

PM/BSE/32/2023-24

Date: 30th August, 2023

To,
Department of Corporate Services,
BSE Limited,
Floor 25, P.J. Towers, Dalal Street,
Mumbai-400 001

Scrip Code: 522105

Subject: Annual Report for the Financial Year 2022-2023 of 36th Annual General Meeting (AGM)

Dear Sir/Madam,

The Company had informed that the 36th Annual General Meeting (36th AGM) of the Company is scheduled to be held on Thursday, September 21, 2023, through Video Conference/Other Audio-Visual Means, in accordance, with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed the Notice convening the 36th AGM and the Annual Report of the Company for the financial year 2022-2023.

In accordance with the aforesaid circulars, the Notice of the 36th AGM and the Annual Report of the Company for the financial year 2022-2023 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company/Registrar and Share Transfer Agent/ Depository Participant(s).

Request you to take the same on records.

Thanking you

Yours Faithfully,

For Birla Precision Technologies Limited

PARTH
HARIPRASAD
MATOLIA
Digitally signed by
PARTH HARIPRASAD
MATOLIA
Date: 2023.08.30
17:28:04 +05'30'

Parth Matolia

Company Secretary & Compliance Officer

Birla Precision Technologies Limited

Regd. Office: 23, Birla Mansion No. 2, First Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai 400 004

Tel.: +91 022-23867498 **E-mail :** info@birlaprecision.com

Website : www.birlaprecision.com

An ISO 9001:2000 & ISO 14001:2004 Company CIN: L29220MH1986PLC041214



DAGGER BRAND®



SINCE 1937



Annual Report 2022-23

BIRLA PRECISION TECHNOLOGIES LIMITED

Registered Office 23, Birla Mansion No. 2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj,
Mumbai 400 004 Tel. No.: 022-23825060

Visit us at: www.birlaprecision.com Email id: info@birlaprecision.com

Corporate Identity Number (CIN): L29220MH1986PLC041214

Scrip Code (BSE): 522105

BOARD OF DIRECTORS:-

| | | |
|-------------------------|---|--|
| Mr. Vedant Birla | - | Chairman & Managing Director |
| Mr. Santhosh Kumar | - | Executive-Director |
| Mr. Aditya | - | Independent Director (Resigned w.e.f. 12.11.2021) |
| Mrs. Pooja Tiwari | - | Woman Independent Director (Resigned w.e.f. 10.02.2022) |
| Mr. Anil Santosh Verma | - | Independent Director (Resigned w.e.f. 08.08.2022) |
| Ms. Rekha Gupta | - | Independent Director (Resigned w.e.f. 08.08.2022) |
| Mr. Govind Gupta | - | Independent Director (Resigned w.e.f. 10.02.2022) |
| Mr. Rajeev Sharma | - | Independent Director (Resigned w.e.f. 08.08.2022) |
| Mr. Sanjay Kothari | - | Non Executive Non Independent Director (Appointed w.e.f. 10.02.2022) |
| Mr. Srinivasan Raghavan | | |
| Dorai Rajan | - | Independent Director (Appointed w.e.f. 10.02.2022) |
| Mr. Vikas Thapa | - | Independent Director (Appointed w.e.f. 08.08.2022) |
| Ms. Raji Vishwanathan | - | Woman Independent Director (Appointed w.e.f. 08.08.2022) |
| Ms. Tulsi Jayakumar | - | Independent Director (Appointed w.e.f. 08.08.2022) |

KEY MANAGERIAL PERSONNELS

| | | |
|-------------------|---|-----------------------------------|
| Mr. Harish Pareek | - | CFO (Appointed w.e.f. 10.02.2022) |
| Mr. Parth Matolia | - | Company Secretary |

STATUTORY AUDITORS

: M/s Valawat & Associates
Chartered Accountant
Udaipur

BANKERS

: Bank of Baroda
Janata Sahakari Bank

PLANT LOCATIONS

: **Tool Holder Division:**
B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133
Tool Division:
B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431 133
62/63, M.I.D.C., Satpur, Nashik – 422 007
Foundry Division:
B-15/3/2, M.I.D.C. Area, Waluj, Aurangabad – 431 133

REGISTRAR & SHARE TRANSFER AGENTS

: M/s. Kfin Technologies Limited
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli,
Nanakramguda, Serlingampally,
Hyderabad – 500 032

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NOTICE OF THE 36TH ANNUAL GENERAL MEETING

NOTICE Is Hereby Given That The 36th Annual General Meeting Of Members Of Birla Precision Technologies Limited Will Be Held On Thursday, 21st September, 2023 At 11:30 A.m. Ist Through Video Conferencing (“Vc”)/Other Audio-Visual Means (“Ovam”) To Transact The Following Business:

Ordinary Business:

1. **Adoption of Financial Statements for the financial year ended March 31, 2023:**

To consider, and if thought fit, to pass, the following resolution, as an **Ordinary Resolution**:

“**RESOLVED THAT** the Standalone Audited Financial Statements i.e. Balance Sheet, Profit and Loss Account, Cash Flow Statement and notes forming part thereof together with the reports of Board of Directors and Auditors thereon for the year ended March 31, 2023 and also audited consolidated financial statements of the Company and reports of auditor’s thereon for the year ended March 31, 2023 as circulated to the members and laid before the meeting be and hereby are considered and adopted.”

2. **Re-Appointment of Mr. Sanjay Kothari (DIN: 00258316) as a Director, liable to retire by rotation, who has offered himself for re-appointment:**

To consider, and if thought fit, to pass, the following resolution, as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) made thereof, for the time being in force), if any, Mr. Sanjay Kothari (DIN: 00258316) who retires by rotation at this Annual General Meeting and being eligible has offered himself for the re-appointment, be and is hereby appointed as Director of the Company, liable to retire by Rotation.”

Special Business:

3. **Ratification of remuneration payable to the Cost Auditors**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof) and based on recommendation of the Audit Committee and approval of the Board of Directors, the remuneration of ₹ 75,000/- (Rupees Seventy-Five Thousand Only) exclusive of applicable GST, travelling and out-of-pocket expenses payable to Mr. Jayant Galande, Cost Accountant, (Firm Registration No. 100099) as Cost Auditors to conduct the Cost Audit for the financial year 2023-24 be and is hereby ratified and approved.”

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving the effect to this resolution and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect this resolution..”

**By order of the Board of Directors
For Birla Precision Technologies Limited**

Sd/-

Parth Matolia
Company Secretary
M. No.:- A66212

Place: Mumbai

Date: 29th August, 2023

Registered Office:

**23, Birla Mansion No. 2, 1st Floor,
D. D. Sathe Marg, Prarthana Samaj,
Mumbai 400004, India**

Notes:

1. In view of General Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, and Circular No.02/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”), Circular No. SEBI/HO/CFD/CMD1/CIR/ P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR /P/2021/11 dated January 15, 2021, Circular SEBI/ HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, and Circular SEBI/HO/ CFD/PoD-2/ P/CIR/2023/4 dated January 05, 2023, issued by the Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations/SEBI Listing Regulations”), the 36th Annual General Meeting (‘36th AGM’) of the Company is being conducted through VC/ OAVM Facility, which does not require the physical presence of members at a common venue. .
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended, and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 36th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (‘NSDL’) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting, participation in the AGM through VC/OAVM and the e-voting system on the date of the 36th AGM will be provided by NSDL .
3. Pursuant to MCA Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, and Circular No.02/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022, respectively, as the AGM shall be conducted through VC/OAVM ,the AGM shall be conducted through VC/OAVM, the facility for appointment of proxy by the members to attend and cast vote for the members is not available for this AGM and hence the proxy form and attendance slip including Route map are not annexed to the Notice. However, in pursuance of Section 113 of the Companies Act, 2013, the Body Corporate member/ institutional members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate and cast their votes through e-voting. Accordingly, Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at cs@birlaprecision.com.
4. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Regulation 36 (1)(b) and (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively. However, in line with the MCA General circular No. 10/2022 dated December 28, 2022 issued by MCA and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by SEBI, relating to dispatch of hard copies of Annual Report for the Financial Year 2022-23 and the Notice of AGM are being sent in electronic mode to Members whose names appear on the Register of Members/ List of Beneficial owners as received from M/s. KFin Technologies Ltd. (“RTA”) and whose email address is available with the RTA, the Company or the Depository Participant(s) as on Friday, August 25, 2023. Members may note that, Notice and Annual Report 2022- 23 can also be accessed from the website of the Company at www.birlaprecision.com and on website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. <https://www.evoting.nsdl.com/>.

6. For the convenience of the members and proper conduct of the AGM, Members can login and join the AGM in the VC/OAVM mode at least 15 (fifteen) minutes before the time scheduled for the commencement of the Meeting by following the procedure mentioned below. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the 36th AGM and the relevant details of director seeking appointment and re-appointment as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as required under Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.
8. The Register of Members and Transfer Books of the Company will be closed from **Friday, 15th September, 2023 to Thursday, 21st September, 2023**, both days inclusive for the purpose of the 36th AGM of the Company.
9. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2020. In view of the above, Members are advised to dematerialize shares held by them in physical form.
10. Members holding the shares in physical form are requested to notify immediately any update/change of address and/or details of PAN and Bank account to M/s. KFin Technologies Ltd (“RTA”), the Registrar and Share Transfer Agent of the Company. In case shares held in dematerialized form, the information regarding change/update of address, details of bank and PAN should be given to their respective Depository Participant.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Shareholders can avail the facility of nomination in respect of shares held by them in physical form, pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules framed thereunder. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to M/s. KFin Technologies Ltd (“RTA”). Members holding in electronic form may contact their respective Depository Participants for availing this facility.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. KFin Technologies Ltd (“RTA”).
14. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend whenever declared. For the safety and interest of the Shareholders, it is important that bank account details are correctly provided to the Depository Participants and registered against their demat account.
15. Shareholders holding shares in physical mode, who have not provided the information regarding bank particulars, are requested to register/update their Bank details (e.g. name of the bank and the branch, bank account number; 9 digits MICR number; 11 digit IFS Code and the nature of account) online with KFin Technologies Ltd. on its website (at [https:// www.kfintech.com/](https://www.kfintech.com/)) along with the copy of the signed request letter mentioning the name and address of the Shareholder; scanned copy of the Share Certificate (front and back), self-attested copy of the PAN Card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Shareholder along with a copy of latest cancelled cheque with the Shareholder's name. Shareholders holding shares in electronic mode are requested to register their Bank details with the relevant Depository Participant.

16. SEBI has mandated those securities of listed companies can be transferred only in dematerialized form from April 01, 2020, except in case of transmission and transposition of securities. In view of the same and to avail various benefits of dematerialization, Shareholders are advised to dematerialize shares held by them in physical form and for ease in portfolio management. Shareholders can contact the Company or KFin Technologies Ltd. for assistance in this regard. Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.
17. The Board of Directors have appointed Cs Shashank Ghaisas - Partner of M/s. AVS & ASSOCIATES - M. No.: FI1782 Partner of M/s. AVS & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the votes cast through the e-voting system at the meeting and remote e-voting process in a fair and transparent manner.
18. The Scrutinizer shall submit his report to the Chairman of the Meeting or any person authorized by him within 2 Working days of the conclusion of the AGM. The Results declared along with the report of Scrutinizer shall be placed on the website of the Company www.birlaprecision.com and on website of NSDL immediately after declaration of results by the Chairman or person authorized by him in this behalf. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.
19. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, September 14, 2023 ("Cut-off date"), are entitled to avail the facility of remote e-voting as well as e-voting system as on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
20. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Thursday, September 14, 2023 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned below.
21. The remote e-voting period will commence at 9.00 a.m. on Monday, September 18, 2023 and will end at 5.00 p.m. on Wednesday, September 20, 2023. In addition, the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible for e-voting at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
22. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of Companies Act, and all other documents referred to in the Annual Report, will be available in electronic mode. Members can inspect the same by sending an email to cs@birlaprecision.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Monday, 18th September, 2023, at 09:00 a.m. and ends on Wednesday, 20th September, 2023 at 05:00 p.m.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 14th September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 14th September, 2023.

How do I vote electronically using NSDL e-Voting system?


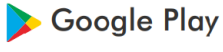


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system:

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL.</p> | <ol style="list-style-type: none"> <li data-bbox="416 314 1474 588">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="416 604 1474 691">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="416 707 1474 982">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="416 997 1474 1053">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p data-bbox="432 1069 895 1101">NSDL Mobile App is available on</p> <div data-bbox="432 1129 895 1347">     </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> <li data-bbox="416 1371 1474 1487">1. Existing users who have opted for Easi / Easiest, they can login through their userid and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. <li data-bbox="416 1502 1474 1558">2. After successful login of Easi/Easiest the user will be also able to see the EVoting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. <li data-bbox="416 1574 1474 1630">3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <li data-bbox="416 1646 1474 1799">4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demataccount with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demataccount with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
5. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
7. Now, you will have to click on "Login" button.
8. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail shashank.ghaisas@avsassociates.co.in with a copy marked to evoting@nsdl.com
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in

the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre (Sr. Manager) at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@birlaprecision.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@birlaprecision.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

THE INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@birlaprecision.com. The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM

The results declared along with the Scrutinizer's Report shall be placed on the Company's Website:www.birlaprecision.com and on the website of the service provider i.e. NSDL immediately after the result is declared and shall simultaneously also be communicated to BSE Limited.

By order of the Board of Directors
For Birla Precision Technologies Limited

Sd/-
Parth Matolia
Company Secretary
M. No.:- A66212

Place: Mumbai
Date: 29th August, 2023
Registered Office:
23, Birla Mansion No. 2, 1st Floor,
D. D. Sathe Marg, Prarthana Samaj,
Mumbai MH 400004, India

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE “ACT”)

As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item No. 3 of the accompanying Notice.

ITEM NO. 3

The Board of Directors of the Company at their meeting held on May 26, 2023 based on the recommendation of the Audit Committee, had considered and approved the re-appointment and remuneration of Mr. Jayant Galande, Cost Accountant (Firm Registration No. 100099), as the Cost Auditor for the audit of the cost accounting records of the Company for the Financial Year ending March 31, 2024, at a remuneration of ₹ 75,000/- (Rupees Seventy-Five Thousand only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with audit. Mr. Jayant Galande, Cost Accountant (Firm Registration No. 100099) have confirmed that they hold a valid certificate of practice under sub section (1) of Section 6 of the Cost and Work Accountants Act, 1959 and is not disqualified under section 141 read with section 148 of the Companies Act, 2013 and rules made thereunder.

Pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost records and Audit) Rules, 2014 (including any statutory modification(s) and/ or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending March 31, 2024.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution set out at Item No. 3 of the Notice.

By order of the Board of Directors
For Birla Precision Technologies Limited
Sd/-
Parth Matolia
Company Secretary
M. No.:- A66212

Place: Mumbai
Date: 29th August, 2023
Registered Office:
23, Birla Mansion No. 2, 1st Floor,
D. D. Sathe Marg, Prarthana Samaj,
Mumbai MH 400004, India

Additional Disclosures/Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and applicable provisions of Secretarial Standard – 2

| | |
|---|--|
| Name of the Director | Mr. Sanjay Kothari |
| Age | 59 |
| Work Experience in functional area | 30 Years |
| Qualifications | Associate Member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India. |
| Terms and Condition of Appointment & Last Remuneration | As per the Appointment Letter |
| Remuneration sought to be paid | Other than sitting fees for Board Meetings attended by him, no other remuneration is paid to him. |
| Directorship in other Companies including Listed Company | 7 |
| Membership of Committees of other Companies including Listed Company (Audit Committee /Nomination Remuneration Committee/Stakeholders Relationship Committee) | 7 |
| No. of Shares held in the company | Nil |
| First Appointment by the Board | 10/02/2022 |
| Relationship with other Director, Manager & KMP | Nil |
| Board Meeting attended (F.Y. 2022-23) | 6 |

By order of the Board of Directors
For Birla Precision Technologies Limited
Sd/-
Parth Matolia
Company Secretary
M. No.:- A66212

Place: Mumbai
Date: 29th August, 2023
Registered Office:
23, Birla Mansion No. 2, 1st Floor,
D. D. Sathe Marg, Prarthana Samaj,
Mumbai MH 400004, India

BOARD'S REPORT

Dear Members,

The Board of Directors ("Board") are pleased to present the Company's 36th Annual Report on business and operations, together with the Audited standalone and consolidated Financial Statements along with the Report of the Auditors for the year ended March 31, 2023.

I. FINANCIAL PERFORMANCE:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Accounts) Rules, 2014.

The financial highlights of your Company for the year ended March 31, 2023 are summarized as follows:

| Particulars | For the Year ended 31.03.2023 | For the Year ended 31.03.2022 |
|---|-------------------------------|-------------------------------|
| Total Income | 26,364.62 | 24,832.22 |
| EBITDA | 2858.24 | 2066.85 |
| Less: Depreciation | 462.01 | 408.11 |
| EBIT | 2396.23 | 1658.74 |
| Less: Finance Cost | 331.21 | 527.58 |
| Profit before exceptional items and tax | 2065.02 | 1131.16 |
| Less: Exceptional items | Nil | Nil |
| Profit Before Tax | 2065.02 | 1131.16 |
| Less: Tax Expenses | 536.70 | 13.11 |
| Profit after Tax | 1528.32 | 1118.05 |

a. **Overview of Performance**

During the Financial Year under review, the Company delivered a healthy performance achieving a robust turnover a total revenue ₹ 26379.74 lakhs as against ₹ 24832.22 lakhs in the corresponding previous financial year. The EBIDTA margin as a percentage of sales, has been a healthy EBITDA grew from ₹ 2066.85 lakhs in the previous year to 2858.24 lakhs in year under review. Net profit (before tax) grew at phenomenal growth rate of 82.56% i.e. from ₹ 1131.16 lakhs in the previous year to ₹ 2065.02 lakhs in the year under review. Net profit (after tax) marked a growth rate of 36.70% i.e. from ₹ 1118.05 lakhs to ₹ 1528.32 lakhs.

Your Company has been able to add new customers and strengthen its share of business in existing customers, which resulted in a growth of sales as mentioned above. Additionally, the Company has been able to keep a tight control on costs and process wastage, which resulted in achievement of healthy margins. Your Company took timely and proactive measures to ensure the safety of its employees, operations and uninterrupted services to its customers.

Your company's management shall endeavor to continue to focus on cutting costs and concentrate on better productivity so as to overcome these uncertain and difficult times.

b. **Cash Flow Statement:**

The Cash Flow statement for the year 2022-2023 is attached to the Balance Sheet.

c. **Dividend:**

Your Directors have not recommended dividend for the year ended 31st March, 2023.

d. **Transfer to Reserves:**

The Company proposes to transfer Nil amount to the General Reserve Account during the financial year ended March 31, 2023.

e. **Deposits:**

In terms of sections 73 and 74 of the Act read with relevant Rules, your Company has not accepted any fixed deposits during the year under review.

f. **Particulars of Loans, Guarantees and Investments:**

Details of Loans, Guarantees and Investments made by your Company and covered under the provisions of Section 186 of the Act are appended as notes to the financial statements.

II. CHANGES IN SHARE CAPITAL:

There are no changes in the Share Capital of the Company during the financial year 2022-23. The paid-up equity share capital of the company as on 31st March, 2023 is ₹ 13,05,42,274/-

III. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES:

As on March 31, 2023, the Company has Five subsidiaries in the name and style of "Birla Accucast Limited ", Birla Engineering Private Limited, Birla Durotool Private Limited and foreign subsidiaries in the name and style of "Birla Precision USA Limited" incorporated in USA and "Birla Precision Technologies GmbH" incorporated in Germany.

Your Company does not have any, Associate & Joint Venture Company as on 31st March, 2023. Furthermore, a statement containing the salient features of the financial statements of the company's subsidiaries in the prescribed 'Form AOC-I' is attached as 'Annexure -I' forms part of the Board's report.

IV. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The detailed review of the operations, state of affairs, performance and outlook of the Company and its business as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of Annual Report under the head 'Management Discussion and Analysis'.

V. DIRECTORS & KEY MANAGERIAL PERSONNEL ('KMP'):

a. Appointment/Re-appointment:

There were no changes in the composition of Key Managerial Personnel during the year under review except for the mentioned changes:

There is a change in the composition of the board of directors during the year under review:

Mr. Rajeev Sharma (Non –non-executive independent Director), Mr. Srinivasa Raghavan Dorai Rajan (Non –Executive Independent Director) and Mr. Sanjay Kothari (Non –Executive Non-Independent Director) were inducted to the Board w.e.f. 10.02.2022. Mr. Anil Verma (Non–Executive Independent Director), Ms. Rekha Gupta (Non-Executive Independent Director) and Mr. Rajeev Sharma (Non–Executive Independent Director) had resigned on 08.08.2022. Mr. Vikas Thapa (Non –Executive Independent Director), Ms. Raji Vishwanathan (Woman Non-Executive Independent Director) and Ms. Tulsi Jayakumar (Non –Executive Independent Director) were appointed to the board on 08.08.2022

b. Retires by rotation:

In accordance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company, Mr. Sanjay Kothari (DIN: 00258316), non-Executive Non-Independent Director, is liable to retire by rotation at the ensuing 36th AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible offers himself for re-appointment, on the recommendation of the Nomination & Remuneration Committee and Board of Directors.

In pursuance of Regulation 36 of the SEBI Listing Regulations read with Secretarial Standard – 2 on General Meetings relating to Mr. Sanjay Kothari is given in the Notice of 36th AGM.

c. Key Managerial Personnel (KMPs):

In terms of Section 203 of the Act, during the financial year 2022-23 there are no changes in the Key Managerial Personnel of the Company.

d. Declaration given by the Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 along with declaration received pursuant to sub rule (3) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also furnished the declaration pursuant to Regulation 25(8) of the Listing Regulations affirming compliance to the criteria of Independence as provided under Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have individually confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations and confirmations of the Independent Directors and after undertaking due assessment of the veracity of the same, the Board of Directors recorded their opinion that all the Independent Directors are independent of the Management and have fulfilled

all the conditions as specified under the governing provisions of the Companies Act, 2013 and the Listing Regulations. Further, the Independent Directors have also confirmed that they have complied with the Company's code of conduct.

During the year 2022-23 a separate meeting of Independent Director was held on 29.08.2022 without the presence of Executive Directors or management representatives and the following matters were discussed:

Review the performance of Non-Independent Directors of the Company, except Chairman

e. Independent Directors' Familiarization Policy:

In compliance with the requirements of Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a Familiarization Program for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, etc. The details of the training and familiarization program have been provided under the Corporate Governance Report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties, and responsibilities. Details of the Familiarization Program conducted are available on the Company's website : <https://www.birlaprecision.com/documents/investor/Policies/Independent%20Director%20Familiarization%20Programme.pdf>.

