

Mr. Dhanesh K Goradia is Chief Financial Officer and Mr. Rajendra Sawant is the Company Secretary of the Company.

Non executive Directors of the Company does not draw any remuneration from the Company, except that Independent Directors are paid sitting fees as tabled below :-

Sr. No.	Nature of Meeting	Sitting Fee per meeting (Rs.)
1	Board Meeting	40,000/-
3	Meeting of Independent Directors	10,000/-

15. Declaration of Independence

The Independent Directors of the Company have submitted their Declaration of Independence, as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the said Act.

16. Board Meetings

The Board of Directors of the Company met 4 times during the year under review on May 15, 2023, August 10, 2023, November 08, 2023, and February 07, 2024. All the Directors attended all the meetings. The time gap between two Board Meetings was not more than the time prescribed by the law i.e. 120 days.

17. Corporate Social Responsibility (CSR)

Dissolution/Disbanding of Corporate Social Responsibility Committee:

Pursuant to the provisions of section 135(9) of the Companies Act, 2013(the Act), inserted vide Companies (Amendment) Act, 2020 effective from 22nd January, 2021, where the amount to be spent by a Company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility(CSR) Committee shall not be applicable and the functions of such Committee provided under aforesaid section shall, in such cases, be discharged by the Board of Directors of such Company.

Due to Losses incurred during the previous years, there was no requirement for CSR expenditure for FY2023-24.

18. Risk Management Policy

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Board of Directors of the Company. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews, adequacy of which has periodically assessed by the Board of Directors.

19. Adequacy of Internal Financial Controls

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording transactions. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and audit committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

20. Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013, a separate exercise was carried out to evaluate the performance of individual directors, including the Chairman of the Board who were evaluated on parameters such as level of engagement, contribution, openness to new ideas, risk management compliances, independence of judgement, and safeguarding the interests of the Company. The performance evaluation of the Independent directors was carried out by the entire Board. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Director. The directors have expressed satisfaction with the evaluation process.

21. A. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Information relating to energy conservation and technology absorption and Foreign exchange, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2024 is as under:

a) <u>Energy Consumption:</u>

The major manufacturing of the company is vendored out to Mukand Ltd. Hence, there is nothing to report in this clause.

b) **Technology Absorption:**

Nil.

c) **Foreign Exchange:**

Foreign Exchange earnings for the year were Rs. 145.49 Crores (Rs.174.60 for FY 22-23); and the Foreign exchange outgo was Rs.3.18 Crores (Rs1.90 for FY 22-23).

B. Particulars of Employees

During the year under review provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to the Company.

22. Presentation of Financial Results

The financial results of the Company for the financial year ended 31st March, 2024 have been disclosed as per Schedule III to the Companies Act, 2013.

The Company adopted Indian Accounting Standards (Ind-AS) from April 1, 2017.

23. Auditors

A. Cost Auditors:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to processes of Special, Alloy Steel and Stainless Steel Bars.

The Board of Directors at their meeting held on 14^{th} May, 2024 appointed CMA Y R Doshi & Co., as Cost auditors on a remuneration of Rs. 45,000/- and reimbursement of travelling and other out of pocket expenses plus taxes as applicable.

Further, as per the provisions of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration to the Cost Auditor, approved by the Board is required to be ratified by the shareholders. In this regard, the necessary resolution for ratification of remuneration to the Cost Auditor is included in the Notice of 12^{th} AGM for seeking approval of the members.

B. Secretarial Auditor:

As per the provisions of Section 204 of the Companies Act, 2013 and the rules made there under, the Board of Directors at their meeting held on

15.05.2023 had appointed, **M/s. Anant B. Khamankar & Co.**, **Practicing Company Secretaries, (Membership No: FCS 3198)**, to conduct the Secretarial Audit of the Company for the **Financial Year 2023-24**. The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor.

The Secretarial Audit Report in **Form MR-3** is annexed to this report as ***Annexure A***.

C. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, the current auditors of the Company, M/s.DHC & Co. LLP, Chartered Accountants (Firm Registration No. 103525W) were appointed by the shareholders at the 10^{th} Annual General Meeting held on August 09, 2022 to hold office until the conclusion of the 15^{th} AGM.

The Statutory Auditors in their Report does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor.

24. Significant and Material orders passed by the Regulators or Courts:

During the year, no significant and material orders were passed by any of the Regulators or Courts.

25. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints were received by the Committee formed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. Confirmation of Compliance of Secretarial Standards:

The Company has complied with applicable Secretarial Standards during the year under review.

27. Details in Respect of Frauds Reported by Auditors Pursuant to Section 143(12) of the Companies Act, 2013

During the year under report there were no incidences of fraud against the Company reported by Auditors.

28. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

During the year under report there was no application made or any proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016.

29. Acknowledgement:

The Board of Directors thanks the Banks, Central and State Government Authorities, Shareholders, Customers, Suppliers, Employees and Business Associates for their continued co-operation and support to the Company.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Arvind M. Kulkarni	Vipul M Mashruwala
Date: 14th May, 2024	Director & CEO	Director
Place: Mumbai	DIN: 01656086	DIN: 0337914

Annexure A

Anant Khamankar
B.COM. LL.B. F.C.S.

ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES
HANDHOLDING ENTREPRENEURS. WORLDWIDE.

B-510, Neelkanth Business Park, Nathani Road,
Vidyavihar (West), Mumbai - 400 086.
+91-22-2510 4666, 2510 4777, 2510 0888
+91-98200 44752 anant@cskhamankar.com
website : www.cskhamankar.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024.

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 & RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,
The Members,
MUKAND SUMI METAL PROCESSING LIMITED
Bajaj Bhavan, 3rd Floor,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai - 400 021
Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mukand Sumi Metal Processing Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

ANANT B. KHAMANKAR & CO. ★ MUMBAI ★ COMPANY SECRETARIES

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable to the Company;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable to Mukand Sumi Metal Processing Limited as it is an unlisted public company:**

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
5. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

ANANT B. KHAMANKAR & CO. ★ MUMBAI ★ COMPANY SECRETARIES

9. The Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015; and

10. Securities and Exchange Board of India (Depositories and Participants) Regulations 2018

vi. OTHER APPLICABLE LAWS:

a) The Factories Act, 1948;

b) Industries (Development & Regulation) Act, 1951;

c) Labour Laws applicable in the State of Maharashtra;

d) Acts prescribed under prevention and control of pollution;

e) Acts prescribed under environmental protection;

f) Trade Marks Act, 1999 & Copy right Act, 1957;

g) Acts as prescribed under Shop and Establishment Act of various local authorities

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the timeline stipulated under the Companies Act, 2013.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minute book, while the dissenting members' views, if any, are captured and recorded as a part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, as per above referred laws, rules, regulations and standards, the following are the specific events/actions:

1. The Company in its Board Meeting held on February 7, 2024 approved Draft Scheme of Arrangement between Mukand Sumi Metal Processing Limited ("Demerged Company") and Mukand Limited ("Resulting Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 subject to the approval of National Company Law Tribunal, shareholders, creditors and such other competent statutory and regulatory authority as may be required under applicable law.

2. The Company has altered the Object Clause of Memorandum of Association in order to include activities relating to treasury & investment business in the main objects clause of the Company and other matters incidental.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

ANANT B. KHAMANKAR & CO. F.C.S. 3198 C.P. No.1860 COMPANY SECRETARIES

ANANT B. KHAMANKAR
PROPRIETOR

FCS No. – 3198 | CP No. – 1860

UDIN: F003198F000346959

DATE : MAY 10, 2024
PLACE : MUMBAI

Annexure to Secretarial Auditors' Report

MUKAND SUMI METAL PROCESSING LIMITED
Bajaj Bhavan, 3rd Floor,Jamnalal Bajaj Marg,
226, Nariman Point,Mumbai - 400 021
Maharashtra, India.