The Familiarization Policy of the Company seeks to familiarize the Independent Directors with the working of the Company, their roles, rights and responsibilities with respect to the Company, the industry in which the Company operates, business model, etc.

f. Performance Evaluation of Board:

The criteria for performance evaluation are broadly based on the Guidance Note issued by the SEBI on Board Evaluation which included aspects such as the structure and composition of Committees, the effectiveness of Committee Meetings, etc. Board evaluation processes, including in relation to the Chairman, individual directors, and committees, constitute a powerful and valuable feedback mechanism to improve Board effectiveness, maximize strengths and highlight areas for further development.

The manner of evaluation has been explained in the Corporate Governance Report forming part of this Annual Report.

g. Criteria for selection of Directors, KMPs and Senior leadership positions and their remuneration:

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration Committee, the Board has adopted the Nomination & Remuneration Policy for selection and appointment of Directors, Senior Management including Key Managerial Personnel (KMP) and their remuneration. The details of Remuneration Policy are stated in the Corporate Governance Report. The policy is available on the Company's website at the weblink: <https://www.birlaprecision.com/documents/investor/Policies/CODE%20OF%20CONDUCT%20FOR%20BOARD%20OF%20DIRECTORS%20AND%20SENIOR.pdf>.

The policy contains, inter-alia, principles governing Directors', KMPs, Senior Management Personnel appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of Directors, etc.

h. Code of Conduct:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and specified employees in the course of day-to-day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/behaviour in any form and the Board has laid down certain directives to counter such acts. Such code of conduct has also been placed on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. A declaration to this effect signed by the Whole Time Directors of the Company appears elsewhere in this Annual Report.

VI. MEETINGS OF THE BOARD:

During the financial year 2022-23, 7(seven) Board meetings were convened.

The details of Board and Committee meetings held during the year under review, are given in the Corporate Governance Report, and is annexed as an '**Annexure - IV**' to this Board's Report. The gap between these meetings was within the prescribed period under the Act and the SEBI Listing Regulations.

VII. COMMITTEES OF BOARD:

In accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had the following Four (4) Committees as on March 31, 2023:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders Relationship Committee,
- Corporate Social Responsibility Committee

A detailed update on the Board, its committees, its composition, detailed charter including terms of reference of various Board Committees, number of committee meetings held, and attendance of the directors at each meeting is provided in the Corporate Governance Report, which forms part of this Annual Report.

VIII. PARTICULARS OF CONTRACTS WITH RELATED PARTIES / RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and amendment to the Listing Regulations, the Company has formulated a revised Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on related party transactions is available on the Company's website at [https://www.birlaprecision.com/documents/investor/Policies/Policy-Related-Party Transaction.pdf](https://www.birlaprecision.com/documents/investor/Policies/Policy-Related-Party%20Transaction.pdf)

All related party transactions are placed before the meeting(s) of Audit Committee for its review and approval. Prior/Omnibus approval of the Audit Committee is obtained on an annual basis for a financial year; for the transactions which are of a foreseen and repetitive in nature. The statement giving details of all

related party transactions entered into pursuant to the omnibus approval together with relevant information are placed before the Audit Committee for review and updated on quarterly basis.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. During the year under review, the Company has not entered into any contracts/ arrangements/ transactions with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions. Hence, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in '**Form AOC-2**' is not applicable.

IX. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

The Act introduced regulations with focus on control and compliance requirements, in light of which, the Company has laid down internal financial controls across various processes prevalent in the organization. These controls have been established at the entity as well as process level and are designed to ensure compliance to internal control requirements, regulatory compliance and enable appropriate recording of financial and operational information. The Company has reviewed the effectiveness of its internal financial controls by adopting a systematic approach to assess the design and its operating effectiveness.

During the financial year 2022-23, such controls were tested and no reportable material weakness in the design or operation was observed. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

X. AUDITORS AND AUDITORS' REPORT:

a) Statutory Auditors & their Report:

The Company's Statutory Auditors, M/s. Valawat & Associates, Chartered Accountants (ICAI Firm Registration No. 003623C) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 33rd Annual General Meeting held on 29th December, 2020 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. The requirement of

seeking ratification of members for continuing the appointment of Statutory Auditors at every AGM was withdrawn by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018.

M/s. Valawat & Associates, Chartered Accountants have confirmed that they are eligible and are in compliance with the provisions specified under Section 141(3)(g) of the Act and they are not disqualified to act as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014. The Report of the Statutory Auditor forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditors' Report are self-

explanatory and therefore do not call for any further comments.

b) Secretarial Auditor & their Report:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Anil Kumar Somani Proprietor of Anil Somani & Associates, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2023.

The Secretarial Audit Report for the financial year ended March 31, 2023 is enclosed to this report as "**Annexure II**". The Secretarial Audit Report is self-explanatory except below observations:

Auditors Observation and Managements Reply:

| Sr. No. | Observations | Reply to the Observations |
|---------|---|---|
| 1. | The Company has not filed disclosure as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 regarding Fund raising by issuance of Debt Securities by Large Corporate for March, 2022 | SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26 th November, 2018 is applicable to all listed entities which as on last day of the financial year have their specified securities or debt securities or non-convertible redeemable preference share, listed on a recognised stock exchange(s) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and have an outstanding long term borrowing of Rs 100 crores or above, where outstanding long-term borrowings shall mean any outstanding borrowing with original maturity of more than 1 year and shall exclude external commercial borrowings and inter-corporate borrowings between a parent and subsidiary(ies); and have a credit rating of "AA and above", where credit rating shall be of the unsupported bank borrowing or plain vanilla bonds of an entity, which have no structuring/ support built in; and in case, where an issuer has multiple ratings from multiple rating agencies, highest of such rating shall be considered for the purpose of applicability of this framework. Looking into the applicability criteria, our Company does not fall into this framework. However, the Company is always being a Compliance oriented, so voluntarily filed quarterly disclosures regarding fund raising and had not filed yearly disclosure. |
| 2. | The Company has not filed Confirmation certificate in the matter of Regulation 74(5) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for the quarter ended September, 2022. | The Company has filed Confirmation certificate in the matter of Regulation 74(5) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for the quarter ended September, 2022 but inadvertently, the Certificate of Practising Company Secretary of Reco Report was enclosed rather the certificate from Registrar and Share Transfer Agent. |
| 3. | The Company has delayed filed financial results (In XBRL) for the quarter ended 31.03.2022 and 30.09.2022 with BSE Ltd. | As per Regulation 33 of Listing Regulations, the Company is required to file Financial Results in XBRL mode within 24 hours of submission of results in PDF mode. Due to technical error of validation of excel utility in XBRL mode, the results were not filed within the prescribed time limit. However, the Company had filed the results through listing portal in PDF mode. |
| 4. | The Company has delayed submitted Scrutinizer report on 09.05.2022 for postal ballot completed on 05.05.2022 and also delayed filed outcome of postal ballot on 10.05.2022 and the company has delayed filed voting results (In XBRL) on 11.05.2022 | As per Rule 22(9) of the Companies (Management and Administration) Rules, 2014, the Scrutinizer's report is to be submitted as soon as possible after the last date of receipt of postal ballot but not later than seven days thereof. The Company has complied with the said provisions and submitted the report on 10.05.2022 the same was communicated with the auditor also but due to differential opinion on it, the Auditor has mentioned the remark. |

| | | |
|-----|--|---|
| | for the postal ballot completed on 05.05.2022 | As far as voting results are concerned, the same has to be submitted to the stock exchange within 24 working hours of the voting results. It was filed within the prescribed timeline. While calculating timeline, auditor has considered public holidays as working time. |
| 5. | Compliance certificate filed for the year ended 31.03.2022 under Regulation 7(3) of SEBI (LODR), 2015 was not signed by Company Secretary and compliance officer of the Company as required under Regulation 7(3). | Compliance Certificate under Regulation 7(3) of Listing Regulations was filed by the Company Secretary along with Certificate received from Registrar and Share Transfer Agent, KFin Technologies Limited. Due to oversight, the Compliance Certificate was not signed by the Company Secretary of the Company. |
| 6. | The Company has given notice of AGM to BSE Ltd on 04.09.2022 but delayed given advertisement in newspaper for notice of AGM on 11.09.2022 as per Regulation 47 of SEBI (LODR), 2015. | To avoid such non-compliances in future, the Company has taken cautionary measures |
| 7. | The Company has not filed statement of investor complaints (In XBRL) for the quarter ended 30.06.2022 and also delayed filed statement of investor complaints (In XBRL) on 09.11.2022 for the quarter ended 30.09.2022 as per Regulation 13(3) of SEBI (LODR), 2015. | As per BSE circular dated 12th April, 2022 pertaining to XBRL based filing of Statement of investor complaint under Regulation 13(3) for Listed Companies at BSE, filing of Investor Complaint in XBRL mode made mandatory for all listed Companies from quarter ended 30th June, 2022. As it was the first time applicability of the Compliance, the report was filed delayed due to technical error of validating the excel utility. For September 2022 quarter, due to oversight, the Company Secretary had filed the report in pdf mode and delayed filing of report in XBRL mode. |
| 8. | The Company has not complied disclosure requirement of material as well as other subsidiaries. | The Company has complied with Material disclosures requirements of its subsidiaries as transactions with its subsidiaries were in ordinary course of business. |
| 9. | The Company has not uploaded all documents/ information as required under Regulation 46 of SEBI (LODR) Regulations, 2015 | The Company is continuously updating its website as and when required under Regulation 46 of Listing Regulations |
| 10. | The Company has not adopted all applicable policies prescribed under SEBI LODR Regulations, 2015. | The Company has adopted the policies which are applicable to our Company. Also the Company has taken adequate measures to review and implement other policies, if any, applicable to the Company |
| 11. | 100% promoters and promoter group shareholding of the Company as on 31.03.2023 are not holding in dematerialized form as per Regulation 31 (I) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 | The demat account of Mr. Yashovardhan Birla has been attached by a court order which is not related to the Company. Mr. Yashovardhan Birla has filed an application to detach the same which is yet to come up for hearing, as soon as the attachment will be removed the "Physical Holding consisting 21919 shares will be converted into the "Demat Holding" |
| 12. | The constitution of audit committee of the Company not as per Regulation 18(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 during the year and BSE Ltd. imposed a fine of ₹ 344560/-. | As per Regulation 18(1) of Listing Regulations pertaining to Constitution of Audit Committee, at least two third of the members of the Committee shall comprise Independent Directors. During the period of August and December, appointments and resignation of directors were taken place. Thereby the constitution of the committees were altered too and recognition of regulation was not considered inadvertently. It came into light to the management after receiving notice of fine from the stock exchange. The Management promptly made the payment of fine and had reconstituted all its Committees as required under the SEBI (LODR) and also seek to eliminate such errors in future. |
| 13. | The Company has not filed Annual Return on Foreign Liabilities and Assets and Annual Performance Report (APR) to RBI for foreign subsidiaries of the Company | Due to technical issues while log in to the RBI portal for filing Annual Return on Foreign Liabilities and Assets and Annual Performance Report (APR), the same was not filed through online portal of RBI. Though, being a compliance oriented organisation, the report was mailed to the concerned person via email within the specified time limit. The auditor is of the view of non-compliance though it was filed |

c) Internal Auditor:

The Board, upon the recommendation of the Audit Committee, has appointed M/s. Samp & Co., Chartered Accountants bearing Firm Registration Number: 023782N as the Internal Auditors of the Company for the financial year ended 2023-24. M/s Samp & Co., Chartered Accountants have confirmed their eligibility and have granted their consent to act as Internal Auditors of the Company for the financial year 2023 - 24.

d) Cost Auditor:

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, on recommendations of Audit Committee, your Directors had appointed Mr. Jayant Galande Cost Auditor to audit the cost accounts of the Company for the Financial Year ending 31st March, 2023 at a remuneration of ₹ 75,000/- p.a. (Rupees Seventy-Five Thousand Only) plus applicable GST and reimbursement of out of pocket expenses etc. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification.

XI. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the “**Annexure III**” to the Board’s Report.

XII. CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best Corporate Governance Practices as prevalent globally.

In compliance with Regulation 34 and Schedule V of SEBI (LODR) Regulations, 2015, report on the Corporate Governance is annexed as “**Annexure IV**” and forms part of the Annual Report.

XIII. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company’s guiding principle for CSR is to build its relationship with stakeholders and the community at large, and to contribute to their long term social good and welfare. Your company, as a matter of duty, has been carrying out the CSR activities since long even when there were no statutory requirements in this regard. In compliance of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee. The Corporate Social Responsibility (‘CSR’) Committee of the Board is responsible for evaluation and implementation of CSR Projects. Salient features of the CSR Policy are as follows:

- It lays down CSR Philosophy, Vision and Commitment of the Company.
- It specifies guidelines for implementation of CSR Projects through CSR Partners including eligibility criteria for CSR Partners.
- It also lays down roles and responsibilities of the CSR Committee.

During the year under review, no change was made in the CSR Policy. This Policy is disclosed on the Company’s website at <https://www.birlaprecision.com/documents/investor/Policies/Policy-Corporate-Social-Responsibility.pdf>.

XIV. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company’s Code of Conduct. Under the vigil mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of Regulation 22 of the SEBI Listing Regulations, protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the vigil mechanism.

The Whistle Blower Policy is available on the Company’s website at the weblink: <https://www.birlaprecision.com/documents/investor/Policies/Whistleblower%20Policy.pdf>.

XV. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace. This has been widely communicated internally. Your Company has constituted 'Internal Complaints Committee' to redress complaints relating to sexual harassment at its workplaces. The Company has not received any complaints relating to sexual harassment during financial year 2022-23.

XVI. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

There are no significant or material orders passed by any Regulators / Courts which would impact the going concern status of the Company and its future operations.

XVII. ANNUAL RETURN:

The Annual Return of the Company as of 31st March, 2023, in Form MGT - 7 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.birlaprecision.com/uploads/news/Annual-Return_2022-2023.pdf-Active.pdf

By virtue of an amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide an extract of the Annual Return (form MGT- 9) as part of the Board's Report.

XVIII. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office/ Corporate Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

XIX. COMPLIANCE OF ACCOUNTING STANDARDS:

As per requirements of the SEBI Listing Regulations and applicable Accounting Standards, your Company has made proper disclosures in the Financial Statements. The applicable Accounting Standards have been duly adopted pursuant to the provisions of Sections 129 and 133 of the Act.

XX. COMPLIANCE OF SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards (SS-1 and SS-2), issued by the Institute of Company Secretaries of India and forming part of the Act, on meetings of the Board of Directors and General Meetings.

XXI. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts, for the financial year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. the directors had 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 as at March 31, 2023, and of the profit/ loss of the Company for the financial year from April 1, 2022, to March 31, 2023.;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate.

XXII. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditors reported to the Audit Committee, of any instances of fraud committed in the Company by its officers or employees, as required under Section 143(12) of the Act.

XXIII. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments other than in the normal course of business have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. However, during the year under review, the Company has incorporated a subsidiary company named as "Birla Durotool Private Limited" dated 20th December, 2022.

XXIV. CHANGE IN THE NATURE OF COMPANY'S BUSINESS:

There has been no change in the nature of business of the Company.

XXV. RISK MANAGEMENT:

The provisions of Regulation 21 (Risk Management Committee) of the SEBI Listing Regulations do not apply to our Company. However, pursuant to Regulation 17(9) of the SEBI Listing Regulations, the Company has implemented a Risk Management framework which is comprehensive in nature, providing guidance on identification and mitigation of the various risks that the Company may face in the conduct of its business.

The specific objectives of this framework are:

- To identify and assess various business risks arising out of internal and external factors that affect the business of the Company;

- To work out methodology for managing and mitigating the risks;
- To establish a framework for the Company's risk management process and to ensure its implementation;
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and
- To assure business continuity, sustained growth with financial stability.

XXVI. ACKNOWLEDGEMENTS:

Your directors would like to express their sincere appreciation for the assistance and co-operation received from various stakeholders including financial institutions and banks, Government authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your directors take this opportunity to place on record their appreciation for the committed services rendered by the employees of the Company at all levels, who have contributed significantly towards the Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

**By Order of the Board of Directors
For Birla Precision Technologies Limited**

**Vedant Birla
Chairman & Managing Director
DIN:03327691**

**Place: Mumbai
Date: 29th August, 2023**

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| Sl. No. | Particulars | Details | | | |
|---------|---|-------------------------|-----------------------------------|-----------------------------------|------------------------|
| | | Birla Precision USA Ltd | Birla Precision Technologies GmbH | Birla Engineering Private Limited | Birla Accucast Limited |
| | Name of the subsidiary | Birla Precision USA Ltd | Birla Precision Technologies GmbH | Birla Engineering Private Limited | Birla Accucast Limited |
| | The date since when subsidiary was acquired | 08/10/2020 | 25/11/2021 | 07/12/2021 | 12/08/2021 |
| | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | March 31, 2023 | March 31, 2023 | March 31, 2023 | March 31, 2023 |
| | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Dollar | Euro | Rupees | Rupees |
| | Share capital | 736.2 | 2,149,847.50 | 1,00,000 | 1,00,000 |
| | Reserves & surplus | (5,745,748.74) | (6,199,201.00) | (35,000.00) | (38,850.00) |
| | Total assets | 127,882.95 | 2,592,177.27 | 100,000.00 | 73,650.00 |
| | Total Liabilities | 5,872,895.49 | 6,641,530.77 | 35,000.00 | 12,500.00 |
| | Investments | - | - | - | - |
| | Turnover (Gross) | - | 1,726,997.45 | - | - |
| | Profit/Loss before taxation | (5,745,748.74) | (6,199,201.00) | (35,000.00) | (38,850.00) |
| | Provision for taxation | - | - | - | - |
| | Profit after taxation | (5,745,748.74) | (6,199,201.00) | (35,000.00) | (38,850.00) |
| | Proposed Dividend | - | - | - | - |
| | % of shareholding | 100% | 100% | 100% | 100% |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Birla Durotool Private Limited
- Names of subsidiaries that have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There is no Associate or Joint Venture Companies.

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

Jinendra Jain
Partner
Membership No. 072995

Place: Mumbai
Date : 29th August, 2023

For and on behalf of Board of Directors

Vedant Birla
Chairman & Managing Director
DIN: 03327691

Harish Pareek
Chief Financial Officer

Parth Matolia
Company Secretary

Annexure II

To,
The Members,
M/s BIRLA PRECISION TECHNOLOGIES LIMITED
23, Birla Mansion No. 2, 1st Floor,
D. D. Sathe Marg, Prarthana Samaj,
Mumbai Maharashtra - 400004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BIRLA PRECISION TECHNOLOGIES LIMITED**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance's and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliance's

The company's Management is responsible for preparation and maintenance of secretarial records and for devising proper system to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

My responsibility is to express an opinion on the Secretarial records, Standards, Procedures followed by the company with respect to Secretarial Compliance's.

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.

Opinion

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 secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed here-under 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:

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 **31st March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and *(not applicable since there is no action/ event in pursuance of said regulation) N.A.*
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(not applicable since there is no action/ event in pursuance of said regulation) N.A.*
- (vi) The Environment (Protection) Act, 1986
 - (vii) The EPF & Misc. Provisions Act, 1952;
 - (viii) Employees' state Insurance Act, 1948;
 - (ix) The Payment of Bonus Act, 1965;
 - (x) The payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

1. ***The Company has not filed disclosure as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 regarding Fund raising by issuance of Debt Securities by Large Corporate for March, 2022.***
2. ***The Company has not filed Confirmation certificate in the matter of Regulation 74(5) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for the quarter ended September, 2022.***
3. ***The Company has delayed filed financial results (In XBRL) for the quarter ended 31.03.2022 and 30.09.2022 with BSE Ltd.***
4. ***The Company has delayed submitted Scrutinizer report on 09.05.2022 for postal ballot completed on 05.05.2022 and also delayed filed outcome of postal ballot on 10.05.2023 and the company has delayed filed voting results (In XBRL) on 11.05.2022 for the postal ballot completed on 05.05.2022***
5. ***Compliance certificate filed for the year ended 31.03.2022 under Regulation 7(3) of SEBI (LODR), 2015 was not signed by Company Secretary and compliance officer of the Company as required under Regulation 7(3).***
6. ***The Company has given notice of AGM to BSE Ltd on 04.09.2022 but delayed given advertisement in newspaper for notice of AGM on 11.09.2022 as per Regulation 47 of SEBI (LODR), 2015***
7. ***The Company has not filed statement of investor complaints (In XBRL) for the quarter ended 30.06.2022 and also delayed filed statement of investor complaints (In XBRL) on 09.11.2022 for the quarter ended 30.09.2022 as per Regulation 13(3) of SEBI (LODR), 2015.***
8. ***The Company has not complied disclosure requirement of material as well as other subsidiaries.***
9. ***The Company has not upload all documents/ information as required under Regulation 46 of SEBI (LODR) Regulations, 2015.***
10. ***The Company has not adopted all applicable policies prescribed under SEBI LODR Regulations, 2015.***

11. **100% promoters and promoter group shareholding of the Company as on 31.03.2023 are not holding in dematerialized form as per Regulation 31 (1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.**
12. **The constitution of audit committee of the Company not as per Regulation 18(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 during the year and BSE Ltd. imposed a fine of ₹ 344560/-**
13. **The Company has not filed Annual Return on Foreign Liabilities and Assets and Annual Performance Report (APR) to RBI for foreign subsidiaries of the Company.**

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as 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 demerger of Foundry Division of Birla Precision Technologies Limited into Birla Accucast Limited is pending for approval from the BSE Ltd., as they have sent their observations to SEBI for their approval.

For **Anil Somani & Associates**
Company Secretaries
PR 1869/2022

Place: Bhilwara
Date: 17th August, 2023

Anil Kumar Somani
ACS: 36055
COP: 13379
UDIN:A036055E000816670

This report is to be read with our letter of even date which is annexed as “**Annexure I**” and forms an integral part of this report.

To,
The Members
M/s BIRLA PRECISION TECHNOLOGIES LIMITED
23, Birla Mansion No. 2, 1st Floor,
D. D. Sathe Marg, Prarthana Samaj,
Mumbai Maharashtra - 400004

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Anil Somani & Associates
Company Secretaries

Place: Bhilwara
Date: 17th August, 2023

Anil Kumar Somani
ACS: 36055
COP: 13379

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

THE MEMBERS OF

BIRLA PRECISION TECHNOLOGIES LIMITED

We have examined the compliance of conditions of Corporate Governance by BIRLA PRECISION TECHNOLOGIES LIMITED for the year ended on 31st March 2023 as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except observations mentioned in secretarial audit report and annual secretarial compliance report.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Anil Somani & Associates**
Company Secretaries

CS Anil Kumar Somani
ACS: 36055
COP: 13379
UDIN:A036055E000815273

Date: 17th August, 2023
Place: Bhilwara

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To
The Members,
BIRLA PRECISION TECHNOLOGIES LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BIRLA PRECISION TECHNOLOGIES LIMITED having CIN: L29220MH1986PLC041214 and having registered office at 23, Birla Mansion No. 2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai MH 400004, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl. No. | Name of Director | DIN | Date of appointment in Company |
|---------|------------------------------------|----------|--------------------------------|
| 1. | Mr.Vedant Birla | 03327691 | 18/05/2016 |
| 2. | Mr. Sanjay Kothari | 00258316 | 10/02/2022 |
| 3. | Mr. Srinivasa Raghavan Dorai Rajan | 00628373 | 10/02/2022 |
| 4. | Ms. Raji Vishwanathan | 02680148 | 08/08/2022 |
| 5. | Mr.Vikas Thapa | 07804776 | 08/08/2022 |
| 6. | Mr. Santhosh Kumar | 08686131 | 05/02/2020 |
| 7. | Ms. Tulsi Jayakumar | 09562207 | 08/08/2022 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Anil Somani & Associates**
Company Secretaries

CS Anil Kumar Somani
ACS: 36055
COP: 13379
UDIN:A036055E000815273

Date: 17th August, 2023
Place: Bhilwara

Annexure to the Board's Report

ANNEXURE – III

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo Pursuant to Provision of Sections 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

- a) Energy conservation measures taken.

The Company has taken following measures for energy conservation at the factories, namely:

1. Avoidance of wastage of compressed air and electricity during idle time of machine, saving of enormous units.
2. Solar Panel installed for lighting purpose in Administration Deptt., hence reduction in power.
3. Installation of efficient LED lighting systems at all units of the Company more particularly streets of the plants.
4. Electric Motors converted star to Delta to reduce power consumption.
5. STP installed and treated water re-used for gardening purpose. This results in saving water.

The above measures have resulted in energy saving and consequent decrease in the cost of production.

- b) Details regarding Total Energy Consumption and Energy Consumption per unit of production is not applicable to any units of the Company.

B. TECHNOLOGY ABSORPTION: Research & Development.

1. Specific Areas in which R&D carried out by the Company:

- a) Development of new types of jelly filled Hydraulic chucks, ER Sealed collects, Tap in Tool Holder Division, was undertaken during the year
- b) Development of new designs for Carbide Tool Sector entry viz MRT UK acquisition.
- c) Machines for new Chalisgaon Factory built in-house.

2. Benefit derived as a result of the above R&D

- a) Meet Market demand of new generation tooling, which are import substitute items and export products to overseas countries.

3. Future Plan of Action

- a) Development of new products, High Performance Carbide Cuttings Tools.
- b) Capacity improvement in drills by way of installing new machines, built in-house.
- c) Capacity improvement in Taps

4. Expenditure on Machine Building Department

(₹ In lakhs)

| | |
|--------------|------------------|
| a) Capital | 18,65,897 |
| b) Recurring | - |
| Total | 18,65,897 |

C. FOREIGN EXCHANGE EARNING AND OUTGO:

1. Activities relating to export, initiatives taken to increase exports:

Company exports AT3 Class Tool Holders, collets and precision components to U.S.A, Europe and Asia Pacific countries.

2. Total Foreign exchange used and earned:

| | 2022-23 | 2021-22 |
|--------------------------------------|-----------------|-----------------|
| a) Capital | | |
| Total Foreign Exchange used | 1,252.80 | 700.90 |
| Total Foreign Exchange Earned | 3,543.50 | 3,184.28 |

For and on behalf of Board of Directors

| | | |
|--|---|---------------------------------------|
| Vedant Birla Chairman & Managing Director DIN: 03327691 | Harish Pareek Chief Financial Officer | Parth Matolia Company Secretary |
|--|---|---------------------------------------|

Place: Mumbai
Date : 29th August, 2023

REPORT ON CORPORATE GOVERNANCE (As on March 31, 2023)**A. Company's Philosophy on Code of Governance**

Corporate governance is a systematic process, driven by ethical conduct of the business and affairs of an organization aimed at promoting sustainable business and enhancing shareholder value in the long term. Corporate governance therefore, in essence, is a referral paradigm, comprising a mechanism to benchmark company's business and affairs to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its obligations with the objective to optimize shareholder value and fulfill its responsibilities to the stakeholder community, comprising of customers, employees, shareholders, government and other societal segments.

Our Company's Governance philosophy is based on trusteeship and for promoting and maintaining integrity, transparency and accountability, across all business practices. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of all stakeholders, such as shareholders, customers, suppliers, financiers, government and the community. This philosophy is built upon a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Company believes that a sound governance discipline also enables the Board of Directors ("**Board**") to direct and control the affairs of the Company in an effective manner and maximize the value, including the society at large. We believe that this is an ongoing journey for sustainable value creation for all stakeholders and we continuously endeavor to improve upon our practices in line with the changing demands of the business. Our Company adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. Our Company's Code of Business Conduct & Ethics and the Company's Code of Conduct for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

Keeping in view the Company's size, reach, complexity of operations and corporate tradition, the Corporate

Governance framework is based on the following main principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domain;
- Timely and adequate flow of information to the members of the Board and its Committees for meaningful and focused discussion at the meetings to enable them discharge their fiduciary duties;
- Strategic supervision, monitoring and guidance by the Board of Directors which is made up of appropriate size, experience and commitment to discharge their responsibilities;
- Independent verification of Company's financial reporting from time to time and on quarterly basis;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders and equitable and fair treatment to all the stakeholders (including employees, customers, vendors and investors);
- Compliance with applicable laws, rules, regulations and guidelines with transparency and defined accountability; and
- Proper business conduct by the Board members, senior management and employees.

In line with this philosophy, the Company and its Board continuously strive for excellence through adoption of best governance and disclosure practices. The Board continuously strives to play an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value and societal expectations, with ethical and responsible business conduct. The governance framework ensures its effectiveness through an efficient system of timely disclosures and transparent business practices.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the details of which for the financial year ended March 31, 2023 is as set out hereunder:

B. BOARD OF DIRECTORS

Composition of the Board and Category of Directors:

The Company has a judicious mix of Executive, Non-Executive and Independent Directors to ensure proper governance and management. As on March 31, 2023, the Board is comprised of seven (7) Directors - two (2) Executive Directors, one (1) Non-Executive –Non-Independent Director and four (4) Independent Directors including one (1) Woman Director.

Further Mr. Vedant Birla, Chairman & Managing Director headed the Board as its Chairman. As on March 31, 2023, the Independent Directors of the Company, have confirmed that they satisfy the criteria of independence as prescribed under Reg. 16 (1) (b) of the SEBI Listing Regulations and Companies Act, 2013 (“Act”). Further, the Independent Directors have made a declaration that they are Independent of the management.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In case of business exigencies, the Board’s approval is taken through circular resolutions. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. During the financial year 2022-23, the Board met seven (7) times. The meetings were held on April 2, 2022, May 24, 2022, August 8, 2022, August 29, 2022, October 12, 2022, November 10, 2022 and February 9, 2023 and the intervening gap between two meetings did not exceed one hundred twenty days between any two consecutive meetings.

The constitution of the Board of Directors as on March 31, 2023, details of meeting attended by Directors and their directorship in Indian Public Companies and membership in Committees are as under:

| Name of the Director | Category ¹ | No. of Board Meetings attended | Last AGM Attended | No. of Directorships and Committee Memberships and Chairmanships (including the Company) ² | | | Nos of shares held in our Company |
|--|-----------------------|--------------------------------|-------------------|---|---------------------------|-------------------------|-----------------------------------|
| | | | | Directorship ³ | Committee ⁴ | | |
| | | | | | Chairmanship ⁴ | Membership ⁴ | |
| Mr. Vedant Birla | CMD | 7 | Yes | 1 | - | 2 | - |
| Ms. Rekha Gupta (Upto 08.08.2022) | ID | 3 | - | - | - | - | - |
| Mr. Santhosh Kumar | ED | 7 | Yes | 1 | - | - | - |
| Mr. Anil Santosh Verma (Upto 08.08.2022) | ID | 3 | - | - | - | - | - |
| Mr. Sanjay Kothari (From 10.02.2022) | NENID | 6 | Yes | 4 | 2 | 5 | - |
| Mr. Srinivasa Raghavan Dorai Rajan (From 10.02.2022) | ID | 6 | Yes | 1 | 1 | 2 | - |
| Mr. Rajeev Sharma (From 10.02.2022 to 08.08.2022) | ID | 2 | - | - | - | - | - |
| Mr. Vikas Thapa (From 08.08.2022) | ID | 5 | Yes | 1 | - | 1 | - |
| Ms. Tulsi Jayakumar (From 08.08.2022) | ID | 5 | Yes | 1 | - | 1 | - |
| Ms. Raji Vishwanathan (From 08.08.2022) | ID | 5 | Yes | 2 | - | 2 | - |

¹ In above table the term ‘CMD’ refers to Chairman & Managing Director, ‘ID’ refers to Independent Director, ‘NENID’ refers to Non- executive Non Independent Director,

2. *In terms of regulation 26 of the SEBI Listing Regulations, none of the Directors of the Company were members of more than ten (10) Committees or acted as Chairperson in more than five (5) Committees across all public limited companies in India, in which they are a Director.*
3. *Only Directorships in Indian Public Limited Companies (listed) have been considered.*
4. *In accordance with Reg. 26 of SEBI Listing Regulations, Membership / Chairmanship only in Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies, have been considered.*

Relationship between Directors: Out of the seven (7) directors, none of the directors are related to each other.

Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his / her tenure along with confirmation by such director that there are no other material reasons other than those provided: - During the financial year under review, Ms. Rekha Gupta, Mr. Anil Verma and Mr. Rajeev Sharma had resigned from their directorship before the expiry of their tenure. There was no other reason other than provided in the resignation letter.

Board Evaluation / Performance Evaluation

As per the requirements of Listing Regulations and provisions of the Act and the rules made thereunder, it is necessary to specify the manner for effective evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. In this regard, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual Directors, including the Chairman of the Board.

The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, updation with the amendments is governing laws, safeguarding of minority shareholders interest etc.

The performance evaluation of has been conducted in the following manner:

- Performance evaluation of Board, Chairman, Managing Director, Non-Executive Director and Executive Director has been conducted by the Independent Directors (excluding the director being evaluated);
- Performance evaluation of Committee has been conducted by the Board of Directors (excluding the Committee Members being evaluated);
- The performance evaluation of Independent Directors has been conducted by the entire Board of Directors (excluding the director being evaluated).

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company

Code of Conduct

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel in terms of regulation 17 of the SEBI Listing Regulations. The Code applies to all Directors and members of the Senior Management. The Code lays down, in detail, the standards of business conduct, ethics and governance.

Independent Director

In opinion of the Board, the Independent Directors fulfil the conditions of independence specified in Section 149 and Schedule IV of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations and are independent of the management. A formal letter of appointment to Independent Director as required under the Act and the SEBI Listing Regulations has been issued on / at the time of their appointment.

a. Meetings of Independent Directors:

During the year 2022-23 a separate meeting of Independent Directors was held on August 29, 2022 without the presence of Executive Directors or management representatives to discuss the following:

- Review the performance of Non-Independent Directors of the Company except Chairman;
- Review the performance of the Board as a whole;
- Review the performance of the Chairman of the Company.

b. Familiarization Programme for Independent Directors:

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities to be performed by him/her as an Independent Director of the Company. He is also explained in detail the Compliance required from him/her under the Act, SEBI Listing Regulations and other various statutes and an affirmation is obtained. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations by internal auditors

on financials and internal financial controls, are regularly made to the Independent Directors on various matters inter-alia covering the Company's business and role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of Familiarization Programmes for Independent Directors, have been hosted on website of the Company.

Link:<https://www.birlaprecision.com/documents/investor/Policies/Independent%20Director%20Familiarization%20Programme.pdf>

c. Chart or matrix setting out skills/expertise/ competence of the Board of Directors:

A matrix setting out the core skills/ expertise/ competence as required in the context of the business and sector for the Company to function effectively in comparison with the core skills/ expertise/ competence actually available with the Board of the Company as on March 31, 2023 are stated hereunder:

| Sr. No | List of core skills/ expertise/ competence | Mr. Vedant Birla | Mr. Santhosh Kumar | Mr. Sanjay Kothari | Mr. Srinivasa Raghavan Dorai Rajan | Mr. Vikas Thapa | Mrs. Tulsi Jayakumar | Mrs. Raji Vishwanathan |
|--------|---|------------------|--------------------|--------------------|------------------------------------|-----------------|----------------------|------------------------|
| 1. | Business experience | ✓ | ✓ | ✓ | ✓ | - | - | ✓ |
| 2. | Industry knowledge | ✓ | ✓ | ✓ | - | - | - | ✓ |
| 3. | Professional Skill and Qualification | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Behavior Competencies including integrity and high ethical standard | ✓ | - | ✓ | - | - | - | ✓ |

C. SUBSIDIARY COMPANIES

As on March 31, 2023, the Company has a subsidiary in USA in the name and style of "Birla Precision USA Limited" and in Germany to tap European markets by the name of "Birla Precision Technologies GmbH".

The Company has subsidiaries in India by name and style of "Birla Accucast Limited", "Birla Engineering Private Limited" and "Birla Durotool Private Limited which was incorporated in 20th December, 2022.

D. COMMITTEES OF THE BOARD:

The Board of Directors has constituted Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Committees are formed with the approval of the Board and functions under in accordance with powers it derived from the Board. These Committees play an important role in the overall management of day today affairs and governance of

the Company. The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board currently has the following four (4) Committees:

- AUDIT COMMITTEE
- NOMINATION AND REMUNERATION COMMITTEE
- STAKEHOLDERS RELATIONSHIP COMMITTEE
- CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

I. AUDIT COMMITTEE

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors, the Management and the Board is and entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Audit committee interacts with the Internal Auditors, Statutory Auditors and reviews

and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

The Committee's composition meets the requirements of Section 177 of the Act and Reg. 18 of the SEBI Listing Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure/ qualifications.

a. Composition as on March 31, 2023

As on 31st March, 2023, the Committee comprises of four (4) Non- Executive, Independent Directors- Mr. Srinivasa Raghavan Dorai Rajan, Ms. Raji Vishwanathan, and Ms. Tulsi Jayakumar; one (1) Executive Director- Mr. Vedant Birla, Chairman & Managing Director of the Company and Mr. Sanjay Kothari - Non- Executive, Non-Independent Director. As on 31st March 2023, Mr. Srinivasa Raghavan Dorai Rajan, Non- Executive, Independent Director of the Company, headed the Audit Committee as Chairperson and Mr. Parth Matolia, Company Secretary acted as Secretary. The members of the Audit Committee are well versed in finance, accounts, company law and general business practices.

b. Term of Reference

The terms of reference of Audit Committee are in conformity with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The brief terms of reference inter alia are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
 - a. Matters required being included in Director's Responsibility Statement included in Board's report.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.

- c. Major accounting entries based on exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions. g. modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilized for other purposes and report of monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
- To review utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, demerger, amalgamation etc., on the Company and its shareholders;
- In addition to the above, the Committee reviews the management discussion and analysis, statement of related party transactions, including granting omnibus approvals, management letters/internal audit reports relating to observations on internal controls, etc.
- In addition to the above, the Committee reviews the following:
 - management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses;
 - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
 - statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).
In fulfilling the above role, the Audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The draft minutes of the audit committee meetings are circulated among members before the same is confirmed and placed before the Board.

c. Meetings and attendance:

The Audit Committee met seven (7) times during the financial year 2022-23 i.e., on April 2, 2022, May 24, 2022, August 8, 2022, August 29, 2022, October 12, 2022, November 10, 2022 and February 9, 2023. The Audit Committee meetings are also generally attended by the Chief Financial Officer and the representatives of Statutory and Internal Auditors. For the financial year ended March 31, 2023; the minutes of every meeting of Audit Committee were approved by the Chairman of the Committee and taken note of, by the Board in every subsequent meeting.

The details of attendance of the members in meetings are as follows:

| Name of the Members | Position in the Committee | Designation | No. of Meetings held / Attended during the year |
|-------------------------------------|---------------------------|--|---|
| *Mr. Srinivasa Raghavan Dorai Rajan | Chairperson | Non-Executive – Independent Director | 7/5 |
| #Ms. Raji Vishwanathan | Member | Non-Executive – Woman Independent Director | 5/5 |
| ^Ms. Tulsi Jayakumar | Member | Non-Executive – Independent Director | 5/1 |
| Mr. Vedant Birla | Member | Chairman & Managing Director | 7/7 |
| #Mr. Sanjay Kothari | Member | Non-Executive – Non-Independent Director | 7/5 |
| !Ms. Rekha Gupta | Member | Non-Executive – Independent Director | 2/2 |
| @Mr. Anil Santosh Verma | Chairperson | Non-Executive – Independent Director | 2/2 |

* Mr. Srinivasa Raghavan Dorai Rajan was inducted as a Chairperson on 08.08.2022

Ms. Raji Vishwanathan, Mr. Sanjay Kothari were inducted as Members on 08.08.2022

^Ms.Tulsi Jayakumar was inducted as a Member on 09.02.2023

! Ms. Rekha Gupta ceased to act as a Member w.e.f.08.08.2022

@Mr. Anil Santosh Verma ceased to act as a Chairperson w.e.f. 08.08.2022

2. NOMINATION AND REMUNERATION COMMITTEE:

a. Composition as on March 31, 2023:

As on March 31, 2023 the Committee comprises of Mr. Vikas Thapa (Non-Executive, Independent Director) as Chairperson, Ms. Tulsi Jayakumar (Non-Executive, Independent Director, Ms. Raji Vishwanathan (Non-Executive, Woman Independent Director) and Mr. Vedant Birla, Chairman & Managing Director (Executive Director) as members.

Mr.Vikas Thapa, Non-Executive, Independent Director of the Company, headed the Nomination and Remuneration Committee as Chairperson and Mr. Parth Matolia, Company Secretary acted as Secretary.

b. Term of Reference

The Nomination & Remuneration Committee ensures effective compliances as required under section 178 of the Act and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination & Remuneration Committee, are as follows:

Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees;

- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

- Formulation of criteria for evaluation of the performance of independent directors and the board of directors;
- Devising a policy on diversity of the board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

c. Meeting and attendance of the committee:

The Nomination and Remuneration Committee met three (3) times during the financial year 2022- 23 i.e., May 24, 2022, August 8, 2022 and October 12, 2022. For the financial year ended March 31, 2023; the minutes of every meeting of Nomination and Remuneration Committee were approved by the Chairman of the Committee and taken note of, by the Board In every subsequent meeting.

The details of attendance of the members in meetings are as follows:

| Name of the Members | Position in the Committee | Designation | No. of Meetings held / Attended during the year |
|-------------------------------------|---------------------------|--|---|
| ^Ms. Raji Vishwanathan | Member | Non-Executive – Woman Independent Director | 3/2 |
| #Mr.Vikas Thapa | Chairperson | Non-Executive - Independent Director | 3/2 |
| ^Ms. Tulsi Jayakumar | Member | Non-Executive - Independent Director | 3/2 |
| Mr.Vedant Birla | Member | Chairman & Managing Director | 3/3 |
| !Mr. Srinivasa Raghavan Dorai Rajan | Member | Non-Executive - Independent Director | 3/1 |
| !Ms. Rekha Gupta | Member | Non-Executive - Independent Director | 3/1 |
| @Mr.Anil Santosh Verma | Chairperson | Non-Executive - Independent Director | 3/1 |

Mr.Vikas Thapa was inducted as a Chairperson on 08.08.2022

^ Ms.Tulsi Jayakumar and Ms. Raji Vishwanathan were inducted as Members on 08.08.2022

! Mr.Srinivasa Raghavan Dorai Rajan and Ms. Rekha Gupta ceased to act as Members of the Committee w.e.f.08.08.2022

@ Mr.Anil Santosh Verma ceased to act as a Chairperson w.e.f.08.08.2022

E. REMUNERATION OF DIRECTORS:

Executive directors of the Company are appointed by the Board of Directors subject to the approval of shareholders in the general meeting. The remuneration package of the executive directors is determined by the Nomination and Remuneration Committee within the permissible limits, subject to approval by the Board and shareholders in their respective meetings as per the applicable provisions of the Act.

The details of remuneration paid to all Directors (Executive and Non-Executive Independent Directors) during the year 2022-23 are as under:

| Name of the Directors | Designation | Basic Salary Paid (₹) | Allowances & Perquisites (₹) | Sitting fees paid (Rs) | Professional fees | Total Remuneration (₹) |
|--|--|-----------------------|------------------------------|------------------------|-------------------|------------------------|
| Mr.Vedant Birla | Chairman & Managing Director | 45,62,987 | - | - | - | 45,62,987 |
| Ms. Rekha Gupta (Upto 08.08.2022) | Non- Executive Independent Director | - | - | 81,000 | - | 81,000 |
| Mr.Santhosh Kumar | Executive Director | 12,97,467 | - | - | - | 12,97,467 |
| Mr.Anil Santosh Verma (Upto 08.08.2022) | Non- Executive Independent Director | - | - | 81,000 | - | 81,000 |
| Mr. Sanjay Kothari (From 02.04.2022) | Non- Executive Non- Independent Director | - | - | 1,89,000 | - | 1,89,000 |
| Mr. Srinivasa Raghavan Dorai Rajan (From 02.04.2022) | Non- Executive Independent Director | - | - | 2,07,000 | - | 2,07,000 |
| Mr. Rajeev Sharma (From 02.04.2022 to 08.08.2022) | Non- Executive Independent Director | - | - | 81,000 | - | 81,000 |
| Mr.Vikas Thapa (From 08.08.2022) | Non- Executive Independent Director | - | - | 1,53,000 | - | 1,53,000 |
| Ms.Tulsi Jayakumar (From 08.08.2022) | Non- Executive Independent Director | - | - | 1,53,000 | - | 1,53,000 |
| Ms. Raji Vishwanathan (From 08.08.2022) | Non- Executive Independent Director | - | - | 1,89,000 | - | 1,89,000 |

Criteria of making payments to Non-Executive Directors

The Company has in place, a Policy stating the criteria for making payments to Non-Executive Directors. The same has been up uploaded on the Company's website- <https://www.birlaprecision.com/documents/investor/Policies/TERMS%20OF%20APPOINTMENT%20OF%20INDEPENDENT%20DIRECTOR.pdf>

Details of service contracts, Notice Period and Severance Fees

The Company does not have any policy for service contracts, notice period and severance fees or any other payment to be made to the Directors on their resignation.