Our Secretarial Audit Report for the Financial Year ended March 31, 2024, of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

ANANT B. KHAMANKAR
PROPRIETOR

ANANT B. KHAMANKAR & CO. F.C.S. 3198 C.P. No.1860 COMPANY SECRETARIES

FCS No. – 3198 | CP No. – 1860

DATE : MAY 10, 2024
PLACE : MUMBAI

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Sumi Metal Processing Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mukand Sumi Metal Processing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended March 31, 2024, and notes to the financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2024, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

DHC & Co. ★ Chartered Accountants ★

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

DHC & Co. * Chartered Accountants *

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

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

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

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

d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;

DHC & Co. Chartered Accountants

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year and hence, the provisions of section 197 of the Act related to managerial remuneration are not applicable;

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 34 on Contingent Liabilities to the financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

(iv) (a) The management has represented that, to the best of its knowledge and belief, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

DHC & Co. * Chartered Accountants *

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No.103525W

DHC & Co. * Chartered Accountants *

Pradhan Dass

Partner

Membership No. 219962

UDIN: 24219962BKCQDE7477

Place: Bengaluru

Date: May 14, 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Mukand Sumi Metal Processing Limited ("the Company") on the financial statements for the year ended March 31, 2024]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

(i)

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

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and/or Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(e) No proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any Benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory (excluding material in transit) has been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification carried out during the year.

(b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

(iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.

(iv) The provisions of section 185 & 186 of the Act are not applicable to the Company as Company has not granted any loan or made any investment or provided any guarantee or security during the year. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

DHC & Co. ★ Chartered Accountants ★

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), income-tax, duty of customs, cess and any other material statutory dues applicable to it, though there has been a slight delay in a few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of Income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

The dues outstanding with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	Rs. 0.18 Crore	April 2015 to June 2017	Commissioner of GST

(viii) We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures as defined under the Act and hence reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.

(f) The Company does not have any subsidiaries, associates or joint ventures as defined under the Act and hence reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.

(x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

DHC & Co. * Chartered Accountants *

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.

(b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

(c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit Reports of the Company issued till date, for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.

(c) As informed by the Company, the Group to which the Company belongs has Seventeen (17) CIC as part of the Group (including the CICs exempt from registration and CICs not registered).

(xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs. 152.74 Lakhs and Rs. 1,532.08 Lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities

DHC & Co. Chartered Accountants

existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No. 103525W

DHC & Co. * Chartered Accountants *

Pradhan Dass

Partner

Membership No. 219962

UDIN: 24219962BKCQDE7477

Place: Bengaluru

Date: May 14, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Mukand Sumi Metal Processing Limited on the Ind AS financial statements for the year ended March 31, 2024]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mukand Sumi Metal Processing Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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

DHC & Co. Chartered Accountants

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 20X1, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No.103525W

DHC & Co. *Chartered Accountants*

Pradhan Dass

Partner

Membership No. 219962

UDIN : 24219962BKCQDE7477

Place: Bengaluru
Date : May 14, 2024

Mukand Sumi Metal Processing Limited
Balance sheet as at March 31, 2024
CIN U27300MH2012PLC234000

(Rs. in Crore)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I Assets			
1 Non-current assets			
(a) Property, Plant and Equipment	2	0.02	11.08
(b) Capital work-in-progress	2	-	0.01
(c) Goodwill	3	-	2.78
(d) Financial Assets			
i) Others	4	-	0.10
(e) Non-Current Tax Assets (net)	5	1.99	2.52
(f) Deferred tax assets (net)	6	-	8.73
(g) Other non-current assets	7	-	0.44
		2.01	**25.66**
2 Current Assets			
(a) Inventories	8	-	111.77
(b) Financial Assets			
i) Trade receivables	9	-	28.52
ii) Cash and cash equivalents	10	0.57	2.83
iii) Others	11	-	-
(c) Other current assets	12	0.01	18.25
		0.58	**161.38**
3 Assets to be transferred under the Scheme*		**169.23**	-
Total Assets		**171.82**	**187.04**
II Equity and Liabilities			
1 Equity			
(a) Share capital	13	27.30	27.30
(b) Other equity	14	49.54	53.68
		76.84	**80.98**
2 Liabilities			
1 Non-Current Liabilities			
(a) Provisions	15	0.02	0.06
		0.02	**0.06**
2 Current liabilities			
(a) Financial liabilities			
i) Borrowings	16	-	-
ii) Trade payables	17		
Total outstanding dues of Micro and Small Enterprises		0.01	0.06
Total outstanding dues of Creditors other than Micro and Small Enterprises		-	78.70
iii) Other financial liabilities	18	0.01	24.75
(b) Other current liabilities	19	0.00	2.50
(c) Provisions	15	0.01	0.00
		0.03	**106.01**
3 Liabilities to be transferred under the Scheme*		**94.94**	-
Total Equity and Liabilities		**171.82**	**187.05**
Statement of Material Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	**1 to 39**		

* Refer Note no 39 (1)

As per our attached report of even date

For DHC & Co.
Chartered Accountants
Firm Registration No. 103525W

Pradhan Dass
Partner
Membership No: 219962

Place: Bengaluru
Date : May 14, 2024

For and on behalf of Board of Directors of
Mukand Sumi Metal Processing Limited

R Sankaran
Director
DIN: 00381139

Arvind M. Kulkarni
Director & CEO
DIN: 01656086

Dhanesh K Goradia
Chief Financial Officer

Rajendra Sawant
Company Secretary

Place: Mumbai
Date : May 14, 2024

DHC & CO. Chartered Accountants

MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
Statement of Profit and Loss for the year ended March 31, 2024
CIN U27300MH2012PLC234000

(Rs. in Crore)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	Revenue from operations	20	655.23	605.49
II.	Other income	21	0.43	0.08
III.	**Total Income (I + II)**		**655.66**	**605.57**
IV.	**Expenses:**			
	Cost of materials consumed	22	623.53	572.63
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	23	(4.11)	(2.35)
	Employee benefits expense	24	0.25	0.33
	Finance costs	25	-	2.28
	Depreciation and amortization expense	26	1.54	3.48
	Other Expenses	27	40.10	48.00
	Total expenses		**661.32**	**624.37**
V.	**Profit before tax (III - IV)**		**(5.66)**	**(18.81)**
VI.	**Tax expense / (income):**	28		
	Current tax		-	-
	Deferred tax		(1.52)	(5.80)
VII.	**Profit after tax (V - VI)**		**(4.14)**	**(13.01)**
VIII.	**Other Comprehensive Income / (Expenses) (net of tax)**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain / (loss) of defined benefit plan		-	0.08
	(b) Deferred tax effect on above		-	(0.02)
IX.	**Total comprehensive income for the year (VII+VIII)**		**(4.14)**	**(12.95)**
X.	**Earnings per equity share (Face Value of Rs.10):**			
	(i) Basic (in Rs.)	29	(1.52)	(4.77)
	(ii) Diluted (in Rs.)	29	(1.52)	(4.77)
	Statement of Material Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	1 to 39		

As per our attached report of even date

For DHC & Co.
Chartered Accountants
Firm Registration No. 103525W

Pradhan Dass
Partner
Membership No: 219962

For and on behalf of Board of Directors of Mukand Sumi Metal Processing Limited

R Sankaran
Director
DIN: 00381139

Arvind M. Kulkarni
Director & CEO
DIN: 01656086

Dhanesh K Goradia
Chief Financial Office

Rajendra Sawant
Company Secretary

Place: Bengaluru
Date : May 14, 2024

Place: Mumbai
Date : May 14, 2024

DHC & CO. Chartered Accountants

MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
Statement of Cash Flows for the year ended March 31, 2024
CIN U27300MH2012PLC234000