Evaluation of Performance of Board, Committees, and Directors

Pursuant to the provisions of the Act, the SEBI Listing Regulations and the Guidance Note issued by SEBI, the Board of Directors of the Company evaluated the performance of individual Directors, the Board as a whole, and all the Committees of the Board based on the performance evaluation criteria approved by the Nomination and Remuneration Committee of the Company. The individual Directors were assessed after considering their overall contribution and engagement in the growth of the Company, active role in monitoring the effectiveness of the Company's Corporate Governance practices and adherence to the Code of Conduct, etc. The performance of the Committees of the Board was evaluated after considering the composition, regularity of meetings, independence of the Committees from the Board, their contribution to the effective decisions of the Board, etc.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee oversees the redressal of Shareholder's complaints relating to share transfers/ transmission and non-receipt of Annual reports, etc.

a. Composition as on March 31, 2023:

The Stakeholders Relationship Committee comprises of two (2) Non-Executive, Independent Director namely, Mr. Srinivasa Raghavan Dorai Rajan and Ms. Raji Vishwanathan, Mr. Vedant Birla – Executive Director as members and Mr. Sanjay Kothari, Non- Executive, Non Independent Director as Chairperson of the Committee.

Parth Matolia, Company Secretary is the Compliance Officer of the Committee.

b. Details of Company Secretary & Compliance Officer of the Company as follows:

Mr. Parth Matolia

Birla Precision Technologies Limited

23, Birla Mansion No. 2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai, Maharashtra, 400004

Email Id: cs@birlaprecision.com

Tel No: 022-23825060

c. Term of Reference:

The terms of reference of the Stakeholders' Relationship is as under:

- To issue share certificates pursuant to duplicate/ remat / renewal requests as and when received by the Company.
- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.;
- Approve the transmission of shares or other securities arising as a result of the death of the sole / any of joint shareholders..
- Consider and resolve the complaints/grievances of security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual reports, and non-receipt of the declared dividend.;
- Approve, register; and refuse to register the transfer / transmission of shares and other securities.
- To authorize the affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company.
- Oversee & review all matters connected with the transfer of securities of the Company.
- To deal with the Company's unclaimed/undelivered shares, as prescribed in the relevant Regulation of the Listing Regulations.
- To do all such acts, deeds and things as may be necessary in this regard.

d. Meetings and attendance of the Committee:

The Stakeholder Relationship Committee met once (1) time during the financial year 2022-23 i.e., on February 9, 2023. For the financial year ended March 31, 2023; the minutes of every meeting of Stakeholder Relationship Committee were approved by the Chairman of the Committee and taken note of, by the Board in every subsequent meeting.

The details of attendance of the members in meetings are as follows:

| Name of the Members | Position in the Committee | Designation | No. of Meetings held / Attended during the year |
|-------------------------------------|---------------------------|--|---|
| ^Mr. Srinivasa Raghavan Dorai Rajan | Member | Non-Executive - Independent Director | 1/1 |
| #Mr. Sanjay Kothari | Chairperson | Non-Executive – Non Independent Director | 1/1 |
| ^Ms. Raji Vishwanathan | Member | Non-Executive – Woman Independent Director | 1/1 |
| Mr.Vedant Birla | Member | Chairman & Managing Director | 1/1 |
| !Ms. Rekha Gupta | Member | Non-Executive - Independent Director | 1/0 |
| @Mr. Anil Santosh Verma | Chairperson | Non-Executive - Independent Director | 1/0 |

Mr. Sanjay Kothari was inducted as a Chairperson on 08.08.2022

^ Mr. Srinivasa Raghavan Dorai Rajan and Mrs. Raji Vishwanathan were inducted as Members w.e.f. 08.08.2022.

! Ms. Rekha Gupta ceased to act as Members of the Committee w.e.f. 08.08.2022

@ Mr. Anil Santosh Verma ceased to act as a Chairperson w.e.f. 08.08.2022

d. Details of Investor Complaints received and resolved during the year:

The details of complaints received, resolved and pending are as under;

| Particulars | Number of Complaints |
|--|----------------------|
| Number of complaints received during financial year 2022-23 | 37 |
| Number of complaints disposed of during the financial year 2022-23 | 37 |
| Number of complaints not resolved to the satisfaction of the shareholders as on March 31, 2023 | Nil |
| Number of pending complaints as on March 31, 2023 | Nil |

e. PARTICULARS OF SMP:

The information on List of SMP's which is available for inspection by the Members at the Registered Office/ Corporate Office of the Company during business hours on working days of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. Your Company has developed a CSR Policy which is available on the website of the Company.

Composition, Meetings & Attendance

During the year under review, the Committee met One (1) on 04th October, 2022.

Name of the Committee Members along with their attendance is given below –

| Name of the Member | Designation | No. of Meetings held / Attended during the year |
|----------------------|-------------|---|
| *Ms. Tulsi Jayakumar | Chairperson | 1/1 |
| ! Ms. Rekha Gupta | Member | 1/0 |
| ! Mr. Anil Verma | Member | 1/0 |
| Mr. Vedant Birla | Member | 1/0 |
| ^Mr. Sanjay Kothari | Member | 1/1 |
| ^Mr. Vikas Thapa | Member | 1/1 |

* Mr. Vedant Birla resigned from the chairmanship w.e.f. 08.08.2022 and Ms. Tulsi Jayakumar was inducted as a Chairperson w.e.f. 08.08.2022.

^ Mr. Vikas Thapa, Ms. Tulsi Jayakumar and Sanjay Kothari

Details of the last three (3) Annual General Meetings (“AGMs”) of the Company are as under:

| AGM | Financial Year | Date | Time | Venue / Location | Special resolutions passed during the last three (3) AGMs |
|------------------|----------------|--------------------|---------|--|---|
| 33 rd | 2019-2020 | December 29, 2020 | 3:00 pm | Through Video Conference/ Other Audio Visual means (Deemed venue): 23, Birla Mansion No. 2, 1st Floor; D. D. Sathe Marg, Prarthana Samaj, Mumbai 400 004 | <ol style="list-style-type: none"> 1. Issue of Shares on Preferential Basis to Birla Infrastructure Limited 2. Reclassification of Mr. Yashovardhan Birla from Promoter category to Public category 3. To consider and approve “Birla Precision Technologies Limited- Employee Stock Option Scheme 2020-A 4. Approval for Issue and Allotment of Equity Shares to Employees of Holding and Subsidiary Company(ies) (if any, in Future) under the Birla Precision Technologies Employee Stock Option Scheme 2020-A |
| 34 th | 2020-2021 | September 30, 2021 | 2:00 pm | Through Video Conference/ Other Audio Visual means (Deemed venue): 23, Birla Mansion No. 2, 1st Floor; D. D. Sathe Marg, Prarthana Samaj, Mumbai 400 004 | No special resolutions were passed |

were inducted as Members w.e.f. 08.08.2022.

! Ms. Rekha Gupta and Mr. Anil Verma ceased to act as Members of the Committee w.e.f. 08.08.2022.

Terms of Reference

The Terms of Reference of the CSR Committee are as under:

- (1) formulate and recommend to the Board, a CSR policy.
- (2) recommend the amount of expenditure to be incurred on the activities
- (3) monitor the CSR Policy of the company from time to time.
- (4) institute a transparent monitoring mechanism for implementing CSR projects for programs or activities undertaken by the Company

I. SHAREHOLDER INFORMATION

i) GENERAL BODY MEETINGS of the Company

| | | | | | |
|------------------|---------|--------------------|----------|--|--|
| 35 th | 2021-22 | September 27, 2022 | 11:00 am | Through Video Conference/ Other Audio Visual means (Deemed venue): 23, Birla Mansion No. 2, 1st Floor; D. D. Sathe Marg, Prarthana Samaj, Mumbai 400 004 | <ol style="list-style-type: none"> 1. Appointment of Mr. Vikas Thapa as (DIN:07804776) Non-Executive Independent Director of Company. 2. Appointment of Ms. Raji Vishwanathan (DIN: 02680148) as Non-Executive Woman Independent Director of the Company 3. Appointment of Ms. Tulsi Jayakumar (DIN: 09562207) as Non -Executive Independent Director of the Company 4. Re-appointment and revision in remuneration of Mr. Vedant Birla (DIN: 03327691) as Chairman & Managing Director of the Company 5. Re-appointment and revision in remuneration of Mr. Santhosh Kumar (DIN: 08686131) as Executive Director of the Company. |
|------------------|---------|--------------------|----------|--|--|

Postal Ballot:

During the year 2022-23, following resolutions were passed through postal ballot.:

Postal Ballot notice dated: 02.04.2022

1. Approval of Shareholders for appointment of Mr. Rajeev Sharma (DIN:00496729) as Non –Executive Independent Director of the Company.
2. Approval of Shareholders for appointment of Mr. Srinivasa Raghavan Dorai Rajan (DIN: 00628373) as Non –Executive Independent Director of the Company.
3. Approval of Shareholder for appointment of Mr. Sanjay Kothari (DIN: 00258316) as Non- Executive Non Independent Director of the Company.

Person who conducted the Postal Ballot Exercise: Mr. Rahul Gupta, Practicing Company Secretary having Membership number 43021 and Certificate of Practice No. 20863.

Issuance of Certificates/Receipts/Letters/Advices for securities & dealing with unclaimed securities.-

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

i) Means of communication:

- a) **Quarterly Results:** The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple

channels of communications through dissemination of information on the on-line portal of BSE, the Annual Reports and by placing relevant information on its website. The quarterly and annual audited financial results of the Company are sent to BSE immediately after they are approved by the Board.

b) Newspapers wherein results normally published:

The quarterly financial results are normally published in Business Standard (all editions) in English and Prathakal (Mumbai edition) in Marathi in terms of Regulation 47 of the SEBI Listing Regulations. The results are also hosted on the website of the Company – www.birlaprecision.com. The presentations on the performance of the Company are placed on the Company's website for the benefit of the shareholders after the financial results are communicated to BSE.

- c) In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.birlaprecision.com containing information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance norms, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

- d) Further, the Company disseminates to BSE wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance / operations and issues press releases wherever necessary for the information of the public at large. For the benefit of the shareholders, a separate email id has been created for shareholder correspondence viz www.birlaprecision.com

ii) General Shareholders' information:

| | |
|---|--|
| 1) Annual general meeting - date, time and venue | The 36 th Annual General Meeting of the Company is proposed to be held on Thursday, 21 st September, 2023 at 11:30 a.m. through Video Conference/ Other Audio Visual means (Deemed venue): Corporate office: 23, Birla Mansion No. 2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai 400 004. |
| 2) Financial Year | 2022-23 |
| 3) Dividend payment date | No dividend is proposed by the Board of Directors for the financial year 2022-23. |
| 4) Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s) | BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai – 400001, Maharashtra, India (Listing Fees paid for F.Y. 2023-24) |
| 5) Stock code | BSE Stock Code: 522105 ISIN: INE372E01025 |
| 6) Registrar to an issue and share transfer agents | The Company has appointed 'Kfin Technologies Limited', as Registrar & Share Transfer Agent ("RTA") of the Company for handling share registry (physical and electronic modes). Accordingly, all correspondence, requests for transmission, demat/ remat and other communication in relation thereto should be mailed or hand delivered to the said RTA directly at the following address: M/s. Kfin Technologies Limited Registered Office Karvy Selenium Tower-B, Plot No. 31 &32, Financial District, Gachibowli, Nanakramguda, Serlingampally, Hyderabad – 500 008 (A.P.) Tel: 040-23420815 to 820 Fax No.: 040-23420814 Webiste: www.kfintech.com Email:- balamurlishridhar@kfintech.com |

a. Tentative financial calendar

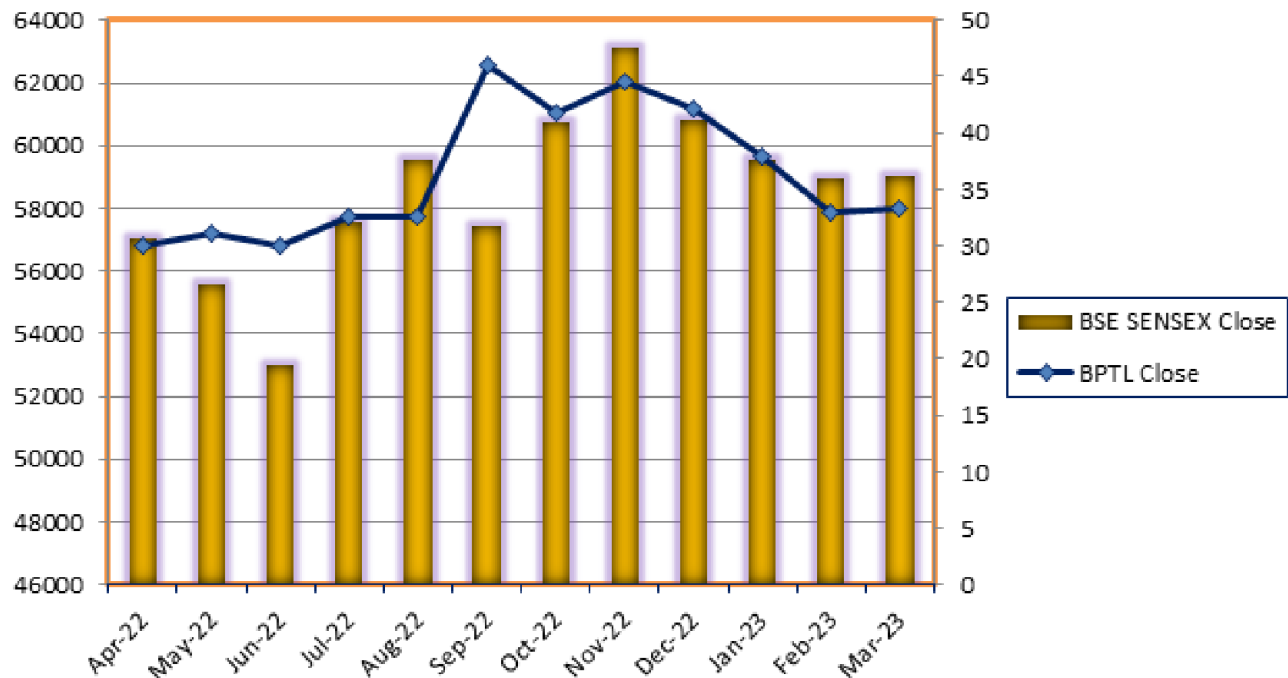
| | |
|---|---------------------------------|
| Next financial year | April 1, 2023 to March 31, 2024 |
| First Quarter Results & Limited Review | On or before August 14, 2023 |
| Second Quarter Results & Limited Review | On or before November 14, 2023 |
| Third Quarter Results & Limited Review | On or before February 14, 2024 |
| Audited Annual Results (2023-24) | On or before May 30, 2024 |

iii) Market price data

High / low market price of the Company's equity shares traded on stock exchanges where the equity shares are listed during the last financial year are as follows:

| Month | Equity Share price of Birla Precision Technologies Limited | | | BSE SENSEX | | |
|--------------|--|-------|-------|------------|----------|----------|
| | High | Low | Close | High | Low | Close |
| April 22 | 38.65 | 25.60 | 30.10 | 60845.10 | 56009.07 | 57060.87 |
| May 22 | 34.25 | 23.65 | 31.05 | 57184.21 | 52632.48 | 55566.41 |
| June 22 | 38.35 | 29.65 | 30.00 | 56432.65 | 50921.22 | 53018.94 |
| July 22 | 36.20 | 30.15 | 32.65 | 57619.27 | 52094.25 | 57570.25 |
| August 22 | 34.50 | 30.65 | 32.50 | 60411.20 | 57367.47 | 59537.07 |
| September 22 | 48.85 | 31.50 | 46.00 | 60676.12 | 56147.23 | 57426.92 |
| October 22 | 46.65 | 36.90 | 41.80 | 60786.70 | 56683.40 | 60746.59 |
| November 22 | 49.70 | 41.30 | 44.55 | 63303.01 | 60425.47 | 63099.65 |
| December 22 | 47.95 | 35.00 | 42.20 | 63583.07 | 59754.10 | 60840.74 |
| January 23 | 43.50 | 36.40 | 37.95 | 61343.96 | 58699.20 | 59549.9 |
| February 23 | 41.40 | 30.05 | 32.95 | 61682.25 | 58795.97 | 58962.12 |
| March 23 | 36.85 | 28.20 | 33.40 | 60498.48 | 57084.91 | 58991.52 |

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:



iv) During the financial year 2022-23, the equity shares of the Company were not suspended from trading.

v) **Distribution of shareholding as on March 31, 2023:**

| Sr. No. | No. of shares | No. of Cases | % of Cases | Amount (Rs) | % of Amount |
|---------|-----------------|---------------|---------------|---------------------|---------------|
| 1 | 1 to 5000 | 66775 | 98.45 | 1,32,33,300 | 10.14 |
| 2 | 5001 to 10000 | 527 | 0.78 | 40,38,366 | 3.09 |
| 3 | 10001 to 20000 | 259 | 0.38 | 38,40,368 | 2.94 |
| 4 | 20001 to 30000 | 85 | 0.13 | 20,64,674 | 1.58 |
| 5 | 30001 to 40000 | 36 | 0.05 | 13,23,078 | 1.04 |
| 6 | 40001 to 50000 | 29 | 0.04 | 13,25,532 | 1.01 |
| 7 | 50001 to 100000 | 59 | 0.09 | 42,33,010 | 3.24 |
| 8 | 100001 & Above | 59 | 0.08 | 10,04,83,946 | 76.96 |
| | Total | 67,829 | 100.00 | 13,05,42,274 | 100.00 |

vi) **Details of shareholding as on March 31, 2023 was as under:**

| Sr. No. | Particulars | As on March 31, 2023 | |
|---------|------------------------|----------------------|------------|
| | | Nos. of shares | % |
| 1 | RESIDENT INDIVIDUALS | 2,10,48,371 | 32.24 |
| 2 | BODIES CORPORATE | 33,35,945 | 5.11 |
| 3 | CLEARING MEMBERS | 7,977 | 0.01 |
| 4 | PROMOTER | 63,539 | 0.09 |
| 5 | N.R.I. (NON-REPAT) | 1,45,642 | 0.22 |
| 6 | N.R.I. (REPAT) | 6,48,530 | 0.99 |
| 7 | HINDU UNDIVIDED FAMILY | 8,94,731 | 1.37 |
| 8 | IEPF | 1,16,853 | 0.18 |
| 9 | OTHERS | 3,90,09,549 | 59.79 |
| | Total | 6,52,71,137 | 100 |

Dematerialization of shares and liquidity

The equity shares of the Company are listed on BSE and NSE. The Company has an agreement with the National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) for providing depository services for holding the shares in dematerialized mode. The ISIN of the Company for its shares is INE372E01025.

As on March 31, 2023- total 6,39,95,578 equity shares representing 98.05% of the Company’s shares are held in demat form in the depositories. The Company has paid

the requisite fees to NSDL and CDSL for the financial year 2022 - 23.

vii) **Share transfer system**

To expedite share transfer, authority has been delegated to the Stakeholders Relationship Committee of the Board. The said Committee considers requests for transmission, issue of duplicate certificates, issue of certificates on split / consolidation / renewal, etc. and the same are processed and delivered within fifteen (15) days of lodgment, if the documents are complete in all respects. In compliance with the SEBI Listing Regulations, every year, the share transfer system is audited by a Company Secretary in practice and a certificate to that effect is issued by him. The Company Secretary of the Company has also been authorised to approve requests for transmission, effecting change of name, etc. to expedite requests from members.

As per provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company’s RTA: - M/s. Kfin Technologies Limited, Website: - www.kfintech.com, Email:- balamurlishridhar@kfintech.com

i) **Outstanding Global Depository Receipts and American Depository Receipts or Warrants or any Convertible Instruments**

As on March 31, 2023, the Company had no outstanding American Depository Receipts, Global Depository Receipts, Warrants or any Convertible Instruments.

ii) Address for Shareholders' Correspondence

Birla Precision Technologies Limited

Registered Office: 23, Birla Mansion No.2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai, Maharashtra, 400004, India.

Website: www.birlaprecision.com.

Email: cs@birlaprecision.com

Tel: 022-23825060

M/s. Kfin Technologies Limited

Registered Office Karvy Selenium Tower-B, Plot No. 31 &32, Financial District, Gachibowli, Nanakramguda, Serlingampally, Hyderabad – 500 008 (A.P.)

Tel: 040-3420815 to 820 Fax No.: 040-3420814

Website: www.kfintech.com.

Email:- balamurlishridhar@kfintech.com

Compliance Officer's Details:

Mr. Parth Matolia

Company Secretary and Compliance Officer

Registered Office:- 23, Birla Mansion No.2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai, Maharashtra, 400004, India.

Website: www.birlaprecision.com.