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income tax	(5.66)	(18.81)
Adjustments for:		
Depreciation and amortisation expense	1.54	3.48
Finance Cost	-	2.28
Interest Income	(0.15)	(0.08)
Other Non-cash Expenditure / (Income) - (net)	0.40	0.04
Derivatives measured at FVTPL	-	0.29
Acturial (Loss) / Gain on defined benefit obligation	-	0.08
Operating profit before working capital changes	**(3.86)**	**(12.71)**
(Increase) / Decrease in trade receivables	(1.17)	15.25
(Increase) / Decrease in inventories	11.45	(25.68)
(Increase) / Decrease in other financial assets	(0.06)	(0.01)
(Increase) / Decrease in other current assets	2.50	(11.66)
Increase / (Decrease) in trade payables	15.88	32.27
Increase / (Decrease) in other financial liabilities	(24.64)	8.74
Increase / (Decrease) in other current liabilities	(2.30)	0.44
Increase / (Decrease) in provisions	(0.01)	(0.07)
Cash generated from operations	**(2.21)**	**6.57**
Income taxes (paid) / refund - net	0.67	(0.35)
Net cash inflow / (outflow) from operating activities	**(1.54)**	**6.21**
Cash flows from investing activities		
Purchase of property, plant and equipment (including CWIP)	(1.19)	(1.55)
Disposal of property, plant and equipment	-	-
Movement in Capital Advance	0.44	(0.44)
Interest income on fixed deposit	0.00	0.00
Net cash inflow / (outflow) from investing activities	**(0.74)**	**(1.98)**
Cash flows from financing activities		
Proceeds / (repayment) of borrowings (net)	-	(5.00)
Interest paid	-	(2.28)
Net cash inflow / (outflow) from financing activities	**-**	**(7.28)**
Net increase / (decrease) in cash and cash equivalents	**(2.28)**	**(3.05)**
Cash and cash equivalents at the beginning of the financial year	2.78	5.84
Cash and cash equivalents at end of the year (Refer Note 10)	**0.51**	**2.78**

Note:
1. All figures in bracket are outflow.
2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - Statement of Cash Flows.

Statement of material Accounting Policies adopted by the Company and Notes forming part of the Financial Statements 1 to 39

As per our attached report of even date

For DHC & Co.
Chartered Accountants
Firm Registration No. 103525W

Pradhan Dass
Partner
Membership No: 219962

Place: Bengaluru
Date : May 14, 2024

For and on behalf of Board of Directors of Mukand Sumi Metal Processing Limited

R Sankaran
Director
DIN: 00381139

Arvind M. Kulkarni
Director & CEO
DIN: 01656086

Dhanesh K Goradia
Chief Financial Officer

Rajendra Sawant
Company Secretary

Place: Mumbai
Date : May 14, 2024

DHC & CO. Chartered Accountants

MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
Statement of Changes in Equity for the year ended March 31, 2024
CIN U27300MH2012PLC234000

A. Equity Share Capital

As at March 31, 2024 (Rs. in Crore)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
27.30	-	27.30	-	27.30

As at March 31, 2023 (Rs. in Crore)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
27.30	-	27.30	-	27.30

B. Other Equity

(Rs. in Crore)

Particulars	Reserves and Surplus		Remeasurement of Defined Benefit Obligation	Total
	Securities Premium Reserve	Retained Earnings		
Balance as at March 31, 2022 (Restated)	84.69	(18.15)	0.09	66.63
Profit / (Loss) for the year	-	(13.01)	-	(13.01)
Other Comprehensive Income for the year	-	-	0.06	0.06
Balance as at March 31, 2023	**84.69**	**(31.16)**	**0.15**	**53.68**
Profit / (Loss) for the year	-	(4.14)	-	(4.14)
Other Comprehensive Income for the year	-	-		
Balance as at March 31, 2024	**84.69**	**(35.30)**	**0.15**	**49.54**

There are no changes in other equity due to prior period errors.

As per our attached report of even date

For DHC & Co.
Chartered Accountants
Firm Registration No. 103525W

Pradhan Dass
Partner
Membership No: 219962

For and on behalf of Board of Directors of
Mukand Sumi Metal Processing Limited

R Sankaran
Director
DIN: 00381139

Arvind M. Kulkarni
Director & CEO
DIN: 01656086

Dhanesh K Goradia
Chief Financial Officer

Rajendra Sawant
Company Secretary

Place: Bengaluru
Date : May 14, 2024

Place: Mumbai
Date : May 14, 2024

DHC & CO. Chartered Accountants

MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Background of the Company

Mukand Sumi Metal Processing Limited ('MSMPL' or the 'Company') was incorporated in Mumbai, India on August 01, 2012 as a Private Limited Company having name as Technosys Metal Processing Limited, later on August 23, 2012 it was converted in to Public Limited Company. On December 13, 2012, its name was changed to Mukand Sumi Metal Processing Limited. The registered office of the Company is at Bajaj Bhavan, 3rd Floor, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai.

Mukand Ltd. and Sumitomo Corporation (Japan) have formed a joint venture for the manufacture of bright bars and wires in India. Mukand Ltd and Sumitomo Corporation were carrying out the business through MSMPL, a JV Company. One of the business divisions of Mukand Ltd which manufactured Bright Bars and Wires was transferred to the JV Company. The consideration for such transfer was paid partly by cash and partly through the issuance of shares of the JV Company. However, Mukand Limited has acquired remaining 50% stake from Sumitomo Corporation (Japan) on September 30, 2022 and accordingly the Company has become Wholly Owned Subsidiary (WOS) of Mukand Limited.

The Company is engaged in manufacturing, purchase, refine, prepare, import, export, sell and generally to deal in iron and steel in all forms, and/or by-products thereof; to carry on the trades or business of iron masters, steel makers, steel converters, rolled steel makers, miners, smelters, engineers, tinplate makers and iron founders in all their respective branches and manufacturers of all sorts of bars & wires of Stainless Steel & Non Stainless Steel; to carry on the business of processing stainless steel hot rolled, annealed and pickled (HRAP), and manufacturing and sales of special and alloy steel wires/cold finished bars and stainless steel cold finished bars (CF) and involve all downstream operations for the processing of HRAPs and manufacturing of CFs and inter alia cover processes of normalizing, annealing (soft/ spheroidized/ solution), drawing, peeling, grinding, pickling, coating and/or any other process in connection therewith.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 14, 2024.

Note 1: Basis of Preparation, Measurement and Material Accounting Policies followed by the Company

(a) Basis of preparation and measurement

(i) Basis of preparation:

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

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended March 31, 2024, the Statement of Cash Flows for the year ended March 31, 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information ('together hereinafter referred to as 'financial statements'.

Theses financial statements are approved for issue by the Board of Directors on May 14, 2024. The revision to these financial statements, if any, is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. Based on

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the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Current versus Non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle i.e., 12 months;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle i.e., 12 months;
- It is held primarily for purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

(ii) Basis of measurement:

These financial statements are prepared under the historical cost convention unless otherwise indicated.

(b) Key Accounting Estimates and Judgments

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

(a) Useful lives of property, plant and equipment: Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per management estimate for certain category of assets. Assumptions also need to be made, when Company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

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(b) Defined benefit plan: The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Allowances for uncollected accounts receivable: Trade receivables do are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(d) Impairment of non-financial assets: The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(e) Contingencies: The litigations and claims to which the Company is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Determination of the outcome of these matters into "Probable, Possible and Remote" require judgement and estimation on case-to-case basis.

(f) Exceptional Items: Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

(g) Provision for income tax and deferred tax assets: The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

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(c) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(d) Material Accounting Policies

i) Property, plant and Equipment (PPE)

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

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

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except where management estimate of useful life is different. Depreciation on additions / deletion is provided on pro rata basis from the date of acquisition / upto the date of deletion. Depreciation commences when the assets are ready for their intended use.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(ii) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are initially measured at cost. The Cost comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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Amortisation
The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Computer software is amortised over a period of three years and customer relationship on acquisition of the business is amortized over a period of 10 years.

Intangible Assets are also tested for impairment annually.
Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(iii) Leases

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

Company as a lessee
The Company's lease asset classes primarily consist of lease for land and buildings. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises 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 less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the lease term. ROU assets are revaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease Liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(iv) Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on the basis of the First in first out method.

(vi) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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(vii) 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. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for "held for sale" classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

(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.

(I) **Financial Assets**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows.

Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivable that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

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

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- /Debt instruments at amortised cost
- Equity instruments (either through profit and loss or through other comprehensive income, if designated)

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

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Derecognition of financial assets
The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

(II) Equity & Financial Liabilities
Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments:
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(ii) Financial liabilities:

Initial recognition and measurement:
Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:
The financial liabilities are classified for subsequent measurement into following categories:
- At amortised cost
- At fair value through profit or loss (FVTPL)

Financial liabilities at amortised cost:
The Company is classifying the following under amortised cost;
- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

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Financial liabilities at fair value through profit or loss:
Financial liabilities held for trading are measured at FVTPL.
Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

De-recognition of financial liabilities:
A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(III) Derivative financial instruments
Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

(IV) Offsetting of financial instruments
Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(ix) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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(x) Contributed Equity

Equity shares are classified as equity.

Incremental cost directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(xi) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using effective interest method.

(xii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as other liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(xiii) Provisions and Contingencies

Provisions
A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amounts recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent liabilities & contingent assets
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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(xiv) Revenue Recognition

Revenue from sale of goods is recognized when control of the goods has transferred, being when the goods are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Revenue from sale of products and services are recognised at a time when the performance obligation is satisfied. The period over which revenue is recognised is based on entity's right to payment for performance completed.

In determining whether Company has right to payment, the Company shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than company's failure to perform as per the terms of the contract.

Export incentives

Revenue from export benefits arising under various schemes are recognised on export of goods in accordance with their respective underlying scheme a fair value of consideration received or receivable.

Interest Income

Interest income accrues on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

(xv) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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(ii) Other long-term employee benefit obligations

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:
(a) defined benefit plans such as gratuity
(b) defined contribution plans such as provident fund.

Gratuity Obligations

The gratuity liability as per the Payment of Gratuity Act, 1972 for Permanent Employees is not funded.

Provident fund

Contribution towards provident fund is being done as per the Statutory Rules and Regulation. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(xvi) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

(xvii) Foreign currencies

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(xviii) Taxes

Current income tax:

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

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Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

<u>Deferred tax:</u>
Deferred tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

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

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 Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

(xix) <u>Cash flow statement</u>

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xx) <u>Segment Reporting</u>

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products / services.

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

(xxi) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(xxii) Dividend distribution to equity shareholders

The Company recognises a liability to make the payment of dividend to owners of equity, when the distribution is appropriately authorised and is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

(xxiii) Business Combination:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

(xxiv) Events after the reporting date

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 2: Property, Plant and Equipment and Capital work-in-progress

A. Property, Plant and Equipment

As at March 31, 2023 (Rs. in Crore)

Particulars	Factory Building	Plant and Machinery	Office Equipment	Total
Gross Carrying Value				
Cost as at April 01, 2022	1.26	30.06	0.49	31.81
Additions	-	1.53	-	1.53
Disposals	-	-	-	-
Gross carrying value as at March 31, 2023	1.26	31.59	0.49	33.34
Accumulated Depreciation				
Accumulated depreciation as at April 01, 2022	1.00	18.45	0.46	19.91
Depreciation charge during the year	0.20	2.14	0.01	2.35
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2023	1.19	20.59	0.47	22.26
Net carrying value as at March 31, 2023	0.06	11.00	0.02	11.08

As at March 31, 2024 (Rs. in Crore)

Particulars	Factory Building	Plant and Machinery	Office Equipment	Total
Gross Carrying Value				
Cost as at April 01, 2023	1.26	31.59	0.49	33.34
Additions	-	1.17	0.02	1.19
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	1.26	32.76	0.49	34.50
Gross carrying value as at March 31, 2024	-	-	0.02	0.02
Accumulated Depreciation				
Accumulated depreciation as at April 01, 2023	1.19	20.59	0.47	22.26
Depreciation charge during the year	0.00	1.54	0.00	1.54
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	1.19	22.13	0.47	23.80
Accumulated depreciation as at March 31, 2024	-	-	-	-
Net carrying value as at March 31, 2024	-	-	0.02	0.02

B. Capital work-in-progress (Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	0.01	-
Additions during the year	-	0.01
Deletion / Adjustments during the year	(0.01)	-
Balance as at end of the year	-	0.01

CWIP Ageing Schedule as at March 31, 2024: (Rs. in Crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing Schedule as at March 31, 2023: (Rs. in Crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	0.01	-	-	-	0.01
Projects temporarily suspended	-	-	-	-	-

Note 2(a): Property, Plant and Equipment are free from any encumberances.

Note 2(b): Refer Note 34 for disclosure of contractual commitments for the acquisition of PPE.

Note 2(c): The Company do not have any Benami property and there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Note 2(d): There are no immovable propoerties which are not held in the name of the Company.

Note 2(e): The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2024.

Note 2(f): There are no amounts in Capital work-in-progress whose completion is overdue or which has exceeded its cost compared to its original plan.

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited

Notes forming part of the Financial Statements

Note 3: Goodwill and Other Intangible assets

As at March 31, 2023 (Rs. in Crore)

Particulars	Customer Relationship	Goodwill
Gross Carrying Value		
Gross Carrying amount as at April 01, 2022	22.70	2.78
Additions	-	-
Deletions	-	-
Gross Carrying Value as at March 31, 2023	**22.70**	**2.78**
Accumulated Amortisation		
Accumulated amortisation as at April 01, 2022	21.57	-
Amortisation charge during the year	1.14	-
Deletions	-	-
Accumulated amortisation as at March 31, 2023	**22.70**	**-**
Net carrying value as at March 31, 2023	**-**	**2.78**

As at March 31, 2024 (Rs. in Crore)

Particulars	Customer Relationship	Goodwill
Gross Carrying Value		
Cost as at April 01, 2023	22.70	2.78
Additions	-	-
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	-	2.78
Gross Carrying Value as at March 31, 2024	**22.70**	**-**
Accumulated Amortisation		
Accumulated amortisation as at April 01, 2023	22.70	-
Amortisation charge during the year	-	-
Deletions	-	-
Accumulated amortisation as at March 31, 2024	**22.70**	**-**
Net carrying value as at March 31, 2024	**-**	**-**

Note (a): Impairment of goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell.

Note (b): The Company has not revalued its intangible assets during the year ended March 31, 2024.

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Mukand Sumi Metal Processing Limited MUMBAI

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 4: Other Non-Current financial assets (Unsecured, considered good unless otherwise stated)

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	-	-
Duty paid under Protest	0.10	0.10
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	(0.10)	-
Total	-	0.10

Note 5: Non-Current Tax Assets (net)

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax (net of provision)	1.99	2.52
Total	**1.99**	**2.52**

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Note 6: Deferred tax assets / (liabilities) (net)

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset on account of:		
Unabsorbed Depreciation / Business Loss, etc.	10.18	8.48
Property, Plant and Equipment and Intangible assets	0.06	0.14
Others	0.03	0.13
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	(10.27)	
Total	-	8.75
Deferred tax liability on account of:		
Property, Plant and Equipment and Intangible assets		-
Other Comprehensive Income	0.02	0.02
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	(0.02)	
Total	-	0.02
Net Deferred tax asset / (liabilities)	-	8.73

Note (a): Movements in deferred tax assets / (liabilities)

(Rs. in Crore)

Particulars	Unabsorbed Depreciation/ Business Loss etc.	Difference between book depreciation and tax depreciation	Others	Total
At March 31, 2022	**357.56**	**(64.29)**	**2.46**	**295.73**
Charged / (Credited)				
- to profit or loss	349.07	(64.43)	2.33	286.98
- to other comprehensive income	-	-	0.02	0.02
At March 31, 2023	**8.48**	**0.14**	**0.11**	8.73
Charged / (Credited)				
- to profit or loss	(1.70)	0.08	0.10	(1.52)
- to other comprehensive income	-	-		-
Less:- Assets to be Transferred under Scheme (Refe note 39 (1))	10.18	0.06	0.01	10.25
At March 31, 2024	-	-	-	-

Note: In terms of Ind AS 12 on "Income Taxes", the Company has recognised Deferred Tax Assets arising from unabsorbed depreciation and brought forward business losses, based on the steps taken by the Company to achieve its projected profitability. It is probable that the Company will have future taxable profits against which the unabsorbed depreciation and brought forward business losses can be utilised.