Tel No:- 022-23825060

Website-www.birlaprecision.com

E-mail id: - cs@birlaprecision.com

iii) Investor Relations:

In order to facilitate investor services, the Company has a designated e-mail id – cs@birlaprecision.com for registering complaints by investors.

iv) Commodity price risk or foreign exchange risk and hedging activities

The Company does not undertake any commodity hedging activities.

v) Disclosure under Regulation 30 of the SEBI Listing Regulations regarding certain agreements with media companies

As on March 31, 2023, the Company has not entered into any agreements (i.e., shareholders' agreements / joint venture agreements / family settlement agreements) having an impact on the management and control of the Company. Further, the Company has not entered into agreements / treaties / contracts with media companies which are binding and not in the normal course of business.

vi) Plant Locations:**Tool Holder Division:**

1. B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133

Cutting Tool Divisions:

1. B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431 133

2. 62/63, M.I.D.C., Satpur, Nashik – 422007

Foundry Division:

1. Plot No. B-15/3/2, M.I.D.C. Area, Waluj, Aurangabad – 431 133

F. DISCLOSURES**a. Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee and also the Board for approval.

Details of all transactions entered into by the Company with the related parties have been disclosed under "Related Party Transactions" in Note No. 35 of the Annual Financial Statements forming part of the Annual Report. In line with the requirements of the Act and SEBI Listing Regulations, no member of a company is permitted to vote on such resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The web-link of the Policy for determining Related Party Transactions is stated here- <https://www.birlaprecision.com/documents/investor/Policies/Policy-Related-Party-Transaction.pdf>.

b. Confirmation by the Board of Directors on acceptance of Recommendation of Mandatory Committees

The Board of the Company has accepted all recommendations of its various Committees, as mandatorily required to be approved by it during the financial year 2022-23.

c. Accounting treatment in preparation of financial statements

The financial statements have been prepared to comply in all material respects with the applicable Accounting Standards ("IND AS"), as applicable, pursuant to rule 4 of the Companies (Indian

Accounting Standards) Rules, 2014 as notified under Section 133 and the relevant provisions of the Act and generally accepted accounting principles in India.

d. Reconciliation of Share Capital Audit

This audit is carried out every quarter and report thereon are submitted to the stock Exchange as well as placed before the Board of Directors. The Audit Report confirms that the total issued share capital is in agreement with the Paid-up Capital of the Company.

e. Certificate for transfer of Shares and Reconciliation of Share Capital

Pursuant to Regulation 40(9) of Listing Regulations, certificates on yearly basis have been issued by a Company Secretary-in- Practice with respect to due compliance of share transfer formalities by the Company.

f. Details of non-compliance with regard to the capital markets

There were no cases of non-compliance by the Company under the provisions of SEBI LODR Regulations, 2015, except that,

1. The stock exchange, Mumbai (“BSE”) imposed a fine of aggregate ₹ 2,92,000 /- for non-compliance under Regulation 18 of SEBI LODR Regulations, 2015 pertaining to improper constitution of Audit Committee for December, 2022 dated 21st February, 2023. The Company had promptly made a payment of fine on 1st March, 2023.

g. Proceeds from Preferential allotment, Qualified Institutional Placement:

During the year under review, the Company did not raise any proceeds from preferential allotment or qualified institutions placement.

Vigil Mechanism:

The Company has a Whistle Blower Mechanism in place to enable all its stakeholders to report serious concerns and matters to the management. All Directors, stakeholders associated with the Company in some or the other capacity, individual employees and their representative bodies are eligible to make Protected Disclosures under this Policy. All Stakeholders have direct access to the Chairman of Audit Committee - Mr. Srinivasa Raghavan Dorai Rajan to report genuine and serious concerns and none of the stakeholders have been denied the said access.

h. Insider Trading

In order to regulate trading in securities of the Company by the Designated Persons, your Company has adopted the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders (“**Insider Trading Code**”) and the ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’ in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (“**SEBI PIT Regulations**”). The SEBI PIT Regulations, prohibits trading in shares by an ‘insider’ when in possession of Unpublished Price Sensitive Information (“**UPSI**”). The Insider Trading Code prevents misuse of UPSI and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Designated Persons. The Board of Directors have also formulated a Policy for determination of ‘legitimate purposes’ as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations. The weblink for the policy is :- <https://www.birlaprecision.com/documents/investor/Policies/Policy-Code-Of-Conduct-for-Fair-Disclosure.pdf>

i. Compliance with the mandatory Corporate Governance requirements as prescribed under the SEBI Listing Regulations

The Board periodically reviews the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub- regulation (2) of Regulation 46 of the SEBI Listing Regulations. The equity shares of our Company are listed on the Capital Market Segment of BSE Ltd.

j. Policies:

Policy for Material subsidiaries and Policy on Related Party Transactions has been published on website at <https://www.birlaprecision.com/investor-section-policies.php>

k. Certificate on Corporate Governance:

The Company has obtained a certificate from M/s Anil Somani & Associates, Practicing Company

Secretaries regarding compliance of the conditions of Corporate Governance, as stipulated in Regulation 34(3) read with Part E of Schedule V of the SEBI Listing Regulations. The certificate together with this Report on Corporate Governance is annexed to the Directors' Report (forming part of the Annual Report) shall be sent to all the shareholders of the Company and BSE along with the Annual Report of the Company.

I. Corporate Ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in business and corporate interactions. The Company has framed codes and policies providing guidance for carrying business in an ethical manner. Some of these policies are:

- a) Code for Prevention of Insider Trading;
- b) Code of Conduct;
- c) Whistle Blower Policy; and

In conformity with the recent statutory changes, the codes have been revised accordingly.

m. Disclosures under the Prevention of Sexual Harassment at Workplace Act, 2013

Your Company has constituted an Internal Complaints Committee as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints relating to sexual harassment at its workplaces. The details in relation to the aforesaid Act is as below:

- (i) Number of complaints filed during the financial year 2022-23: Nil
- (ii) Number of complaints disposed of during the financial year 2022-23: Nil

- (iii) Number of complaints pending as on end of the financial year 2022-23: Nil

n. Remuneration to the Statutory Auditors

A total fee of ₹ 8,08,995 /- (Excl taxes) for Statutory Audit was paid by the Company, on a consolidated basis, for all services to statutory auditors, M/s. Valawat & Associates, Chartered Accountants.

o Loans and advances in the nature of loans to firms / companies in which the Directors are interested: Not Applicable

q. Certificate from Practicing Company Secretary

As on March 31, 2023, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any other statutory authority. A certificate to that effect has been obtained from M/s. Anil Somani & Associates, Practicing Company Secretaries.

r. Details of Material Subsidiaries of the Listed Entity, including date of Incorporation and name and date of appointment of Statutory Auditor of such subsidiarie(s) :

Birla Durotool Private Limited incorporated in the financial year 2022-2023 as our Wholly Owned Subsidiary, with M/s. Karodia & Associates.

**By Order of the Board of Directors
For Birla Precision Technologies Limited**

**Vedant Birla
Chairman & Managing Director
DIN:03327691**

**Place: Mumbai
Date: 29th August, 2023**

Declaration of Compliance with Code of Conduct

[Pursuant to Regulation 34(3), Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

As provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2023.

**Place: Mumbai
Date: 29th August 2023**

**For Birla Precision Technologies Limited
Mr. Harish Pareek
Chief Financial Officer**

MD & CFO Certificate Under Regulation 17 (8) of SEBI (LODR) Regulation, 2015

To,
The Board of Directors,
Birla Precision Technologies Limited

We, **Vedant Birla, Managing Director**, and **Mr. Harish Pareek, Chief Financial Officer** of the Company, hereby certify that:-

- A. We have reviewed the Standalone and Consolidated Financial Statements and Cash Flow Statement for the year ended 31st March, 2023 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Statutory Auditors, Internal Auditors and Audit Committee:
- (1) that there are no significant changes in internal control over financial reporting during the year;
 - (2) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) that no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

SD/-
Vedant Birla
DIN: 03327691
Managing Director

SD/-
Harish Pareek
Chief Financial Officer

Place: Mumbai
Date: 29th August, 2023

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

Birla Precision's presents a Management Discussion & Analysis Report to enlighten the key performance and business activities of the Company for the financial year ended on 31st March, 2023. This review is to be read together with the reports presented in the earlier part of this Annual Report, the Company's financial statements, the schedules, and notes thereto as mentioned in this Annual Report.

INDIAN ECONOMY

The year 2022 was very special for India, as it marked the 75th Year of India's Independence where it also became the World's fifth largest economy, measured in Dollars. In real terms, the economy is expected to grow at 7% for the year ended March, 2023. The cutting tools are the basic premise on which the machine industry is based. Without effective cutting tools, none of the crucial processes involved in the machine industry can be carried out with the required finesse. The major consumers of cutting tools are the diamond cutting tools industry. During 2012-13, the Indian Cutting tools market was valued at around INR 15.6 billion, and now it's valued at more than INR 80 billion.

During the forecast period of 2016-2020, the market for cutting tools in India was expected to grow in the range of CAGR of 13%. The cutting tools manufacturers were not disappointed with the numbers, as this growth rate owes to the demands of the automotive sectors. The small, big as well as medium suppliers, have a significant contribution to the Indian cutting tools market. Also, there is a notable investment and attention offered to the developments of the cutting tools market. Currently, India stands 10th in consumption and 13th in production of cutting tools. It can be said that the Indian market is growing at a healthy rate. It is also estimated that the growth rate will reach around 15% by the next forecast i.e. till 2025

INDIAN AUTO COMPONENT INDUSTRY

Indian Auto Component Industry can be understood based on four different parameters, which are-

I. Robust Demand

- Growing working population and expanding middle class are expected to remain key demand drivers.
- By 2025, 4 million of EV's could be sold each year and 10 million by 2030. The market is expected to reach US \$ 206 Billion by 2030.

- The Indian Auto Component industry is set to become the 3rd largest globally by 2025.

2. Export Opportunities

- India is emerging as a global hub for auto component sourcing and the Industry exports over 25% of its production annually.
- Auto Component exports are expected to grow and reach US\$ 30 Billion in FY 2026.
- India has a competitive advantage in auto components categories such as shafts, bearings and fasteners due to large number of players. This factor is likely to result into higher exports in coming years.

3. Policy Support

- 100% FDI is allowed under the automatic route for auto components sector.
- Production Linked Incentive (PLI) schemes on automobile and auto components are expected to bring a capex of ₹ 74,850 Crore (US\$ 9.58 Billion) in the next five years.

4. Competitive Approach

- A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America.
- India is the 2nd largest steel producer globally, thus has a cost advantage.
- India is emerging as a global auto component sourcing hub due to its proximity to key automotive markets such as ASEAN, Europe, Japan and Korea.

GLOBAL ECONOMIC SCENARIO

Global Economic Growth was briefly affected by Russia – Ukraine war, which disrupted the chances of global economic recovery which was reeling under Covid-19 pandemic. The cutting tools market is segmented into linear cutting tools consisting of tool bits and rotary cutting tools including drill bits, countersinks and reamers. Owing to sustainable application in plentiful profit persuading sectors such as automotive, construction, oil and gas and power generation in the cutting tools market are progressing rampantly. Cutting tool suppliers and machine tool builders are reliant on cutting fluids to eradicate high temperature, supply lubricity, diminish wear and rust, and provide chip evacuation. The health and

environmental concerns related to the use of metal-cutting fluids in manufacturing settings is a major factor restraining the cutting tools market growth. Application of these fluids on a daily basis in a working territory, expose machine operators to potential health vulnerabilities. However, with constant and substantial influx of investments in R&D conventional substitute are surfacing along with the advancements in industrial protective gears for operators.

INDUSTRY STRUCTURE DEVELOPMENT, OUTLOOK & OPPORTUNITIES

Cutting tools market is driven by factors such as industrial growth, technological advancements, and the demand for precision and efficiency in manufacturing processes. Key players in the market include cutting tool manufacturers, distributors, and suppliers catering to diverse industries and applications. The North American region was predicted to hold a major share in the global Cutting Tools market. The region with the largest market share is expected to dominate during the projection period. This results from rising automotive, construction, and food and beverage demand. The industry is anticipated to be driven by growing government initiatives for advertising electric vehicles. The highly populated economies of India and China are a huge demand driver for the automotive industry in the APAC area, and Japan, India, and China all have significant OEM manufacturing presence. Cutting Tools Market opportunities are vast and varied, with numerous avenues for growth and innovation. One of the key areas of opportunity lies in the development of advanced cutting technologies that can improve efficiency, accuracy, and speed while reducing costs and waste. Another important area is the increasing demand for customized cutting tools tailored to specific applications and materials. This trend has led to a rise in niche manufacturers who specialize in producing specialized cutting tools for unique customer needs. Additionally, emerging markets such as Asia-Pacific offer significant potential for expansion due to their growing manufacturing sectors and demand for high-quality products. The cutting tools market can be influenced by factors such as:

- **Industrial Growth:** A strong correlation exists between the cutting tools market and overall industrial growth. As industries like automotive, construction, and manufacturing expand, so does the demand for cutting tools.
- **Technological Advancements:** Innovations such as Computer Numerical Control (CNC) machines and laser cutting have improved precision, speed, and efficiency in cutting operations, driving the market for cutting tools.

- **Increased Automation:** The rise in automation across various sectors, especially manufacturing, has spurred the demand for advanced cutting tools.
- **Infrastructure Development:** Infrastructure growth worldwide, particularly in emerging economies, results in higher demand for construction and related tools.
- **Aerospace and Automotive Industry Growth:** These industries often require precise cutting tools for manufacturing complex and high-precision components. Their growth directly influences the cutting tools market.

THREATS / RISKS & CONCERNS

The major risks and concerns attributed to the performance of the Company are:

The machine tool industry is tiny but crucial: it supplies the machines to cut, form, and shape metals upon which about half of the manufacturing industries are dependent. The state of the art of the machine tools themselves, their control systems and the organization surrounding them largely determine the productivity and competitiveness of engineering industries in general. The machine tool industry faces two major challenges today. One is that technological change in machine tools has changed character in recent years. After more than a century of evolutionary progress, mainly involving mechanization and improved control of mass production, the main progress in machine tools in the last two decades has involved automation and mechanization of small and medium scale production, largely in connection with the introduction of numerical control and also other aspects of the microelectronic revolution. This change in the character and direction of technological change is forcing profound changes both within the industry and in its relationship with users. The other problem is that the competitive situation in the world market is changing rapidly, causing severe adjustment problems for most producers. Even though this is an industry in which foreign trade has always been significant, the emergence of new competitors (particularly Japan in numerically controlled machine tools and newly industrialized countries in conventional machine tools) with new strategies and new kinds of specialization has made for radical changes in the competitive situation for most machine tool firms.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company has identified two business segments in line with the accounting segment on segment reporting. These are **Cutting Tools and Auto Components**. The segment-wise performance in detail is given in the notes to the accounts.

CAPITAL INVESTMENT

We have made a sizeable capital investment during the Financial Year 2020-2021, wherein we have recently started a new manufacturing plant at Chalisgaon in Nasik, Maharashtra of Cutting Tools and Drills with a capacity of 4.8 lakhs Pieces. This would help us in boosting our revenue and creating a platform for maximum optimization coupled with a developmental vision of our Management. The Company has added CNC Machines to its Units, for entering in the space of Carbide Field. The multiplying of our output has always been a basic objective of the Company which has shown results every quarter starting from last year. The Company has been striving day in and day out which has been reaping us rewards and is a far-sighted approach which is being seen by us.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has been constantly upgrading its systems which would help in minimizing inefficiency and planting a smoothly internally controlled system which would help us in organizing and increasing our productivity and overall efficiency.

INTERNAL FINANCIAL CONTROL:

The Company has an established Internal Financial Control framework including internal controls over financial Reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and presented to the Audit Committee. Based on the review, the framework is strengthened and amended to incorporate the continuously evolving practices, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

The adequacy of the internal control system as well as the internal audit report is reviewed by the audit committee of the Board of Directors. The adequacy of the internal control system has also been reported by the statutory auditors of the Company in their report as required under the Companies (Auditors Report) Order, 2003.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Our company has started to sharpen its policies towards employee welfare and for the maximization of their overall growth which is being done by setting up a better work culture and harmony amongst our employees which continues

to lay emphasis on qualitative growth by providing hassle-free and constructive work environment, in tandem with the bottom line of employee welfare as the primary reason of a company's growth. Moreover, we have started employee welfare activities through various interactive sessions engaged with our employee's time-to-time which has been showing us the required results. In addition to this, formal training through external & internal faculty is also conducted from time to time in acquiring domain knowledge and imbibing the corporate quality culture.

None of the Senior Management Personnel have any material, financial and/or commercial transaction, where they have personal interest that may have potential conflict with the interest of the company at large.

FINANCIAL HIGHLIGHTS

The Sales and Other Income of the Company for the Financial Year 2022-23 stood at ₹ 26,364.42 Lakhs as against ₹ 24,832.22 Lakhs of last year. Profit/(Loss) after tax stood at ₹ 1,407.32 Lakhs as against ₹ 1,118.05 Lakhs of last year.

The Company's financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), complying with the requirements of the Company's Act 2013 and the guidelines issued by Securities and Exchange Board of India (SEBI).

CAUTIONARY STATEMENT

Statements in this Annual Report, particularly those that relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

KEY FINANCIAL RATIOS

The key financial ratios for the financial year 2022-23 and a comparison thereof with the financial year 2021-22 have been stated in the financial statement for the period ended March 31, 2023.

Additional information pursuant to Regulations 52 (4) of Securities and Exchange Board of India (Listing obligation and disclosure requirements) Regulations 2015, as amended.

| Sr. No. | Particulars | Standalone Year Ended | | Consolidated Year Ended | |
|---------|--|--------------------------|------------|----------------------------|------------|
| | | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| 1 | Debt-Equity Ratio (In times) | | | | |
| | Non -Current Borrowing + Current Borrowing / Total Equity | 0.24 | 0.20 | 0.24 | 0.20 |
| 2 | Debt Service Coverage Ratio (In times) | | | | |
| | Profit before tax+ Interest on loan / Interest on loan + Principal | 5.87 | 2.33 | 5.57 | 2.33 |
| | repayments made during the period for long term loan | | | | |
| 3 | Interest Service Coverage Ratio (In times) | 7.22 | 3.14 | 6.84 | 3.14 |
| | Profit before tax+ Interest on loan / Interest on loan | | | | |
| 4 | Current Ratio (In times) | 1.63 | 1.80 | 1.62 | 1.80 |
| | Current Assets / Current Liabilities | | | | |
| 5 | Long Term Debt to Working Capital Ratio (In times) | 0.04 | 0.01 | 0.04 | 0.01 |
| | Non current borrowings / Current Assets - Current Liabilities | | | | |
| 6 | Bad Debts to Account Receivable Ratio (In times) | 0.00 | 0.14 | 0.00 | 0.14 |
| | Bad Debts / Trade Receivables | | | | |
| 7 | Current Liability Ratio (In times) | 0.41 | 0.95 | 0.42 | 0.95 |
| | Current Liabilities / Total Liabilities | | | | |
| 8 | Total Debts to Total Assets (In times) | 0.13 | 0.11 | 0.13 | 0.11 |
| | Total Borrowings (Current + Non Current) / Total Assets | | | | |
| 9 | Debtors Turnover (In times) | 6.28 | 6.69 | 6.29 | 6.69 |
| | Revenue From Operations / Average Trade Receivables | | | | |
| 10 | Inventory Turnover (In times) | 2.20 | 2.24 | 2.19 | 2.24 |
| | Cost of Goods Sold (Raw Material and Components Consumed + | | | | |
| | Purchase of Stock in Trade + Change in Inventories + Mfg. expenses) | | | | |
| | / Average Inventories of Finished Goods, Semi Finished Goods, | | | | |
| | Stock in Trade, Stores Cutting Tools and Raw Material and Components | | | | |
| 11 | Operating Margin (%) | 0.05 | 5.90 | 0.05 | 5.90 |
| | Earnings Before Interest and Tax Less Other Income / | | | | |
| | Revenue From Operations | | | | |
| 12 | Net Profit Margin (%) | 0.06 | 4.50 | 0.05 | 4.50 |
| | Profit After Tax / Total Income | | | | |

INDEPENDENT AUDITOR'S REPORT

To
The Members
Birla Precision Technologies Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Birla Precision Technologies Limited ("the Company") which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2023
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Results 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 Companies Act, 2013 and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Branch Office : 701, Lakshchandi Heights, Gokuldham,
Goregaon (E), Mumbai – 400 060

Description of Key Audit Matters

| The Key Audit Matters | How our audit addressed the matter |
|--|--|
| <p>Capitalisation of property, plant and equipment</p> <p>During the year ended 31st March, 2023, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various locations of the Company was ₹ 4134.73 Lakhs in the current year as set out in Note No.2.</p> <p>Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter.</p> | <p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> • We assessed the capitalisation process and tested the design and operating effectiveness of the controls in the process. • Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. • Reviewed the project completion details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Based on the above procedures, management's assessment in respect of Capitalisation of property, plant and equipment in the Standalone Financial Statements are considered to be adequate.</p> |

| Lockout of Foundry Division | Principal Audit Procedures |
|---|--|
| <p>During the Year, the Company has Temporarily Locked Out its Foundry Division.</p> <p>Matter –</p> <p>The Company in its email dated 30th January, 2023 had informed the Board of Directors of its decision of Lockout of the Foundry Division of the Company situated at Waluj, Maharashtra, due to continuous losses borne by the Unit over a period of time and ongoing labor issues which were jeopardizing the overall business activity of the Foundry Business. The Company tried all the steps of salvaging the production and its business activities in spite of facing hurdles, but over a period, running business operations from the factory became unsustainable due to continuous losses and recurring issues at Factory. The Company wants to also convey to the board, that they have taken this step after considerable discussion with a view of maximizing shareholders wealth by focusing on profitable units and its subsequent business's. The Company informed the Worker Unions of its decision of Lockout which was followed with informing the government bodies and authorities with Company engaging with all the stakeholders and safeguarding their interests.</p> <p>Since, the Total Revenue from Operations of this division was 15.74% of total revenue from Operations as on March 31, 2022, the aforesaid matter was determined to be a key audit matter.</p> | <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> • We assessed the filings done and intimations done by the Management with the Stock Exchanges and the Appropriate Legal Authorities regarding the same. • Based on the clarification received from the Management, the Demerger Application of the said department was already pending with the BSE. • Based on our technical assessment, even though the revenue of the division was 15.74% of total revenue but the Division was loss making since many years (Loss of Rs 6.79 Crores against revenue of ₹ 38.76 Crores) • Also, the Company is in expansion phase with its new project at Chalisgaon and expansion of existing facilities at Nashik. Therefore the lockout would not have any adverse impact on the Company. <p>On the basis of above Clarifications and assessment, we do not have any adverse comment on the Going Concern of the Company.</p> |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including the Annexures to Board's Report, Corporate Governance and Shareholder's Information, 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 during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as issued by Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we hereby give in the "**Annexure A**" 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, based on our audit 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 accounts 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of The Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2023, from being appointed as a Director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 - I n our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts 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 (which are material either individually or in the aggregate) 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 entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

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

- v. The Company has not declared or paid any dividend during the year.