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Mukand Sumi Metal Processing Limited Mumbai

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 7: Other non-current assets (Unsecured, considered good unless otherwise stated)

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	-	0.44
Total	-	0.44

Note 8: Inventories

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	70.44	86.00
Finished Goods (includes material in transit Rs.19.32 Crores, Previous Year Rs. 8.78 Crore)	29.87	25.77
Less:- Assets to be Transferred under Scheme (Refe note 39(1))	(100.32)	-
Total	-	111.77

Note 9: Trade Receivables

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable Considered Good - Secured	-	-
Trade Receivable Considered Good - Unsecured	29.29	28.52
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	0.34	-
Total	29.64	28.52
Less:- Expected credit loss	(0.34)	-
Net Trade receivable	29.29	28.52
Less:- Assets to be Transferred under Scheme (Refe note 39(1))	(29.29)	-
Total	-	28.52

Note (a): No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.
Note (b): For receivables due from related parties, refer Note 33.
Note (c): Ageing of Trade Receivables is as given below:

Note (d): There are no disputed Trade Receivable.

As at March 31, 2024 (Rs. in Crore)

Particulars	Not due	Outstanding for following periods from due date of Payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good unsecured	19.28	9.98	0.03	0.00	-	-	29.29
(ii) Undisputed Trade receivables - which have significant increase in	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	0.22	0.12	0.00	0.00	-	-	0.34
Total	19.49	10.11	0.03	0.00	-	-	29.64
Less:- Expected credit loss	(0.22)	(0.12)	(0.00)	(0.00)	-	-	(0.34)
Net Trade Receivable	19.28	9.98	0.03	0.00	-	-	29.29
Less:- Assets to be Transferred under Scheme (Refe note 39(1))	(19.28)	(10)	(0)	(0)	-	-	(29.29)
Total	-	-	-	-	-	-	-

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Mukand Sumi Metal Processing Limited MUMBAI

As at March 31, 2023

(Rs. in Crore)

Particulars	Not due	Outstanding for following periods from due date of Payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good unsecured	15.07	13.46	-	-	-	-	28.52
(ii) Undisputed Trade receivables - which have significant increase in	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	15.07	13.46	-	-	-	-	28.52

Note 10: Cash and cash equivalents and other bank balances

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents:		
Balances with banks in current accounts	1.64	0.25
Balances in cash credit accounts *	-	2.53
Fixed Deposit #	0.06	0.05
Cash on hand	-	-
Less:- Assets to be Transferred under Scheme (Refe note 39(1))	(1.13)	-
Total	0.57	2.83

* The balances represent debit balance in Cash credit facility. Refer Note 16 for security provided.
# The Fixed deposit has been kept as margin money against zero balance current account with ICICI Bank.
There are no repatriation, restriction with regard to Cash and cash equivalents as at the end of the reporting period and prior periods.

Note 11: Other Current financial assets (Unsecured, considered good unless otherwise stated)

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Forward Contract	0.05	-
Less:- Assets to be Transferred under Scheme (Refe note 39(1))	(0.05)	-
Total	-	-

Note 12: Other current assets (Unsecured, considered good unless otherwise stated)

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Government Authorities	9.96	14.44
Export Incentive Receivable	4.53	3.43
Advances to Suppliers	-	0.22
Prepaid Expenses	0.13	0.17
Less:- Assets to be Transferred under Scheme (Refe note 39(1))	(14.61)	-
Total	0.01	18.25

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MUKAND SUMI METAL PROCESSING LIMITED ★ MUMBAI

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 13: Equity Share Capital

(a) Share capital:

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital 3,00,00,000 equity shares of Rs. 10 each	30.00	30.00
Issued, Subscribed and Fully Paid-up capital: 2,73,00,000 equity shares of Rs. 10 each fully paid up	27.30	27.30
Total	27.30	27.30

(b) Reconciliation of number of shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount (in Crore)	No. of shares	Amount (in Crore)
Balance as at the beginning of the year	2,73,00,000	27.30	2,73,00,000	27.30
Movement during the year	-	-	-	-
Balance as at the end of the year	2,73,00,000	27.30	2,73,00,000	27.30

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount (in Crore)	No. of shares	Amount (in Crore)
Mukand Limited (along with its Nominees) (Refer Note (k) below)	2,73,00,000	100.00%	2,73,00,000	100.00%
Total	2,73,00,000	100.00%	2,73,00,000	100.00%

(d) Number of shares of joint arrangement held by its venturers:

Name of the company	As at March 31, 2024	As at March 31, 2023
Mukand Limited (along with its Nominees)	2,73,00,000	2,73,00,000

(e) Disclosure of Shareholding of Promoters
Disclosure of Shareholding of Promoters is as follows :

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mukand Limited (along with its Nominees)	2,73,00,000	100.00%	2,73,00,000	100.00%	0.00%
Total	2,73,00,000	100.00%	2,73,00,000	100.00%	0.00%

(f) Terms and rights attached to equity shares
The Company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per equity share. They are entitled to receive dividend proposed by the Board of Directors and approved by shareholders in General Meeting and right to get new shares proportionately in case of issuance of additional shares by the company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
(g) There are no bonus shares issued and shares bought back since inception.
(h) There are no shares reserved for issue under options and contracts / commitments for sale of shares/ disinvestment.
(i) There are no unpaid calls from any Director and officer.
(j) No Dividend has been declared for the year ended March 31, 2024 (March 31, 2023: Nil).
(k) During the previous year, in terms of arrangement with Joint Venture partner - Sumitomo Corporation, Japan (SC), Mukand Limited has purchased 1,33,77,000 shares of the Company from SC and accordingly Company has become a Wholly Owned Subsidiary of Mukand Limited with effect from September 30, 2022.

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 14: Other Equity

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	84.69	84.69
Retained Earnings	(35.30)	(31.16)
Remeasurement of Defined Benefit Obligation through OCI	0.15	0.15
Total	**49.54**	**53.68**

Movement in Reserves

(i) Securities Premium

Securities Premium is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	84.69	84.69
Movement during the year	-	-
Balance at the end of the year	**84.69**	**84.69**

(ii) Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	(31.16)	(18.15)
Profit / (Loss) during the year	(4.14)	(13.01)
Balance at the end of the year	**(35.30)**	**(31.16)**

(iii) Remeasurement of Defined Benefit Obligation through OCI

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	0.15	0.09
For the Year	-	0.06
Balance at the end of the year	**0.15**	**0.15**

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Note 15: Provision

(Rs. in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits - Gratuity (Refer Note 32)	0.00	0.02	0.00	0.03
Less:-Liabilities to be Transferred under Scheme (Refe note 39(1))	(0.00)	(0.01)		
Provision for Employee Benefits - Leave	0.01	0.01	0.00	0.02
Less:-Liabilities to be Transferred under Scheme (Refe note 39(1))	(0.00)	(0.00)		
Total	0.01	0.02	0.00	0.06

Note 16: Current Borrowings

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Working Capital Loan - Repayable on demand	-	-
Total	-	-

No Monthly return/ statement is filed with the bank during the financial 2023-24

For the year ended March 31, 2023:

(Rs. in Crore)

Particulars of Security Provided	Month	Amount disclosed as per Books of Account (BOA) #	Amount as reported in the monthly return / statement	Variance	Reason for material discrepancies
First and exclusive hypothecation charge on all existing and future receivables / current assets / moveable assets / moveable fixed assets	Apr-22	181.56	180.61	0.95	-
	May-22	185.94	184.70	1.23	-
	Jun-22	183.45	184.94	(1.49)	-
	Jul-22	177.26	188.48	(11.21)	Refer note (b) below
	Aug-22	174.53	191.76	(17.24)	Refer note (b) below
	Sep-22	88.80	99.70	(10.89)	Refer note (b) below
	Oct-22	67.90	85.47	(17.57)	Refer note (b) below
	Nov-22	88.68	79.78	8.91	Refer note (a) below
	Dec-22	65.41	64.30	1.11	-
	Jan-23	61.41	54.36	7.05	Refer note (a) below
	Feb-23	57.34	54.64	2.70	-
	Mar-23	61.54	68.37	(6.82)	Refer note (c) below

Note (a): The variation is on account of early submission of the bank statement prior to closures of books of accounts.