For **Valawat & Associates**

Chartered Accountants

FRN: 003623C

Jinendra Jain

Partner

Membership No. 072995

UDIN: 23072995BGVUDX8748

Place: Mumbai

Date: 26th May, 2023

Annexure A to the Independent Auditors' Report

(Referred to in para I under "Report on other Legal and Regulatory Requirement" of our report of even date)

1. According to the information and explanations given to us, in respect of the fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) There is a phased program for verification of fixed assets, over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) As per the information and explanations provided to us, and on behalf of the examination of the records of the company, title deeds of immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favor of the lessee) are in the name of the company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. According to the information and explanations given to us, in respect of the Inventories:
 - (a) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate, and discrepancies (which is less than 10% in the aggregate for each class of inventory) noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
 - (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the quarterly returns or statements filed by the company with such bank are in agreement with the books of account of the Company.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of The Companies Act, 2013 and therefore clause (iii) of paragraph 3 of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, guarantee, investments and security provided.
5. As per the Ministry of Corporate Affairs notification dated March 31, 2014 the provisions of Sections 73 to 76 or any other relevant provisions of The Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. According to information and explanations given to us, the Company has not accepted any deposits during the year.
6. We have broadly reviewed the books of accounts maintained by the company and are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us:
 - a) The Company is regular in depositing undisputed statutory dues including Employees State Insurance, Income Tax, Cess, Goods and Service Tax and any other material statutory dues as applicable with the appropriate authorities.
 - b) There are no undisputed statutory dues payable in respect of Employees' State Insurance, Income-tax, Cess, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- c) According to the information and explanation given to us and on basis of our examination of the records of the company, details of dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax (GST), Duty of Customs,

Duty of Excise and Value added Tax which have not been deposited as on 31st March 2023 on account of disputes is given below:

| Name of Statute | Forum where dispute is pending | Period to which amount is related | Amount (₹ In Lakhs) |
|-------------------|--------------------------------------|-----------------------------------|------------------------|
| Income Tax | Deputy Commissioner of Income Tax | 1995-96 | 0.75 |
| Central Sales Tax | Maharashtra Sales Tax Tribunal, Pune | 2013-14 | 87.12 |

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Financial Institutions and Banks. The Company has not taken loans or borrowings from Government or by way of Debentures.
- a) The Company has not raised funds by way of Term loans during the year other than Car Loan amounting to ₹ 269.09 Lacs (Balance as on 31.03.2023) which is secured by hypothecation of Car.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- e) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies
10. According to the information and explanations given to us, the Company has not raised moneys by way of Initial Public Offer or Further Public Offer during the year. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
11. (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
12. The Company is not a Nidhi Company; hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
13. According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of The Companies Act, 2013, wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the notes on Financial Statements as required by the applicable accounting standards.
14. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him under provisions of Section 192 of The Companies Act, 2013.

16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. 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 causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For **Valawat & Associates**
Chartered Accountants
FRN: 003623C

Jinendra Jain
Partner

Membership No. 072995
UDIN: 23072995BGVUDX8748

Place: Mumbai
Date: 26th May, 2023

Annexure B to the Independent Auditors' Report

(Referred to in para 2(f) under "Report on other Legal and Regulatory Requirement" of our report of even date) Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Birla Precision Technologies Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and prescribed under Section 143(10) of the Act, 2013 to the extent applicable, to an audit of internal financial controls both issued by The Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2023, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India”.

For **Valawat & Associates**
Chartered Accountants
FRN: 003623C

Jinendra Jain
Partner

Membership No. 072995
UDIN: 23072995BGVUDX8748

Place: Mumbai
Date: 26th May, 2023

Balance sheet as at 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | As at 31st Mar 2023 | As at 31st March 2022 |
|------------|---|----------|------------------------|--------------------------|
| I. | ASSETS | | | |
| | NON-CURRENT ASSETS | | | |
| (a) | Property, plant and equipment | 2 | 6,863.19 | 3,284.25 |
| (b) | Capital work-in-progress | 2 | 20.47 | 893.32 |
| (c) | Intangible assets | 2 | 11.12 | 9.31 |
| (d) | Intangible assets under development | 2 | - | - |
| (e) | Financial assets | | | |
| | (i) Investments | 3 | 746.01 | 738.51 |
| | (ii) Loans | 4 | - | - |
| | (iii) Other Financial Assets | 5 | - | - |
| (f) | Other non-current assets | 6 | 60.86 | 97.39 |
| | Merger / Amalgamation | | - | - |
| | Total Non - Current Assets | | 7,701.65 | 5,022.78 |
| | CURRENT ASSETS | | | |
| (a) | Inventories | 8 | 5,871.43 | 5,557.60 |
| (b) | Financial assets | | | |
| | (i) Investments | 3 | - | - |
| | (ii) Trade receivables | 9 | 4,037.40 | 3,682.56 |
| | (iii) Cash and cash equivalents | 10 | 2,536.93 | 2,037.55 |
| | (iv) Bank balances other than (iii) above | 11 | 54.60 | 35.59 |
| | (v) Loans | 4 | 446.06 | 1,149.84 |
| | (vi) Other Financial Assets | 5 | 288.63 | 209.51 |
| (c) | Other current assets | 6 | 2,345.26 | 3,363.38 |
| (d) | Current tax assets (Net) | 7 | 305.32 | 335.12 |
| | Total - Current Assets | | 15,885.63 | 16,371.15 |
| | Total Assets | | 23,587.28 | 21,393.93 |
| II. | EQUITY AND LIABILITIES | | | |
| | EQUITY | | | |
| (a) | Equity share capital | 12 | 1,305.42 | 1,305.42 |
| (b) | Other equity | 13 | 11,964.07 | 10,521.95 |
| | Total - Equity | | 13,269.49 | 11,827.37 |
| | LIABILITIES | | | |
| A | Non-Current Liabilities | | | |
| (a) | Financial liabilities | | | |
| | (i) Borrowings | 14 | 343.67 | 76.01 |
| (b) | Provisions | 18 | 306.66 | 371.70 |
| (c) | Deferred tax liabilities (Net) | 19 | - | - |
| | Total Non - Current Liabilities | | 650.33 | 447.71 |
| B | Current Liabilities | | | |
| (a) | Financial liabilities | | | |
| | (i) Borrowings | 14 | 2,897.38 | 2,336.69 |
| | (ii) Trade payables | 15 | 3,392.72 | 3,171.78 |
| | (iii) Other financial liabilities | 16 | 40.99 | 36.96 |
| (b) | Other current liabilities | 17 | 835.15 | 1,658.73 |
| (c) | Provisions | 18 | 1,964.88 | 1,649.57 |
| (d) | Current tax liabilities (Net) | 20 | 536.34 | 265.12 |
| | Total - Current Liabilities | | 9,667.46 | 9,118.85 |
| | Total Equity and Liabilities | | 23,587.28 | 21,393.93 |

Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements

I to 43

As per our attached report of even date

For and on behalf of Board of Directors

For M/s. Valawat & Associates

Chartered Accountants

Firm Registration No. 003623C

Jinendra Jain
Partner
Membership No. 072995

Harish Pareek
Chief Financial Officer

Vedant Birla
Chairman & Managing Director
DIN: 03327691
Parth Matolia
Company Secretary

Place: Mumbai
Date: 26th May, 2023

Statement of Profit and Loss for the period ended 31st March 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | For the period ended 31st Mar 2023 | For the period ended 31st Mar 2022 |
|--------------|---|----------|---------------------------------------|---------------------------------------|
| I. | INCOME | | | |
| | Revenue from operations | 21 | 25,336.53 | 24,627.05 |
| | Other income | 22 | 1,034.21 | 205.17 |
| | Total Income | | 26,370.74 | 24,832.22 |
| II. | EXPENSES | | | |
| | Cost of Raw Materials and Components Consumed | 23 | 6,419.04 | 7,694.43 |
| | Purchases of Stock-in-Trade | 24 | 1,367.86 | 409.54 |
| | Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade | 25 | (327.94) | (621.93) |
| | Employee benefits expense | 26 | 5,293.77 | 4,566.37 |
| | Finance costs | 27 | 331.21 | 527.58 |
| | Depreciation and amortization expense | 28 | 462.01 | 408.11 |
| | Other expenses | 29 | 10,759.77 | 10,716.96 |
| | Total Expenses | | 24,305.72 | 23,701.06 |
| III. | Profit / (Loss) before exceptional items and tax | | 2,065.02 | 1,131.16 |
| IV. | Exceptional item | | - | - |
| V. | Profit / (Loss) before tax (III - IV) | | 2,065.02 | 1,131.16 |
| VI. | Tax expense: | | | |
| | (1) Current tax | | 480.00 | 210.00 |
| | (2) Short/(Excess) Provision Previous Financial Year | | - | - |
| | (3) MAT Credit | | 56.70 | (196.89) |
| | (4) Deferred tax | | - | - |
| VII. | Profit/(Loss) for the period (V-VI) | | 1,528.32 | 1,118.05 |
| VIII. | OTHER COMPREHENSIVE INCOME | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | Related to employee benefits | | (86.20) | 48.30 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | Total Other Comprehensive Income net of tax | | (86.20) | 48.30 |
| | Total Comprehensive income for the year, net of tax (VII+VIII) | | 1,442.12 | 1,166.35 |
| | Earnings per equity share: | | | |
| | (1) Basic EPS (₹) | | 2.34 | 1.71 |
| | (2) Diluted EPS (₹) | | 2.34 | 1.71 |

Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements

I to 43

As per our attached report of even date
For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

For and on behalf of Board of Directors

Jinendra Jain
Partner
Membership No. 072995

Harish Pareek
Chief Financial Officer

Vedant Birla
Chairman & Managing Director
DIN: 03327691
Parth Matolia
Company Secretary

Place: Mumbai
Date: 26th May, 2023

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | 2022-23 | 2021-22 |
|-----------|---|-------------------|-------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES: | | |
| | Net profit before exceptional item, taxation and prior period adjustments | 2,065.02 | 1131.17 |
| | Adjustments for: | | |
| | Depreciation and Amortization | 462.01 | 408.11 |
| | (Profit)/Loss on sale of Fixed Assets (Net) | (433.22) | - |
| | Sundry Balances written off | 86.46 | 1057.68 |
| | Provision for Gratuity and Leave Salary | 364.62 | 114.03 |
| | Sundry Balances written back | (410.68) | - |
| | Exchange difference on translation (Net) | (11.47) | (10.56) |
| | Finance Costs | 331.21 | 527.58 |
| | Provision for doubtful debts | - | 20.28 |
| | Bad debts written off | 0.32 | 514.51 |
| | Interest Income Received | (25.12) | (79.25) |
| | Sub-total | 364.13 | 2552.38 |
| | Operating Profit Before Working Capital Changes | 2,429.15 | 3683.55 |
| | Adjustments for changes in working capital : | | |
| | Inventories | (313.82) | (1,270.42) |
| | Trade Receivables | (429.01) | (833.02) |
| | Other Current Assets | 986.49 | 296.57 |
| | Trade Payables | 420.61 | 467.16 |
| | Provisions | 17.71 | (231.04) |
| | Other Financial Liabilities | 4.02 | 1.25 |
| | Loans to employees and others | 696.51 | 12.29 |
| | Other Current Liabilities | (824.74) | 123.71 |
| | Other Financial Assets | (79.13) | 0.25 |
| | Current Tax Assets | (26.90) | (12.28) |
| | Income Tax Paid | (208.77) | (17.45) |
| | Sub-total | 242.97 | (1,462.98) |
| | Net Cash Flow From Operating Activities After Exceptional Item.....(A) | 2,672.12 | 2,220.57 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES: | | |
| | Payments made for Property, Plant and Equipment | (3,218.34) | (1,752.68) |
| | Payments made for Intangible Assets | (7.01) | (7.23) |
| | Proceeds from sale of Property, Plant and Equipment | 525.21 | - |
| | Investments in subsidiaries and others | (7.50) | (38.51) |
| | Interest Received | 56.76 | 86.90 |
| | Sub-total | (2,650.88) | (1,711.52) |
| | Net Cash used for Investing Activities.....(B) | (2,650.88) | (1,711.52) |

| C. | CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
|-----------|--|-----------------|-----------------|-----------------|-----------------|
| | Proceeds from Issue of shares at premium | - | | - | |
| | Proceeds from Borrowings | 1,027.47 | | 1,561.82 | |
| | Repayment of Borrowings | (199.11) | | (1,803.29) | |
| | Interest Paid | (331.21) | | (527.58) | |
| | Sub-total | | 497.15 | | (769.05) |
| | Net Cash used for Financing Activities.....(C) | | 497.15 | | (769.05) |
| | Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | | 518.39 | | (260.00) |
| | Cash and Cash Equivalents as at 01.04.2022 | 1205.61 | | 615.17 | |
| | Add: (Increase) / Decrease in Fixed Deposit accounts kept as margin money with banks | (594.59) | | 850.44 | |
| | | 611.02 | | 1,465.61 | |
| | Cash and Cash Equivalents as at 31.03.2023 | 1,129.41 | 518.39 | 1205.61 | (260.00) |
| | | | 1,129.41 | | 1,205.61 |
| | Reconciliation of Cash and Bank Balances given in Note No. 10 of Balance Sheet is as follows: | | | | |
| | Cash and Bank Balances | | 2536.93 | 2,037.55 | |
| | Less: | | | | |
| | Balance in Fixed Deposit accounts with banks having a maturity period of more than three months | | 1407.52 | 831.94 | |
| | Cash and Cash Equivalents as at 31.03.2023 | | 1,129.41 | 1,205.61 | |

Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements

As per our attached report of even date
For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

For and on behalf of Board of Directors

Jinendra Jain
Partner
Membership No. 072995

Harish Pareek
Chief Financial Officer

Vedant Birla
Chairman & Managing Director
DIN: 03327691
Parth Matolia
Company Secretary

Place: Mumbai
Date : 26th May, 2023

Statement of Changes in Equity for the year ended 31st March 2023

(A) EQUITY SHARE CAPITAL

| Sr. No. | Particulars | No. of Shares | Amount in ₹ | Amount in ₹ Lakhs |
|---------|--|-------------------|-----------------------|-------------------|
| | Equity shares of ₹ 2/- each Issued, Subscribed and Fully Paid up | | | |
| | As at 1st April, 2021 | 56,839,434 | 113,678,868.00 | 1,136.79 |
| | Issued during the year | 8,431,703 | 16,863,406.00 | 168.63 |
| | As at 31st March, 2022 | 65,271,137 | 130,542,274.00 | 1,305.42 |
| | Change in Equity Share Capital during the year | - | - | - |
| | As at 31st March, 2023 | 65,271,137 | 130,542,274.00 | 1,305.42 |
| | The Company has only one class of equity shares having a par value of ₹ 2/- Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. | | | |
| | In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the 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. | | | |

| (i) | The details of Shareholders holding more than 5% shares: | As at 31st March 2023 | | As at 31st March, 2022 | |
|-----|--|-----------------------|--------|------------------------|--------|
| | | No. of Shares | % held | No. of Shares | % held |
| | Equity shares of ₹ 2/- each fully paid | | | | |
| | Birla Bombay Private Limited | 16,423,113 | 25.16 | 16,423,113 | 25.16 |
| | Birla Infrastructure Limited | 14,015,589 | 21.47 | 14,015,589 | 21.47 |
| | Vedant Consultancy Private Limited | 4,607,663 | 7.06 | 4,607,663 | 7.06 |

(B) OTHER EQUITY

(₹ in Lakhs)

| Sr. No. | Particulars | Stand alone Reserves and Surplus | | | | |
|---------|-----------------------------------|----------------------------------|----------------------------|------------------|-------------------|--------------------|
| | | Capital Reserves | Securities Premium Reserve | General Reserves | Retained Earnings | Total Other Equity |
| | As at 1st April, 2022 | 50.02 | 2,874.93 | 2,963.31 | 4,633.69 | 10,521.95 |
| Add: | Addition during the year | - | - | - | - | - |
| Add: | Profit for the year | - | - | - | 1,528.32 | 1,528.32 |
| Add: | Other Comprehensive Income | - | - | - | (86.20) | (86.20) |
| | Total Comprehensive Income | 50.02 | 2,874.93 | 2,963.31 | 6,075.81 | 11,964.07 |
| Less: | Issue of Bonus shares | - | - | - | - | - |
| Less: | Transfer to general reserves | - | - | - | - | - |
| | As at 31st March, 2023 | 50.02 | 2,874.93 | 2,963.31 | 6,075.81 | 11,964.07 |
| Sr. No. | Particulars | Stand alone Reserves and Surplus | | | | |
| | | Capital Reserves | Securities Premium Reserve | General Reserves | Retained Earnings | Total Other Equity |
| | As at April 1, 2021 | 50.02 | 2,874.93 | 2,963.31 | 3,467.33 | 9,355.59 |
| Add: | Addition during the year | - | - | - | - | - |
| Add: | Profit for the year | - | - | - | 1,118.06 | 1,118.06 |
| Add: | Other Comprehensive Income | - | - | - | 48.30 | 48.30 |
| | Total Comprehensive Income | 50.02 | 2,874.93 | 2,963.31 | 4,633.69 | 10,521.95 |
| Less: | Issue of Bonus shares | - | - | - | - | - |
| Less: | Transfer to general reserves | - | - | - | - | - |
| | As at 31st March, 2022 | 50.02 | 2,874.93 | 2,963.31 | 4,633.69 | 10,521.95 |

Notes on financial statements for the year ended 31st March, 2023

I. General Information:

Birla Precision Technologies Limited (the Company) is a Public Limited Company incorporated in India having its registered office at 23, Birla Mansion No.2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai, Maharashtra, 400004, India. The Company is engaged in the manufacturing and selling of Machine Tool Accessories, Tools, Precision / Automotive Components and Castings.

Significant accounting policies followed by the Company

(A) Basis of preparation of financial statements:

(i) Compliance with Ind AS:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act.

(ii) Basis of preparation:

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

(B) Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

(C) Revenue recognition:

- (a) Revenue from the sale of goods is recognized upon the passage of title to the customers, which generally coincides with delivery.
- (b) Export sales are accounted based on the dates of Bill of Lading.
- (c) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment except in case of significant uncertainties.

(D) Property, Plant and Equipment:

- (a) All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include hedges of foreign currency purchases of property, plant and equipment. 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 associates with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (b) Depreciation methods, estimated useful lives and residual value:
 - (i) Depreciation: The Company has ascertained the useful life of its various assets and charged depreciation in accordance with Schedule II of the Companies Act, 2013 except in case of Precision Components division the useful life of shop toolings fixtures has been determined as 2 years.
 - (ii) Leasehold Land is amortized over the period of lease.
 - (iii) The useful lives have been determined based on technical evaluation done by the management's expert in order to reflect the actual usage of the assets. 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.
 - (iv) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
 - (v) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

(E) Intangible Assets:

Computer Software and Technical Know-How are amortized over a period of 3 years from the date of acquisition.

(F) Capital Work in Progress:

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

(G) Impairment of Assets:

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

(H) Valuation of Inventory:

- (a) Raw Materials and components, semi-finished goods, finished goods, stores and spares, goods for trade are valued at cost or net realizable value whichever is lower. Cost formula used is weighted average cost. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.
- (b) Goods / Materials in Transit are valued at cost to date.
- (c) Scrap is valued at its estimated realizable value.
- (d) Adequate provisions are made for obsolete inventory based on technical estimates made by the Company.

(I) Foreign Currency Transactions:

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(J) 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. The Liabilities are presented under current liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations:

The liabilities for earned leave 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. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

(iii) Post-employment obligations:

- (a) Defined contribution plans: Company's contribution to the provident fund scheme is recognized during the year in which the related service is rendered.
- (b) Defined benefit plans: The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.
- (c) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
- (d) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
- (e) Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(f) Long Term compensated absences are provided on the basis of an actuarial valuation.

(K) Research and Development Costs:

Revenue expenditure, including overheads on research and development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an Intangible assets and depreciation is provided on such assets as applicable.

(L) Investments:

Current investments are carried at lower of cost or fair value. Long term investments are carried at cost less provision for other than temporary decline in the value of such investments. Investment in subsidiaries are valued at cost.

(M) 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 assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(N) Taxation:

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant

assessment year. Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The deferred tax asset and/or deferred tax liability is calculated by applying substantively enacted rate as at balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized if and only if there is virtual certainty backed by convincing evidence of its realization. At each balance sheet date, carrying amount of deferred tax assets is reviewed to reassure realization.

(O) Share Issue Expenses:

Issue expenses are adjusted against the Share Premium.

(P) Government Grant/Loan:

Capital grants for project capital subsidy are credited to capital reserves.

(Q) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes forming part of the Financial Statements for the year ended 31st March, 2023
Note 2 Property, Plant and Equipment - Standalone

(₹ in Lakhs)

| Description of Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--|------------------|-----------------|--------------------------|------------------|------------------|---------------|--------------------------|------------------|------------------|------------------|
| | As on 01.04.2022 | Additions | Deductions / Adjustments | As on 31.03.2023 | Up to 01.04.2022 | For the Year | Deductions / Adjustments | Up to 31.03.2023 | As on 31.03.2023 | As on 31.03.2022 |
| (A) Tangible Assets | | | | | | | | | | |
| Leasehold Land | 438.57 | 0.19 | 126.69 | 312.07 | 100.31 | 4.35 | 36.44 | 68.22 | 243.85 | 338.26 |
| Buildings | 1,956.62 | 1,792.72 | - | 3,749.34 | 1,034.79 | 84.63 | - | 1,119.42 | 2,629.92 | 921.83 |
| Plant & Machinery | 10,753.57 | 1,955.27 | - | 12,708.84 | 8,860.13 | 323.39 | - | 9,183.52 | 3,525.32 | 1,893.44 |
| Furniture & Fixtures | 160.38 | 7.74 | 31.38 | 136.74 | 135.77 | 3.51 | 29.86 | 109.42 | 27.32 | 24.61 |
| Office Equipments | 284.15 | 35.03 | 4.96 | 314.22 | 241.89 | 21.40 | 4.74 | 258.55 | 55.67 | 42.26 |
| Vehicles | 350.48 | 336.77 | - | 687.25 | 286.63 | 19.53 | - | 306.16 | 381.09 | 63.85 |
| Total Tangible Assets (A) | 13,943.77 | 4,127.72 | 163.03 | 17,908.46 | 10,659.52 | 456.81 | 71.04 | 11,045.29 | 6,863.17 | 3,284.25 |
| (B) Capital Work - in Progress | 893.32 | 1,089.60 | 1,962.45 | 20.47 | - | - | - | - | 20.47 | 893.32 |
| (C) Intangible Assets | | | | | | | | | | |
| Technical Knowhow Fee | 50.39 | - | - | 50.39 | 50.39 | - | - | 50.39 | - | - |
| Software | 240.24 | 7.01 | - | 247.25 | 230.93 | 5.20 | - | 236.13 | 11.12 | 9.31 |
| Total Intangible Assets (C) | 290.63 | 7.01 | - | 297.64 | 281.32 | 5.20 | - | 286.52 | 11.12 | 9.31 |
| (D) Intangible Assets Under Development | - | - | - | - | - | - | - | - | - | - |
| Total Property, Plant and Equipment (A+B+C+D) | 15,127.72 | 5,224.33 | 2,125.48 | 18,226.57 | 10,940.84 | 462.01 | 71.04 | 11,331.81 | 6,894.76 | 4,186.88 |

(₹ in Lakhs)

| Description of Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--|------------------|-----------------|--------------------------|------------------|------------------|---------------|--------------------------|------------------|------------------|------------------|
| | As on 01.04.2021 | Additions | Deductions / Adjustments | As on 31.03.2022 | Up to 01.04.2021 | For the Year | Deductions / Adjustments | Up to 31.03.2022 | As on 31.03.2022 | As on 31.03.2021 |
| (A) Tangible Assets | | | | | | | | | | |
| Leasehold Land | 357.90 | 80.67 | - | 438.57 | 94.66 | 5.65 | - | 100.31 | 338.26 | 263.24 |
| Buildings | 1,879.62 | 77.00 | - | 1,956.62 | 963.35 | 71.44 | - | 1,034.79 | 921.83 | 916.27 |
| Plant & Machinery | 10,128.45 | 625.12 | - | 10,753.57 | 8,583.60 | 276.53 | - | 8,860.13 | 1,893.44 | 1,544.85 |
| Furniture & Fixtures | 157.26 | 3.12 | - | 160.38 | 131.38 | 4.39 | - | 135.77 | 24.61 | 25.88 |
| Office Equipments | 263.41 | 20.74 | - | 284.15 | 226.78 | 15.11 | - | 241.89 | 42.26 | 36.63 |
| Vehicles | 329.75 | 20.73 | - | 350.48 | 266.87 | 19.76 | - | 286.63 | 63.85 | 62.88 |
| Total Tangible Assets (A) | 13,116.39 | 827.38 | - | 13,943.77 | 10,266.64 | 392.88 | - | 10,659.52 | 3,284.25 | 2,849.75 |
| (B) Capital Work - in Progress | 37.59 | 933.99 | 78.26 | 893.32 | - | - | - | - | 893.32 | 37.59 |
| (C) Intangible Assets | | | | | | | | | | |
| Technical Knowhow Fee | 50.39 | - | - | 50.39 | 50.39 | - | - | 50.39 | - | - |
| Software | 233.01 | 7.23 | - | 240.24 | 215.70 | 15.23 | - | 230.93 | 9.31 | 17.31 |
| Total Intangible Assets (C) | 283.40 | 7.23 | - | 290.63 | 266.09 | 15.23 | - | 281.32 | 9.31 | 17.31 |
| (D) Intangible Assets Under Development | - | - | - | - | - | - | - | - | - | - |
| Total Property, Plant and Equipment (A+B+C+D) | 13,437.38 | 1,768.60 | 78.26 | 15,127.72 | 10,532.73 | 408.11 | - | 10,940.84 | 4,186.88 | 2,904.65 |

Note 3 : INVESTMENTS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Non-Current | | |
| | Carried at cost: | | |
| | In equities unquoted | | |
| | 70,00,000 Equity shares of ₹10 each in Zenith Steel Pipes & Industries Limited | 700.00 | 700.00 |
| | In Shares of Janta Sahakari Bank Limited | 22.50 | 15.00 |
| | In subsidiaries unquoted | | |
| | Birla Precision USA Ltd (10 Eq. shares fully paid up at \$1 per share) | 0.01 | 0.01 |
| | Birla Precision GMBH (25000 Eq. shares fully paid up at euro 1 per share) | 21.50 | 21.50 |
| | Birla Engineering Pvt Ltd (10000 eq. shares @ ₹10 each paid up) | 1.00 | 1.00 |
| | Birla Accucast Pvt Ltd ((10000 eq. shares @ ₹10 each paid up) | 1.00 | 1.00 |
| | Total Non - Current | 746.01 | 738.51 |
| | (a) Equity shares in Zenith Steel Pipes & Industries Limited were acquired by way of preferential allotment (conversion of loan into equity). | | |
| | (b) The Group has made investment in shares of Janta Sahakari Bank Limited for Cash Credit loan worth ₹15 Crores. | | |
| | (c) Investments made by the Group other than those with a maturity of less than one year, are intended to be held for long term. | | |
| | Current | | |
| | In equities unquoted | - | - |
| | In subsidiaries unquoted | - | - |
| | Total - Current | - | - |

Note 4 : LOANS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---------------------------------------|--------------------------|--------------------------|
| | Non-Current | | |
| | Unsecured; considered good : | | |
| | Loan & Advance to Employees | - | - |
| | Total Non - Current | - | - |
| | Current | | |
| | Unsecured; considered good : | | |
| | Loans and advances | 114.10 | 798.61 |
| | Less: Provision for doubtful advances | - | - |
| | | 114.10 | 798.61 |
| | Loan & Advance to Employees | 20.95 | 36.51 |
| | Loan & Advance to Others | 311.01 | 314.72 |
| | Less: Provision for doubtful advances | - | - |
| | | 311.01 | 314.72 |
| | Total - Current | 446.06 | 1,149.84 |

Note 5 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|------------------------------|--------------------------|--------------------------|
| | Non-Current | | |
| | Unsecured; considered good : | - | - |
| | Total Non - Current | - | - |
| | Current | | |
| | Unsecured; considered good : | | |
| | Deposits with Others | 288.63 | 209.51 |
| | Total - Current | 288.63 | 209.51 |

Note 6 : OTHER ASSETS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Non-Current | | |
| | Unsecured; considered good : | | |
| | Capital Advances | 60.86 | 97.39 |
| | Less: Provision for doubtful advances | - | - |
| | Total Non - Current | 60.86 | 97.39 |
| | Current | | |
| | Unsecured; considered good : | | |
| A) | Advances Paid to Suppliers/Services | 1,924.14 | 3,094.69 |
| B) | Balances with Government Authorities : | | |
| | Cenvat Credit and export incentive receivable | 30.65 | 33.06 |
| | Value Added Tax Receivable | 68.04 | 68.04 |
| | Goods & Service Tax | 98.20 | 36.15 |
| | Sub Total (B) | 196.89 | 137.25 |
| C) | Others : | | |
| | Prepaid Expenses | 49.74 | 44.78 |
| | Pre-operative expenses | 146.52 | 36.70 |
| | Pattern Under Development | 22.45 | 12.80 |
| | Interest accrued on fixed deposits and others | 5.52 | 37.16 |
| | Sub Total (C) | 224.23 | 131.44 |
| | Total - Current (A+B+C) | 2,345.26 | 3,363.38 |

Note 7 : CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|--------------------------|--------------------------|
| | Tax deducted at source | 55.18 | 28.28 |
| | Advance fringe benefit tax (Net of provisions for tax) | 2.17 | 2.17 |
| | Mat Credit Entitlement | 203.93 | 260.62 |
| | Income Tax Refund Receivable | 44.04 | 44.05 |
| | Total | 305.32 | 335.12 |

Note 8 : INVENTORIES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Raw Materials and Components | 2,016.52 | 1,451.73 |
| | Semi-Finished Goods | 1,505.22 | 1,150.29 |
| | Finished Goods | 1,409.09 | 1,323.09 |
| | Stock-in Trade | 247.90 | 66.89 |
| | Stores, Cutting Tools and Packing Materials | 378.87 | 295.18 |
| | Total | 5,557.60 | 4,287.18 |

Note 9 : TRADE RECEIVABLES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Unsecured, considered good : | | |
| | Considered good | 134.67 | 324.10 |
| | Considered doubtful | 73.49 | 73.49 |
| | Less: Provision for doubtful debts | (73.49) | (73.49) |
| | | 134.67 | 324.10 |
| | Other considered good | 3,902.73 | 3,358.46 |
| | Total | 4,037.40 | 3,682.56 |
| 9.1 | Undisputed trade receivables - considered good | | |
| | Less than 6 Months | 3,860.12 | 3,358.45 |
| | 6 Months - 1 year | 115.28 | 105.71 |
| | 1 - 2 years | 39.89 | 15.25 |
| | 2 - 3 years | - | 111.18 |
| | More than 3 years | 7.83 | 12.91 |
| | Total | 4,023.12 | 3,603.50 |
| 9.2 | Disputed trade receivables - considered good | | |
| | Less than 6 Months | - | - |
| | 6 Months - 1 year | - | 14.73 |
| | 1 - 2 years | - | 40.70 |
| | 2 - 3 years | - | 9.42 |
| | More than 3 years | 14.28 | 14.21 |
| | Total | 14.28 | 79.06 |

Note 10 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---------------------|--------------------------|--------------------------|
| A) | Balances with Banks | 1,036.49 | 1,151.97 |
| B) | Deposits with Banks | 1,407.52 | 831.94 |
| C) | Cheques on hand | 90.21 | 50.94 |
| D) | Cash on Hand | 2.71 | 2.70 |
| | Total | 2,536.93 | 2,037.55 |

Note 11 : OTHER BANK BALANCES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|----------------------------------|--------------------------|--------------------------|
| | Balances in Margin Money Account | 54.60 | 35.59 |
| | Total | 54.60 | 35.59 |

Note 12 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Sr. No. | Particulars | As at 3 1st March 2023 | As at 31st March 2022 |
|-----------|---|---------------------------|--------------------------|
| A) | AUTHORISED SHARE CAPITAL | | |
| | 60,00,00,000 (60,00,00,000) Equity Shares of ₹ 2/- each | 12,000.00 | 12,000.00 |
| | Total | 12,000.00 | 12,000.00 |
| B) | ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL | | |
| | 6,52,71,137 (6,52,71,137) Equity Shares of ₹ 2/- each, as fully paid-up | 1,305.42 | 1,305.42 |
| | Total | 1,305.42 | 1,305.42 |

12.1 : The reconciliation of the number of shares outstanding is set out below:

(₹ in Lakhs)

| Equity Shares | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| At the beginning of the year (No. of Shares) | 65,271,137 | 65,271,137 |
| At the beginning of the year (₹ in Lakhs) | 1,305.42 | 1,305.42 |
| Issued during the year (No. of Shares) | - | - |
| Issued during the year (₹ in Lakhs) | - | - |
| Outstanding at the end of the year (No. of Shares) | 65,271,137 | 65,271,137 |
| Outstanding at the end of the year (₹ in Lakhs) | 1,305.42 | 1,305.42 |

The Group has only one class of equity shares having a par value of ₹ 2/- Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company of Group, the holders of equity shares will be entitled to receive any of the 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.

12.2 : The details of Shareholders holding more than 5% shares:

(₹ in Lakhs)

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Equity shares of ₹ 2/- each fully paid | | |
| Birla Bombay Private Limited (No. of Shares) | 16,423,113 | 16,423,113 |
| Birla Bombay Private Limited (% held) | 25.16 | 25.16 |
| Birla Infrastructure Limited (No. of Shares) | 14,015,589 | 14,015,589 |
| Birla Infrastructure Limited (% held) | 21.47 | 21.47 |
| Vedant Consultancy Private Limited (No. of Shares) | 4,607,663 | 4,607,663 |
| Vedant Consultancy Private Limited (% held) | 7.06 | 7.06 |
| As per records of the Group, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares. | | |

12.3 : Promotors shareholding as on 31st March, 2022

(₹ in Lakhs)

| | Promotors shareholding | As at 31st March 2023 | As at 31st March 2022 |
|--|--|--------------------------|--------------------------|
| | Mrs.Avanti Birla (No. of Shares) | 44 | 44 |
| | Mrs.Avanti Birla (% held) | 0.00% | 0.00% |
| | Mr.Yashovardhan Birla (No. of Shares) | 25,851 | 21,919 |
| | Mr.Yashovardhan Birla (% held) | 0.04% | 0.03% |
| | Birla Bombay Pvt Ltd (No. of Shares) | 16,423,113 | 16,423,113 |
| | Birla Bombay Pvt Ltd (% held) | 25.16% | 25.16% |
| | Khopoli Investments Ltd (No. of Shares) | 500,000 | 500,000 |
| | Khopoli Investments Ltd (% held) | 0.77% | 0.77% |
| | Birla ShlokaEdutech Ltd (No. of Shares) | 231 | 231 |
| | Birla ShlokaEdutech Ltd (% held) | 0.00% | 0.00% |
| | Vedant Consultancy Pvt Ltd (No. of Shares) | 4,607,663 | 4,607,663 |
| | Vedant Consultancy Pvt Ltd (% held) | 7.06% | 7.06% |
| | Zenith Dyeintermediates (No. of Shares) | 3,223,491 | 3,223,491 |
| | Zenith Dyeintermediates (% held) | 4.94% | 4.94% |
| | Birla Infrastructure Limited (No. of Shares) | 14,015,589 | 14,015,589 |
| | Birla Infrastructure Limited (% held) | 21.47% | 21.47% |
| | Shearson investment and Trading Co Pvt Ltd (No. of Shares) | 227,652 | 227,652 |
| | Shearson investment and Trading Co Pvt Ltd (% held) | 0.35% | 0.35% |
| | Birla Industries Group Charity Trust (No. of Shares) | 5,947 | 5,947 |
| | Birla Industries Group Charity Trust (% held) | 0.01% | 0.01% |
| | Matri Seva Sadan Charity Trust (No. of Shares) | 10,617 | 10,617 |
| | Matri Seva Sadan Charity Trust (% held) | 0.02% | 0.02% |
| | Yash Society (No. of Shares) | 25,056 | 25,056 |
| | Yash Society (% held) | 0.04% | 0.04% |

Note 13 OTHER EQUITY

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|----------------------------|--------------------------|--------------------------|
| A) | Capital Reserve | 50.02 | 50.02 |
| B) | Securities Premium Reserve | 2,874.93 | 2,874.93 |
| C) | General Reserves | 2,963.31 | 2,963.31 |
| D) | Retained Earnings | 6,075.81 | 4,633.69 |
| | Total (A to D) | 11,964.07 | 10,521.95 |

Note 14 : BORROWINGS

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-----------|--|--------------------------|--------------------------|
| | Non-Current | | |
| A) | Secured Loans | | |
| | Vehicle Loans : | | |
| | Car Loan (Refer note (a) below) | 236.88 | - |
| | Current maturities of long-term borrowings (Refer note (a) below) | 32.21 | - |
| | Sub Total (A) | 269.09 | - |
| B) | Unsecured Loans | | |
| | Sales Tax Deferred Payment Loan | - | - |
| | Current maturities of long-term borrowings (Refer note (b) below) | 74.58 | 76.01 |
| | Total Non - Current | 74.58 | 76.01 |
| | Security and Salient Terms: | | |
| | (a) The Car Loan of ₹ 244.09 lakhs (Previous Year ₹ Nil lakhs) is secured by hypothecation of the car. Interest is payable @ 8.00% p.a. and is repayable in eighty four monthly instalments starting from February, 2023 and ending in January, 2030. The Car Loan of ₹ 25.00 lakhs (Previous Year ₹ Nil lakhs) is secured by hypothecation of the car. Interest is payable @ 8.95% p.a. and is repayable in Sixty monthly instalments starting from April, 2023 and ending in March, 2028. | | |
| | (b) Sales Tax deferred payment loan of ₹ 74.58 lakhs (Previous Year ₹ 76.01 lakhs) is interest free and payable in instalments starting from April 2017. | | |
| | Current | | |
| A) | Secured Loans | | |
| | Working Capital Loans From Banks | | |
| | Foreign Currency Loan | - | - |
| | Rupee Loan (Refer note (a),(b), (c) (d) and (e) below) | 2,897.38 | 2,143.15 |
| | Subtotal (A) | 2,897.38 | 2,143.15 |
| B) | Unsecured Loans | | |
| | From Bodies Corporates | - | - |
| | From Other | - | 193.54 |
| | Subtotal (B) | - | 193.54 |
| | Total - Current | 2,897.38 | 2,336.69 |

Security and Salient Terms:

- Rupee loans of ₹2222.38 lakhs (Previous Year ₹ Nil lakhs) exclusive charge by way of hypothecation on entire stock of Finished goods, Raw material, Stock in trade and Book debts of the Company, present and future. Exclusive charge by way of Hypothecation of Plant & Machinery of the Company. Corporate Guarantee of Asian Distributors Private Limited to the extent of market value of collateral proposed to mortgage.
- Rupee loans of ₹ 675.00 Lakhs (Previous Year ₹ Nil Lakhs) fresh additional working capital term loan under BGECL 1.0 extension scheme 100% guaranteed by NCGTC. Principal to be repaid in 36 monthly installment of ₹ 18.75 Lakhs each plus interest commencing after 24 months from the date of first disbursement.
- Rupee loans of ₹ Nil lakhs (Previous Year ₹ 1390.37 lakhs) first charge by way of hypothecation of company's entire paid up stock and trade receivables, present and future on pari pasu basis with other working capital bankers and second pari pasu charge over the land along with construction thereon and all machineries situated at B-15/4, MIDC, Aurangabad - 431133 of the Group Company to be shared with other working capital bankers.
- Rupee loans of ₹ Nil lakhs (Previous Year ₹ 752.78 lakhs) first charge by way of hypothecation of company's entire current assets on pari pasu basis with other working capital bankers and second pari pasu charge over the entire fixed assets of the Group Company to be shared with other working capital bankers.
- The rates of interest for rupee loan ranges from 9.70% p.a. to 12% p.a.

Note 15: TRADE PAYABLES

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|-------------------------------------|-----------------------|-----------------------|
| | Current | | |
| | Micro, Small and Medium Enterprises | 385.85 | 527.09 |
| | Others | 3,006.87 | 2,644.69 |
| | Total - Current | 3,392.72 | 3,171.78 |

Disclosures relating to amounts payable as at the year end together with interest paid/payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Group determined on the basis of intimation received from suppliers regarding their status and the required disclosure are give below:

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|
| Principal amount due and remaining unpaid | 385.85 | 527.09 |
| Interest due on above and the unpaid interest | - | - |

15.1 Ageing of trade payables as on 31st March, 2023

| | | | |
|-------|-------------------|-----------------|-----------------|
| (i) | MSME | | |
| | Less than 1 year | 385.69 | 305.65 |
| | 1 - 2 years | - | 10.18 |
| | 2 -3 years | 0.16 | 3.38 |
| | More than 3 Years | - | 1.66 |
| | Total | 385.85 | 320.87 |
| (ii) | Others | | |
| | Less than 1 year | 2,859.59 | 1,589.33 |
| | 1 - 2 years | 31.02 | 53.62 |
| | 2 -3 years | 8.52 | 32.49 |
| | More than 3 Years | - | 170.17 |
| | Total | 2,899.13 | 1,845.61 |
| (iii) | Disputed MSME | | |
| | Less than 1 year | - | 111.16 |
| | 1 - 2 years | - | 56.23 |
| | 2 -3 years | - | 7.60 |
| | More than 3 Years | - | 31.23 |
| | Total | - | 206.22 |
| (iv) | Disputed Others | | |
| | Less than 1 year | 31.76 | 655.68 |
| | 1 - 2 years | - | 42.74 |
| | 2 -3 years | - | 24.27 |
| | More than 3 Years | 75.98 | 76.39 |
| | Total | 107.74 | 799.08 |

Note 16 : OTHER FINANCIAL LIABILITIES

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|-----------------------|-----------------------|
| | Current | | |
| | Current maturities of long-term debts | - | - |
| | Security Deposit from dealers / others | 40.99 | 36.96 |
| | Total - Current | 40.99 | 36.96 |

Note 17 : OTHER CURRENT LIABILITIES

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|-------------------------|--------------------------|--------------------------|
| | Current | | |
| | Advances from Customers | 190.76 | 1,006.64 |
| | Payable to employees | 544.96 | 537.42 |
| | Statutory Liabilities | 99.43 | 114.67 |
| | Total - Current | 835.15 | 1,658.73 |

Note 18 : PROVISIONS

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|--------------------------|--------------------------|
| | Non-Current | | |
| | Provision for Employee Benefits | | |
| | Gratuity | 136.08 | 203.42 |
| | Leave benefits | 170.58 | 168.28 |
| | Total Non - Current | 306.66 | 371.70 |
| | Current | | |
| A) | Provision for Employee Benefits | | |
| | Gratuity | 977.31 | 733.11 |
| | Leave benefits | 49.82 | 44.08 |
| | Sub Total | 1,027.13 | 777.19 |
| B) | Provision for expenses | 937.75 | 872.38 |
| | Total - Current | 1,964.88 | 1,649.57 |

Note 19 : DEFERRED TAX LIABILITIES

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|--------------------------|--------------------------|
| | Deferred Tax Liability | | |
| | Related to fixed assets | 185.42 | 122.43 |
| | Deferred Tax Assets | | |
| | Disallowances under the Income Tax Act, 1961 | 185.42 | 122.43 |
| | Total | - | - |

Note 20 : CURRENT TAX LIABILITIES

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---------------------------|--------------------------|--------------------------|
| | Provision for Current Tax | 536.34 | 265.12 |
| | Total | 536.34 | 265.12 |

Note 21 : REVENUE FROM OPERATIONS

| Sr. No. | Particulars | For the year ended 31st Mar 2023 | For the year ended 31st Mar 2022 |
|---------|--------------------------------|-------------------------------------|-------------------------------------|
| | Sale of Products | 24,578.68 | 23,938.19 |
| | Sale of Services | 283.15 | 77.64 |
| | Other operating revenue | 474.70 | 611.22 |
| | Revenue from operations | 25,336.53 | 24,627.05 |

Note 22 : OTHER INCOME

| Sr. No. | Particulars | For the year ended 31st Mar 2023 | For the year ended 31st Mar 2022 |
|---------|---------------------------------------|-------------------------------------|-------------------------------------|
| | Interest: | | |
| | From Bank deposits | 25.10 | 74.24 |
| | From Others | 0.02 | 5.01 |
| | | 25.12 | 79.25 |
| | Exchange rate difference (Net) | 80.61 | 30.28 |
| | Sundry balances written back (Net) | 410.68 | - |
| | Miscellaneous Income | 47.63 | 37.95 |
| | Merchandise Exports From India Scheme | 21.22 | 14.98 |
| | Training completion skill poor youth | 14.20 | 42.71 |
| | Profit on sale of fixed assets | 434.75 | - |
| | | 1,009.09 | 125.92 |
| | Total | 1,034.21 | 205.17 |