Note (b): The stock statement submitted contained the details of alloy steel business of MSMPL which was demerged into MSSSL as per Scheme of Arrangement.

Note (c): The variation is on account of considering the provisions after submission of stock statements with bank.

Note (d): As at March 31, 2024, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created / modified since the inception of the Company. The Company has filed the charge satisfaction e-form with MCA.

Note (e): Wilful Defaulter: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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Note 17: Trade Payables

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables		
Total Outstanding dues of Micro and Small Enterprises	0.22	0.06
Total Outstanding dues of Creditors Other than Micro and Small Enterprises	94.42	78.70
Less:-Liabilities to be Transferred under Scheme (Refe note 39(1))	(94.63)	-
Total	0.01	78.76

Note (a): For payables due to related parties, refer Note 33.

Note (b): Ageing of Trade Payables is as given below:

As at March 31, 2024:

(Rs. in Crore)

Particulars	Not due	Outstanding for following periods from due date of Payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	0.22	-	-	-	-	0.22
(ii) Others	60.70	33.71	-	-	-	94.42
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Less:-Liabilities to be Transferred under Scheme (Refe note 39(1))	(60.92)	(33.71)				(94.63)
Total	0.01	-	-	-	-	0.01

As at March 31, 2023:

(Rs. in Crore)

Particulars	Not due	Outstanding for following periods from due date of Payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	0.04	0.02	-	-	-	0.06
(ii) Others	24.85	53.85	-	-	-	78.70
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	24.89	53.87	-	-	-	78.76

Note (c): Disclosure in respect of creditors registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) is as under:

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to suppliers		
(a) (i) Principal	0.01	0.06
(ii) Interest due thereon	-	-
(b) (i) Interest actually paid under section 16 of the MSMEDA	-	-
(ii) Amount of payment made to suppliers beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid and beyond the appointed day during the year) but without adding interest under MSMEDA	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such dates when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under MSMEDA	-	-

The disclosure above is based on the information available with Company regarding the status of the suppliers under the MSME.

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 18: Other current financial liabilities

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital goods	0.09	0.09
Employee liabilities	0.01	0.02
Forward Contract Payable	-	0.29
Other payable on account of demerger	-	24.35
Less:-Liabilities to be Transferred under Scheme (Refe note 39(1))	(0.10)	-
Total	**0.01**	**24.75**

Note 19: Other current liabilities

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory tax payables	0.19	0.25
Advance received from Customers	-	2.24
Less:-Liabilities to be Transferred under Scheme (Refe note 39(1))	(0.19)	-
Total	**0.00**	**2.50**

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Mukand Sumi Metal Processing Limited
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Note 20: Revenue from Operation

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	596.68	551.85
Operating Income		
Scrap Sales	50.88	46.03
Plant and Machinery Hire Charges Income	5.43	4.81
Export Incentive Income	2.25	2.80
Total	655.23	605.49

For transactions with related parties, refer Note 33.

Note 21: Other Income

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Interest Income:		
On Income tax Refund	0.15	0.08
On Fixed Deposit & others	0.00	0.00
B. Other non-operating Income:		
Others	0.28	-
Total	0.43	0.08

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MUKAND SUMI METAL PROCESSING LIMITED * MUMBAI

Mukand Sumi Metal Processing Limited
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Note 22: Cost of materials Consumed

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	86.00	62.67
Add: Purchases (Refer Note 33)	607.97	595.96
Less: Closing Stock*	(70.44)	(86.00)
Total	623.53	572.63

* Closing stock for current year will be transferred under the scheme refer note 39(1)

Note 23: Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock of Finished Goods	25.77	23.41
Closing Stock of Finished Goods*	(29.87)	(25.77)
Total	(4.11)	(2.35)

* Closing stock for current year will be transferred under the scheme refer note 39(1)

Note 24: Employee benefit expenses

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages including bonus	0.20	0.33
Gratuity expense (Refer Note 32)	0.03	0.01
Leave expenses	0.02	(0.01)
Staff welfare expenses	0.00	-
Total	0.25	0.33

Note 25: Finance Costs

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Interest expense:		
On financial liabilities measured at amortized cost	0.00	0.91
Paid to Suppliers	-	1.25
On Statutory dues	-	0.00
B. Other borrowing costs:		
Loan processing charges	-	0.13
Bank Charges		-
Total	0.00	2.28

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MUKAND SUMI METAL PROCESSING LIMITED MUMBAI

Note 26: Depreciation and amortization expense

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, Plant and Equipment (Refer Note 2)	1.54	2.35
Amortisation of Intangible assets (Refer Note 3)	-	1.14
Total	1.54	3.48

Note 27: Other Expenses

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel consumed	-	0.04
Other manufacturing expenses	29.13	29.35
Export Commission	2.91	2.12
Freight and forwarding expenses	4.74	13.08
Repairs and maintenance - Plant and Machinery	0.24	0.29
Foreign Exchange Loss (net)	0.41	0.09
Repairs and maintenance - Premises	0.00	0.00
Insurance	0.08	0.03
Marketing expenses (Refer Note 33)	1.23	1.49
Auditors remuneration [Refer Note 27(a)]	0.13	0.12
Legal and professional Fees	0.58	0.30
Rent, rates and taxes	-	0.32
Communication	0.03	0.03
Travelling and conveyance	0.00	0.00
Printing and stationery	0.01	0.02
Expected Credit Loss	0.34	-
Miscellaneous expenses	0.29	0.74
Total	40.10	48.00

Note 27(a): Auditor's remuneration (excluding taxes)

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment made: *		
for Statutory audit fee	0.06	0.06
for Tax audit	0.02	0.02
for Other services	0.05	0.04
for Reimbursement of expenses	-	-
Total	0.13	0.12

* Previous year auditor's remuneration includes amount paid to previous auditor amounting to Rs.0.04 crore for restatement of accounts.

Note 27(b): CSR Expenditure

The average net profit for the last three financial years is negative calculated in accordance with the provisions of Section 198 of the Act. Therefore, the Company is not required to spend any amount towards CSR activities for the financial year 2023-24.

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Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 28: Income tax expense

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Current Tax		
Current tax on profits for the year		-
Short (excess) provision of tax for earlier years	-	-
Total current tax expense	-	-
(b) Deferred tax expense / (income)		
(Increase) / Decrease in deferred tax assets (Refer Note 6)	(1.52)	(5.78)
	(1.52)	(5.78)
Total Tax Expense / (Income) (a+b)	(1.52)	(5.78)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (Loss) before income tax expense	(5.66)	(18.81)
Tax using enacted income tax rate in India applicable to the Company 26.00%	(1.42)	(4.89)
Tax effect of:		
Tax on OCI	-	0.02
Others	(0.09)	(0.91)
Income tax expense	(1.52)	(5.78)

Current Tax:
The Company does not envisage any liability for income tax for the current year in absence of any taxable income.

Amounts recognised directly in equity:
No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity and not in Statement of Profit and Loss or Other Comprehensive Income.

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Note 29: Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Profit attributable to the equity holders of the company (Rs. in Crore)	(4.14)	(13.01)
B. Weighted average number of shares for Basic EPS (Nos. in Crore)	2.73	2.73
C. Adjustments for calculation of Diluted EPS (Nos.in Crore)	-	-
D. Weighted average number of shares for Diluted EPS (B+C) (Nos.in Crore)	2.73	2.73
(a) Basic EPS (in Rs.) (A/B)	(1.52)	(4.77)
(b) Diluted EPS (in Rs.) (A/D)	(1.52)	(4.77)

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

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Note 30: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a ratio of 'adjusted net debt' to equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents.

The company's adjusted net debt to equity ratio are as follows: NotApplicable since there is no Longterm or Short term borrowings.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Long term and Short term borrowings	-	-
Less: Cash and cash equivalents	-	-
Net debt	-	-
Total Equity	76.84	80.98
Net Debt to Equity ratio	0.00%	0.00%

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Note 31: Segment Reporting

The Company is engaged in the business of stainless steel bright bars and wires, which is the only reportable segment.

The chief operating decision maker monitors the operating results of its stainless steel bright bars and wires as a whole for the purpose of making decisions about resource allocation and performance assessment.

Information about geographical areas

a) Revenue from external customers:

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	451.18	377.25
Rest of the world	145.50	174.60
Total	596.68	551.85

b) Non current assets (other than financial instruments and tax assets):

(Rs. in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	0.02	14.27
Rest of the world	-	0.04
Total	0.02	14.31

c) Information about major customer:

Revenue of Rs. 283.36 Crore have been derived from two external customers (March 31, 2023: Rs.158.13 Crore from one external customer) which amounts to more than 10% of total revenue during the year ended March 31, 2024 and March 31, 2023. These revenue are attributable to stainless steel bright bars and wires, which is the only reportable segment.

Note 32: Employee Benefits

(a) Long term employee benefit obligations

The leave obligations cover the Company's liability for sick and earned leave.

The compensated absences credit for the year ended March 31, 2024 based on Companies policy of amounting to Rs.0.02 Crores has been charged to the Statement of Profit and Loss (Previous Year: Rs.0.01Crore credited to the Statement of Profit and Loss).

(b) Post employment obligations

Defined benefit plans

Gratuity

The Company has an defined benefit gratuity plan. Every employee who has completed fiveyears or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The plan is wholly unfunded. The amount recognised in the statement of profit and loss under note 24 -"Employee benefits expense" is Rs. 0.03 Crore (2023: 0.01 Crore)

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Note 33: Related Party Disclosures

a. Details of related parties:

Name of the related party	Description of Relationship
Mukand Limited	Parent Company (w.e.f. September 30, 2022)
Mukand Limited	Joint Venture (Investor) (upto September 29, 2022)
Mukand Heavy Engineering Limited	Fellow Subsidiary
Sumitomo Corporation, Japan	Joint Venture (Investor) (upto September 29, 2022)
Stainless India Limited	Other related parties (upto December 07,2023)
Mukand Sumi Special Steel Limited	Other related parties
Bombay Forging Limited	Other related parties
Mr. Arvind M. Kulkarni	Director & CEO
Mr. Kosuke Okamoto	Director (w.e.f. May 21, 2021 and upto May 10, 2022)
Mr. Vipul M. Mashruwala	Director
Ms. Anna Abraham	Director (upto August 09, 2022)
Mr. Kazushi Katayama	Director (upto September 30, 2022)
Mr. R. Sankaran	Independent Director
Mr. Masaki Sasamoto	Director (upto September 30, 2022)
Ms. Meeta Khalsa	Director (w.e.f. October 10, 2022)
Mr. K. J. Mallya	Company Secretary (upto April 30, 2022)
Mr. Rajendra Sawant	Company Secretary (w.e.f. May 17, 2022)
Mr. Umesh V. Joshi	Chief Financial Officer (upto May 31, 2022)
Mr. Dhanesh Coradia	Chief Financial Officer (w.e.f. June 01, 2022)

b. Details of related party transactions: (Rs. in Crore)

Name of the related party	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023
Mukand Limited	Purchase of Goods	607.97	595.96
	Sale of MEIS License	-	0.02
	Services Received	31.03	30.76
	Sale of Goods	50.92	46.03
	Services Rendered	5.43	4.81
	Interest paid	-	1.25
	Interest Received on advance paymen	-	-
	Advance Given	-	-
	Advance Repaid / Utilised	-	-
Sumitomo Corporation, Japan	Purchase of Capital Asset	-	0.02
	Management fees recovery	-	-
	Other miscellaneous (Reimbursable e	-	-
Other related parties Mukand Sumi Special Steel Limited	Other Miscellaneous (Reimbursable expenses charged)	-	-
Non-executive Directors	Directors Sitting Fees	0.04	0.02

c. Details of balances outstanding for related party transactions: (Rs. in Crore)

Name of the related party	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Mukand Limited	Trade Payable*	93.04	76.41
	Trade Receivable*	2.99	3.39
	Interest Payable	-	-

* Balances for current year will be transferred under the scheme refer note 39(1)

d. Key Management Personnel (KMP) compensation: (Rs. in Crore)

Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary to KMP (including perquisites)	-	-
Total Compensation	-	-

Compensation to KMP does not includes amount in respect of gratuity and leave as the same is not determinable.

d. Terms and conditions of transactions with related parties:
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. Further, all transactions and closing balances with related parties are reconciled by management.

e. There are no commitments with related parties.

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Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 34: Contingent Liabilities and Commitments

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Contingent liabilities not provided for		
Show Cause Notice cum demand issued on wrong availment of Service Tax	0.18	0.18
Duty paid under Protest - Goods & Service Tax	0.10	0.10
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided	-	0.06

Contingent liability as on current year will be transferred under scheme.

Note 35: Reconciliation of liabilities arising from financing activities:

Particulars	Opening Balance	Cash Movement	Business Acquisition / Disposals	Foreign exchange changes	Fair value changes	Others	Closing Balance
March 31, 2024							
Working capital Loan	-		-	-	-	-	-
Total	-	-	-	-	-	-	-
March 31, 2023							
Working capital Loan	5.00	(5.00)	-	-	-	-	-
Total	5.00	(5.00)	-	-	-	-	-

These cash movements are included within the following lines in the cash flow statement: proceeds / (repayment) from borrowings.

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Note 36: Fair Value Measurements

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilites not measured at fair value if the carrying amount is a

As at March 31, 2024	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets: Non-current								
Other Financial Assets	-	-	-	-	-	-	-	-
Financial Assets: Current								
Trade Receivable	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	0.57	0.57	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-	-
Assets to be transferred under Scheme	0.05	-	30.53	30.58	-	0.05	-	-
Total	0.05	-	31.10	31.15	-	0.05	-	-
Financial Liabilities: Current								
Short term borrowings	-	-	-	-	-	-	-	-
Trade Payables	-	-	0.01	0.01	-	-	-	-
Other Financial Liabilities	-	-	0.01	0.01	-	-	-	-
Liabilities to be transferred under Scheme	-	-	94.73	94.73				
Total	-	-	94.74	94.74	-	-	-	-

(Rs. in Crore)

As at March 31, 2023	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets: Non-current								
Other Financial Assets	-	-	0.10	0.10	-	-	-	-
Financial Assets: Current								
Trade Receivable	-	-	28.52	28.52	-	-	-	-
Cash and cash equivalents	-	-	2.83	2.83	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-	-
Total	-	-	31.46	31.46	-	-	-	-
Financial Liabilities: Current								
Short term borrowings	-	-	-	-	-	-	-	-
Trade Payables	-	-	78.76	78.76	-	-	-	-
Other Financial Liabilities	0.29	-	24.47	24.75	-	0.29	-	0.29
Total	0.29	-	103.23	103.51	-	0.29	-	0.29

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.

3. Forward pricing - The fair value is determined using quoted forward exchange rate at the reporting date and respective present value calculations based on high quality credit yield curves in the respective currency.

Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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Mukand Sumi Metal Processing Limited
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Note 37: Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's approach to addressing risks is comprehensive and includes periodic review of such risks and a framework for mitigating and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

(A) Credit Risk:
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other receivables
An impairment analysis is performed at each reporting date. The expected credit loss (ECL) over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. The Company management considers that all the Financial Assets are of good credit quality, including those that are past due. Majority of Customer have been transacting with the company for a quiet long period and none of these customers balance have been written-off or credit impaired at the reporting date.

ii. Cash and bank balances
The Company held cash and bank balance of Rs. 0.57 Crore at March 31, 2024 (March 31, 2023: Rs.2.83 Crore). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds, if any, in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

iii. Derivatives
The forward cover has been entered into with banks and financial institution counterparties with good credit rating.

iv. Others
Other than trade receivables reported above, the Company has no other financial assets which carries any significant credit risk.

(B) Liquidity Risk:
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

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(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

Contractual maturities of financial liabilities as at March 31, 2024	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Working Capital Facility from bank	-	-	-	
Trade payables	0.01	-	-	0.01
Other financial liabilities	0.01	-	-	0.01
Total non-derivative liabilities	**0.02**	-	-	**0.02**
Derivative				
Forward Contracts	-	-	-	-
Total derivative liabilities	-	-	-	-

(Rs. in Crore)

Contractual maturities of financial liabilities as at March 31, 2023	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Working Capital Facility from bank	-	-	-	-
Trade payables	78.76	-	-	78.76
Other financial liabilities	24.47	-	-	24.47
Total non-derivative liabilities	**103.23**	-	-	**103.23**
Derivative				
Forward Contracts	0.29	-	-	0.29
Total derivative liabilities	**0.29**	-	-	**0.29**

(C) Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

(a) Foreign currency risk exposure:

(Rs. in Crore)

As at March 31, 2024	USD	Euro
Financial Assets*		
Trade Receivables	6.89	3.58
Less: Foreign exchange forward contract	(6.89)	(3.58)
Net exposure to foreign currency risk (Assets)	-	-
Financial Liabilities		
Trade payables	-	-
Less: Foreign exchange forward contract	-	-
Net exposure to foreign currency risk (Liabilities)	-	-

* To be transferred under scheme

(Rs. in Crore)

As at March 31, 2023	USD	Euro
Financial Assets		
Trade Receivables	9.91	1.77
Less: Foreign exchange forward contract	(9.91)	(1.77)
Net exposure to foreign currency risk (Assets)	-	-
Financial Liabilities		
Trade payables	-	-
Less: Foreign exchange forward contract	-	-
Net exposure to foreign currency risk (Liabilities)	-	-

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(b) Sensitivity if the Exchange rate moves upward / downward:

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
USD		
Increase by 2%	-	-
Decrease by 2%	-	-
EURO		
Increase by 2%	-	-
Decrease by 2%	-	-

(c) Derivative instruments outstanding:

(Rs. in Crore)

Particulars		As at March 31, 2024*		As at March 31, 2023	
		Amount in Foreign Currency	Equivalent (in Rs.)	Amount in Foreign Currency	Equivalent (in Rs.)
For Exports:	USD	0.19	16.17	0.14	11.29
	EURO	0.17	15.28	0.18	16.67

* To be transferred under scheme

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

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

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	-	-
% of Borrowings out of above bearing variable rate of interest	0.00%	0.00%

(b) Sensitivity:

A change of 50 basis points in interest rates would have following impact on profit after tax and equity:

(Rs. in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest rates – increase by 50 basis points *	-	-
Interest rates – decrease by 50 basis points *	-	-

* Holding all other variables constant

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Note 38: Ratios

Sr. No.	Ratio	Numerator	Denominator	For year ended March 31, 2024	For year ended March 31, 2023	% Change in Ratio	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.54	1.52	0.99%	Refer note (b) below
2	Debt-Equity Ratio (in times)	Debt consists of borrowings	Total Equity	-	-	0.00%	Refer note (c) below
3	Debt Service Coverage Ratio (in times)	Earnings for Debt Service = Net Profit after taxes + Non Cash Operating Expenses + Interest + Other Non Cash Adjustments	Debt Service = Interest and lease payments + Principal Repayments	-	-	0.00%	Refer note (c) below
4	Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Total Equity	-5.25%	-14.87%	-64.72%	Refer note (d) below
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventory	5.84	5.76	1.33%	-
6	Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivables	22.66	16.68	35.88%	Refer note (e) below
7	Trade Payables Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	7.01	9.52	-26.32%	Refer note (a)
8	Net Capital Turnover Ratio (in times)	Revenue from Operations	Average Working Capital i.e. Total Current Assets less Total Current Liabilities	12.32	9.39	31.23%	Refer note (b) and (e) below
9	Net Profit Ratio (in %)	Profit for the year	Revenue from Operations	-0.63%	-2.15%	-70.58%	Refer note (d) and (e) below
10	Return on Capital Employed (in %)	Profit before tax and finance cost	Capital Employed = Tangible Net worth + Total Debt + Deferred Tax Liabilities	-7.36%	-21.13%	-65.15%	Refer note (d) below

Notes:

(a) The ratios computed above, includes the value of assets/ liabilities to be transferred under scheme.
(b) There are improvements in the Working Capital ratios primarily due to increase in turnover during the year.
(c) The Company doesn't have any debt obligation as at the end of the current year and debt equity ratio and debt service coverage ratio is Nil for the current year.
(d) The profitability ratios have improved dut to reduction in the losses.
(e) The revenue has been increased in current financial year as compared to previous financial year.

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MUKAND SUMI METAL PROCESSING LIMITED ★ MUMBAI

Mukand Sumi Metal Processing Limited
Notes forming part of the Financial Statements

Note 39:

1. Demerger Scheme
The Board of Directors of the Company and Mukand Limited ('ML') had approved demerger of Stainless Steel Cold Finished Bars and Wires division of the Company into ML as a going concern pursuant to a proposed Scheme of Arrangement amongst the Company, ML and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act 2013. The Scheme has been approved by the Board of Directors of the Company in their meeting held on February 07, 2024, with appointed date of the scheme being 01.04.2024. The scheme has been submitted to National Company Law Tribunal ('NCLT'), Mumbai for its approval.

According to the arrangement prescribed in the Scheme, all the assets and liabilities as listed below of the Stainless Steel Cold Finished Bars and Wires division of the Company will be transferred to and vested in ML.

Particulars	Amount (Rs in
A. Non-Current Assets	
Property, plant and Equipment	10.70
Goodwill	2.78
Financial Assets	
- Other Financial Assets	0.10
Non-Current Tax Assets	
Deferred Tax Assets	10.25
Total [A]	23.83
B. Current Assets	
Inventories	100.32
Trade Receivables	29.29
Cash and cash Equivalents	1.13
Other Financial Assets	0.05
Other Current Assets	14.61
Total [B]	145.40
Total Assets [A+B]	169.23
C. Non Current Liabilities	
Other Financial Liabilities	
Long- term provisions	0.02
Total [C]	0.02
D. Current Liabilities	
Trade payables	94.63
Other financial liabilities	0.10
Other current liabilities	0.19
Provisions	0.00
Total [D]	94.92
Total Equity & Liabilities [C+D]	94.94

2. Relationship with Struck off Companies

The Company does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

3. Loans & Advances in which Directors/ Promoters/ KMPs are interested
No Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

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MUKAND SUMI METAL PROCESSING LIMITED ★ MUMBAI

4. Utilization of Borrowed funds
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5. Undisclosed Income

The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

6. Details of Crypto Currenct or Virtual Currency

The Company have not traded or invested in Crypto currency or Virtual Currency during the current year or previous year.

7. Compliance with number of layers of companies
The Company does not have any subsidiary and hence the provisions of Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.

8. Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation. Refer below table for details for reclassifications.

Regrouped from	Amount	Regrouped to	Amount
Schedule 20 Revenue - sale of product	2.12	Schedule 27 Other Expenses - Export Commission	2.12
Schedule 22 Cost of materials Consumed - Closing Stock	3.04	Schedule 23 Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress - Closing Stock of Finished Stock	3.04
Schedule 25 Finance Costs - Other borrowing cost - Bank Charges	0.27	Schedule 27 Other Expenses - Miscellaneous Expenses	0.27

As per our attached report of even date.

For DHC & Co.
Chartered Accountants
Firm Registration No. 103525W

Pradhan Dass
Partner
Membership No: 219962

For and on behalf of Board of Directors of
Mukand Sumi Metal Processing Limited

R Sankaran
Director
DIN: 00381139

Arvind M. Kulkarni
Director & CEO
DIN: 01656086

Dhanesh K Goradia
Chief Financial Officer

Rajendra Sawant
Company Secretary

Place: Bengaluru
Date : May 14, 2024

Place: Mumbai
Date : May 14, 2024

DHC & CO. Chartered Accountants

MUKAND SUMI METAL PROCESSING LIMITED MUMBAI