Note 23 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| Sr. No. | Particulars | For the year ended 31st Mar 2023 | For the year ended 31st Mar 2022 |
|---------|--|-------------------------------------|-------------------------------------|
| | Inventory at the beginning of the year | 2,016.52 | 1,451.73 |
| | Add : Purchases | 6,221.46 | 8,259.22 |
| | | 8,237.98 | 9,710.95 |
| | Less : Inventory at the end of the year | 1,818.94 | 2,016.52 |
| | Cost of Raw Materials and Components Consumed | 6,419.04 | 7,694.43 |

Note 24 : PURCHASES OF STOCK-IN-TRADE

| Sr. No. | Particulars | For the Year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|--------------|---------------------------------------|---------------------------------------|
| | Files | 1,367.86 | 409.54 |
| | Total | 1,367.86 | 409.54 |

Note 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE

| Sr. No. | Particulars | For the Year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|---|---------------------------------------|---------------------------------------|
| | Inventories at the end of the year | | |
| | Finished Goods | 1,677.53 | 1,409.09 |
| | Semi-Finished Goods | 1,201.45 | 1,505.22 |
| | Stock-in-Trade | 611.17 | 247.90 |
| | | 3,490.15 | 3,162.21 |
| | Inventories at the beginning of the year | | |
| | Finished Goods | 1,409.09 | 1,323.09 |
| | Semi-Finished Goods | 1,505.22 | 1,150.29 |
| | Stock-in-Trade | 247.90 | 66.90 |
| | | 3,162.21 | 2,540.28 |
| | Change in Inventories | | |
| | Finished Goods | (268.44) | (86.00) |
| | Semi-Finished Goods | 303.77 | (354.93) |
| | Stock-in-Trade | (363.27) | (181.00) |
| | Total | (327.94) | (621.93) |

Note 26: EMPLOYEE BENEFITS EXPENSE

| Sr. No. | Particulars | For the Year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|---|---------------------------------------|---------------------------------------|
| | Salaries, Wages and Bonus | 4,565.77 | 3,925.11 |
| | Contribution to Provident and Other Funds | 448.59 | 369.51 |
| | Staff Welfare Expenses | 279.41 | 271.75 |
| | Total | 5,293.77 | 4,566.37 |

Note 27: FINANCE COSTS

| Sr. No. | Particulars | For the Year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|--------------------|---------------------------------------|---------------------------------------|
| | Interest Expenses: | | |
| | Fixed Loan | 228.20 | 376.34 |
| | Other | 0.82 | 62.38 |
| | Bank charges | 102.19 | 88.86 |
| | Total | 331.21 | 527.58 |

Note 28: DEPRECIATION AND AMORTIZATION EXPENSES

| Sr. No. | Particulars | For the Year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|-----------------------------------|---------------------------------------|---------------------------------------|
| | Depreciation on Tangible Assets | 456.81 | 392.89 |
| | Amortisation of Intangible Assets | 5.20 | 15.22 |
| | Total | 462.01 | 408.11 |

Note 29: OTHER EXPENSES

| Sr. No. | Particulars | For the Year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|--|---------------------------------------|---------------------------------------|
| A) | Manufacturing Expenses | | |
| | Stores, cutting tools and packing materials consumed | 1,533.08 | 1,439.07 |
| | Sub-contracting expenses | 2,244.44 | 1,839.97 |
| | Power, fuel and water | 1,496.34 | 1,468.60 |
| | Repairs and maintenance: | | |
| | Buildings | 35.01 | 18.98 |
| | Plant and machinery | 134.45 | 188.50 |
| | Sub Total (A) | 5,443.32 | 4,955.12 |
| B) | Administrative, Selling and Other Expenses: | | |
| | Rent | 43.35 | 62.73 |
| | Rates and taxes | 8.51 | 11.08 |
| | Postage and telephone | 36.78 | 35.55 |
| | Printing and stationery | 56.32 | 42.80 |
| | Insurance | 25.35 | 26.75 |
| | Travelling and conveyance | 331.43 | 181.11 |
| | Foreign travelling expenses | 108.46 | 52.20 |
| | Vehicle expenses | 7.96 | 16.19 |
| | Advertisement , publicity etc. | 253.11 | 90.50 |
| | Sales promotion and other selling expenses | 1,947.81 | 2,202.32 |
| | Sales commission | 677.63 | 326.20 |
| | Freight on sales | 388.89 | 313.44 |
| | Training and welfare expenses | 15.58 | 8.54 |

| | | |
|--|----------------------|------------------|
| Training expenses skill of poor youth | 8.82 | 33.43 |
| Directors' sitting fees | 15.60 | 0.90 |
| Auditors' remuneration (excluding GST) | | |
| As Auditor | 8.00 | 8.06 |
| For Limited Review | - | - |
| For other service | - | - |
| For Certifications | - | - |
| For Reimbursement of Expenses | 0.27 | 0.15 |
| | 8.27 | 8.21 |
| Corporate social responsibility expenses | - | - |
| Legal and professional fees | 1,017.49 | 522.96 |
| Security services | 43.66 | 37.48 |
| Software maintenance expenses | 2.71 | 8.12 |
| Sundry balances written off | 86.46 | 1,057.68 |
| Exchange rate variation loss (Net) | - | - |
| Bad debts written off | 0.32 | 514.51 |
| Provision for doubtful debts | - | 20.28 |
| Loss on sale of fixed assets | 1.53 | - |
| Miscellaneous expenses | 230.41 | 188.86 |
| | Sub Total (B) | 5,316.45 |
| | Total (A+B) | 10,759.77 |
| | | 5,761.84 |
| | | 10,716.96 |

Note 30 : Earnings per share (EPS):

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| Net Profit / (Loss) after tax attributable to Equity Shareholders (A) | 1528.32 | 1118.05 |
| No. of Equity Shares outstanding during the year for calculating Basic EPS (B) | 65271137 | 65271137 |
| No. of Equity Shares outstanding during the year for calculating Diluted EPS (C) | 65271137 | 65271137 |
| Nominal Value of Equity Shares (₹) | 2/- | 2/- |
| Basic EPS (₹) (A / B) | 2.34 | 1.71 |
| Diluted EPS (₹) (A / C) | 2.34 | 1.71 |

Note 31. Contingent liabilities:

(a) Estimated amount of contracts remaining to be executed (net of advances), not provided for:

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|-----------------------------|------------------|------------------|
| Capital Commitments: | | |
| Tangible Assets | 56.20 | 202.20 |

(b) Contingent liabilities not provided for in respect of:

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| (i) Amount of duty saved under EPCG Scheme against export obligations | 13.87 | 13.87 |
| (ii) Sales Tax Demands in Appeals | 87.12 | 87.12 |
| (iii) Bank Guarantees / Letters of Credit | 25.06 | 25.06 |
| (iv) Claims against Company not acknowledged as debts | 9.66 | 9.66 |

(c) The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of the proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.

Note 32: Balances of Sundry Creditors, Debtors, Loans and Advances and Other current assets are subject to confirmation.

Note 33: Employee Benefits:

(A) Defined Contribution Plans:

The Company has recognized the following amounts in statement of profit and loss for the year: (₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| Contribution to Employees Provident Fund and Other Funds | 448.59 | 369.51 |
| Total | 448.59 | 369.51 |

(B) Defined Benefit Plans :

I. (a) Contribution to Gratuity:

Provision for Gratuity has been made in the accounts based on an actuarial valuation carried out at the close of the year. The Company has funding arrangement with Birla Sun Life and Life Insurance Corporation of India, except for Tools Division, in which case it is held under Indian Tool Employee Gratuity Fund, and the liability is discharged to the employees in the year of retirement / cessation of employment.

Details under Ind AS-19, to the extent applicable is furnished below:

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| Amount recognised in Balance Sheet | | |
| Present value of defined benefit obligation | 1320.96 | 1145.10 |
| Fair value of plan assets | 207.57 | 208.57 |
| Funded Status | (1113.39) | (936.53) |
| Expense recognised in the Statement of Profit and Loss | | |
| Current service cost | 69.72 | 71.12 |
| Net Interest | 64.92 | 56.58 |
| Total expense charged to Profit and Loss Account | 134.64 | 127.70 |
| Amount recorded as Other Comprehensive Income | | |
| Actuarial (Gain)/Loss recognised for the period | 80.03 | (46.87) |
| Return on Plan Assets excluding net interest | 6.17 | (1.43) |
| Total Actuarial (Gain)/Loss recognised in OCI | 86.20 | (48.30) |
| Reconciliation of net liability/(Asset) | | |
| Opening net liability | 936.53 | 907.51 |
| Adjustment to opening balance | (0.25) | (3.25) |
| Expenses charged to the Statement of Profit and Loss | 134.64 | 127.71 |
| Contribution paid | (43.73) | (47.14) |
| Other Comprehensive Income (OCI) | 86.20 | (48.30) |
| Closing net defined benefit liability/(asset) | 1113.39 | 936.53 |
| Movement in benefit obligation | | |
| Opening defined benefit obligation | 1148.10 | 1104.63 |
| Interest on defined benefit obligation | 79.41 | 68.98 |
| Current service cost | 69.72 | 71.12 |
| Benefits paid | (56.30) | (49.76) |
| Actuarial (Gain)/Loss on obligation | 80.03 | (46.87) |
| Closing of defined benefit obligation | 1320.96 | 1148.10 |

| Movement in Plan Assets | | | |
|---|--|----------------|----------------|
| Opening fair value of plan assets | | 211.58 | 197.13 |
| Adjustment to opening fair value of plan assets | | 0.25 | 3.25 |
| Return on plan assets excluding interest income | | (6.17) | 1.43 |
| Interest Income | | 14.49 | 12.39 |
| Contribution by employer | | 43.73 | 47.14 |
| Benefits paid | | (56.30) | (49.76) |
| Closing fair value of plan assets | | 207.58 | 211.58 |
| Asset Information | | | |
| Insurer managed funds | | 207.58 | 211.58 |
| Others | | - | - |
| Grand Total | | 207.58 | 211.58 |
| Principal actuarial assumptions | | | |
| Discount rate (p.a.) | | 7.29% | 7.10% |
| Salary escalation rate (p.a.) | | 3.00% to 5.00% | 3.00% to 5.00% |

II. Leave Encashment:

The leave encashment provision for the year ended 31st March, 2023, based on actuarial valuation carried out using projected unit credit method amounting to ₹ 53.30 Lakhs (Previous Year ₹ 7.98 Lakhs) has been recognized in statement of profit and loss.

Note 34 : Segment Reporting:**(a) Business Segments:**

| Particulars | (₹ in Lakhs) | |
|---|---------------------|-----------------|
| | 2022-23 | 2021-22 |
| Segment Revenue | | |
| a) Tooling | 22197.89 | 20092.07 |
| b) Automotive Components | 4158.66 | 4697.03 |
| c) Other | 14.19 | 43.12 |
| Total Income from operations | 26370.74 | 24832.22 |
| Segment Results Profit(+)/(Loss)(-) | | |
| (before Interest and Tax) from segment | | |
| a) Tooling | 2751.57 | 1967.11 |
| b) Automotive Components | (355.34) | (310.35) |
| c) Other | - | 1.98 |
| Total | 2396.23 | 1658.74 |
| Less: Interest and Finance Charges | 331.21 | 527.58 |
| Less: Exceptional Items | 0.00 | 0.00 |
| Profit before Tax | 2065.02 | 1131.16 |
| Less: Provision for Taxation | | |
| Current Tax | 480.00 | 210.00 |
| Provision For Earlier Periods | - | - |
| Mat Credit | 56.70 | (196.89) |
| Deferred Tax | - | - |
| Profit / (Loss) after Tax | 1528.32 | 1118.05 |
| Segment Assets | | |

| | | |
|-----------------------------|-----------------|-----------------|
| a) Tooling | 20652.42 | 18161.41 |
| b) Automotive Components | 2488.11 | 2770.30 |
| c) Other | 141.43 | 127.10 |
| d) Unallocated Assets | 305.32 | 335.12 |
| Total | 23587.28 | 21393.93 |
| Segment Liabilities | | |
| a) Tooling | 7700.02 | 6147.13 |
| b) Automotive Components | 2062.73 | 3136.17 |
| c) Other | 18.70 | 18.14 |
| d) Unallocated Liabilities | 536.34 | 265.12 |
| Total | 10317.79 | 9566.56 |
| Capital employed | | |
| a) Tooling | 12952.40 | 12014.28 |
| b) Automotive Components | 425.38 | (365.87) |
| c) Other | 122.73 | 108.96 |
| d) Unallocable | (231.02) | 70.00 |
| Total | 13269.49 | 11827.37 |
| Capital Expenditure | | |
| a) Tooling | 5224.33 | 1688.19 |
| b) Automotive Components | - | 80.40 |
| c) Other | - | - |
| Total | 5224.33 | 1768.59 |
| Depreciation | | |
| a) Tooling | 312.24 | 272.66 |
| b) Automotive Components | 149.77 | 135.45 |
| c) Other | - | - |
| Total | 462.01 | 408.11 |
| Non Cash Expenditure | | |
| a) Tooling | - | - |
| b) Automotive Components | - | - |
| c) Other | - | - |
| Total | - | - |

Effective from 1st April 2018, the identification of segments under Ind AS is based on the following segments worked out on the basis of the internal reclassification of items under Precision Components, Casting and Machining:

1. Tooling
2. Automotive Components

(b) Secondary Segment - (Geographical):

| (₹ in Lakhs) | | | | |
|------------------------|------------|-----------|-------------------|------------|
| Particulars | India | USA | Rest of the World | Total |
| Segment Revenue | 22824.61 | 1181.55 | 2364.58 | 26370.74 |
| | (22071.70) | (1197.42) | (1563.10) | (24832.22) |

(Figures in brackets indicates 31st March, 2022 figures)

Note 35: Related party disclosures:**(A) Name of related parties and nature of relationships (as per Ind AS 24):**

| | |
|--|--|
| (a) Key Management Personnel | |
| 1. Shri Vedant Birla - Chairman & Managing Director. | |
| 2. Shri Harish Pareek - Chief Financial Officer. | |
| (b) Enterprises owned or significantly influenced by Key Management personnel or their relatives: | |
| 1 ACE Trusteeship Services Private Limited | 7 Hair Station LLP |
| 2 Birla Earth Private Limited | 8 Hilton Consultancy |
| 3 Birla Infrastructure & Constructions Private Limited | 9 Birla Precision USA Ltd - foreign subsidiary |
| 4 Birla Infrastructure & Developers Private Limited | 10 Birla Precision Technologies GMBH - foreign subsidiary |
| 5 Edufocus International Education LLP | 11 Birla Engineering Private Limited - domestic subsidiary |
| 6 Eduserve International Education LLP | 12 Birla Accucast Private Limited - domestic subsidiary |
| | 13 Birla Durotool Private Limited - domestic subsidiary |

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

(B) Transactions during the year ended 31st March, 2023 and balances with related parties :

(₹ in Lakhs)

| Name of related party | Description and Nature of transactions | Total Amount of the Transactions during the Current year (Previous Year) | Amount if any Outstanding as on 31.03.2023 DEBIT Balance Current Year (Previous Year) | Amount if any Outstanding as on 31.03.2023 CREDIT Balance Current Year (Previous Year) |
|--|--|--|---|--|
| Shri.Vedant Birla | Remuneration Paid | 45.63 | - | 2.30 |
| | | (31.48) | - | - |
| Hilton Consultancy | Professional and consultancy charges | 6.00 | - | - |
| | | (6.00) | - | - |
| Birla Precision GMBH | Sales | 28.06 | 21.97 | - |
| | | - | - | - |
| | Loans & advances | 52.72 | 52.72 | - |
| Birla Precision USA Ltd | Loans & advances | 57.10 | 57.10 | - |
| | | - | - | - |
| Shri Santosh Kumar (Director) | Remuneration Paid | 12.97 | - | 0.73 |
| | | - | - | - |
| Shri Harish K Pareek (CFO) | Remuneration Paid | 16.54 | - | 0.59 |
| | | - | - | - |
| Mr. Parth Hariprasad Matolia (Company Secretary) | Remuneration Paid | 6.61 | - | 0.51 |
| | | - | - | - |

(Figures in brackets indicate 31st March, 2022 figures)

Note 36: Fair values of financial assets and financial liabilities:

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortised cost using effective interest rate (EIR) of non current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired includes cash and cash equivalents, security deposits, term deposits and other financial assets.

The impact of fair value on non current borrowings, non current security deposits and non current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

Note 37: Fair value hierarchy:

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

*Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

| (₹ in Lakhs) | | |
|---|------------------|------------------|
| Particulars | 31st March, 2023 | 31st March, 2022 |
| Level 1 (Quoted price in active markets) | - | - |
| Level 2 | | |
| Financial assets measured at fair value through profit or loss | - | - |
| Financial liability measured at fair value through profit or loss | - | - |
| Level 3 | | |
| Financial assets measured at fair value through profit or loss | | |
| Trade receivables | 4037.40 | 3682.56 |
| Cash and cash equivalents | 2536.93 | 2037.55 |
| Bank balances other than cash and cash equivalent | 54.60 | 35.59 |
| Loans and advances | 446.06 | 1149.84 |
| Other financial assets | 288.63 | 209.51 |
| Other current assets | 2345.26 | 3363.38 |

The carrying amounts of trade receivables, cash and cash equivalents and other bank balances, loans and advances, other financial assets and other current assets are considered to approximate their fair values due to their short term nature.

Financial liability measured at amortized cost

| | | |
|-----------------------------|---------|---------|
| Borrowings | 2897.38 | 2336.69 |
| Trade Payables | 3392.72 | 3171.78 |
| Other financial liabilities | 40.99 | 36.96 |
| Other current liabilities | 835.15 | 1658.73 |

The carrying amounts of borrowings, trade payables, other financial liabilities and other current liabilities are considered to approximate their fair values due to their short term nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

Note 38: Financial risk management objectives and policies:

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk:

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

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

(ii) Foreign currency risk:

The Company is exposed to foreign currency risk arising mainly on borrowing, export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

(B) 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. Credit risk arises principally from the statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Note 39: 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. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of borrowings from banks, financial institutions and Unsecured Loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| Particulars | 31st March, 2023 | 31st March, 2022 |
|--------------------------------|------------------|------------------|
| (i) Total equity | 13269.49 | 11827.37 |
| (ii) Total debt | 3241.05 | 2412.70 |
| (iii) Overall financing (i+ii) | 16510.54 | 14240.07 |
| (iv) Gearing ratio (ii/iii) | 0.20 | 0.17 |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023, 31 March 2022.

Note 40: Corporate social responsibility:

- (A) Gross amount spend by the Company towards Corporate Social Responsibility is ₹ Nil Lakhs (Previous Year ₹ Nil Lakhs).
(B) No expenditure has been paid to a related party, in relation to CSR expenditure as per Ind-AS 24, Related Party Disclosures.

Note 41: Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

**For M/s.Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C**

For and on behalf of Board of Directors

**Jinendra Jain
Partner
Membership No. 072995**

**Harish Pareek
Chief Financial Officer**

**Vedant Birla
Chairman & Managing Director
DIN: 03327691**

**Parth Matolia
Company Secretary**

**Place: Mumbai
Date : 26th May, 2023**

INDEPENDENT AUDITOR'S REPORT

To

The Members

Birla Precision Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Birla Precision Technologies Limited ("the Company") and its subsidiaries ("the Group") which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2023
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Results section of our report. We are independent of the Company and the Group, 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Branch Office : 701, Lakshchandi Heights, Gokuldham,
Goregaon (E), Mumbai – 400 060

Description of Key Audit Matters

| The Key Audit Matters | How our audit addressed the matter |
|--|---|
| <p>Capitalisation of property, plant and equipment</p> <p>During the year ended 31st March, 2023, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various locations of the Company was ₹ 4134.73 Lakhs in the current year as set out in Note No.2. Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment. As a result, the aforesaid matter was determined to be a key audit matter.</p> | <p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> • We assessed the capitalisation process and tested the design and operating effectiveness of the controls in the process. • Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. • Reviewed the project completion details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Based on the above procedures, management's assessment in respect of Capitalisation of property, plant and equipment in the Standalone Financial Statements are considered to be adequate.</p> |

| | |
|--|---|
| <p>Lockout of Foundry Division</p> <p>During the Year, the Company has Temporarily Locked Out its Foundry Division.</p> <p>Matter –</p> <p>The Company in its email dated 30th January, 2023 had informed the Board of Directors of its decision of Lockout of the Foundry Division of the Company situated at Waluj, Maharashtra, due to continuous losses borne by the Unit over a period of time and ongoing labor issues which were jeopardizing the overall business activity of the Foundry Business. The Company tried all the steps of salvaging the production and its business activities in spite of facing hurdles, but over a period, running business operations from the factory became unsustainable due to continuous losses and recurring issues at Factory. The Company wants to also convey to the board, that they have taken this step after considerable discussion with a view of maximizing shareholders wealth by focusing on profitable units and its subsequent business's. The Company informed the Worker Unions of its decision of Lockout which was followed with informing the government bodies and authorities with Company engaging with all the stakeholders and safeguarding their interests.</p> <p>Since, the Total Revenue from Operations of this division was 15.74% of total revenue from Operations as on March 31, 2022, the aforesaid matter was determined to be a key audit matter.</p> | <p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> • We assessed the filings done and intimations done by the Management with the Stock Exchanges and the Appropriate Legal Authorities regarding the same. • Based on the clarification received from the Management, the Demerger Application of the said department was already pending with the BSE. • Based on our technical assessment, even though the revenue of the division was 15.74% of total revenue but the Division was loss making since many years (Loss of Rs 6.79 Crores against revenue of ₹ 38.76 Crores) • Also, the Company is in expansion phase with its new project at Chalisgaon and expansion of existing facilities at Nashik. Therefore the lockout would not have any adverse impact on the Company. <p>On the basis of above Clarifications and assessment, we do not have any adverse comment on the Going Concern of the Company.</p> |
|--|---|

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including the Annexures to Board's Report, Corporate Governance and Shareholder's Information, 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 consolidated 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we

are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid. In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity

Auditor's Responsibility for the Audit of the Consolidated Financial Statement

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

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

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

- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of the 2 foreign subsidiaries of the Company, namely Birla Precision GMBH and Birla Precision USA Ltd. These financial statements have been audited/ reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as issued by Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we hereby give in the "**Annexure A**" 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, based on our audit 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 accounts 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of The Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2023, from being appointed as a Director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters 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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its financial position;
 - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company or the Group.

- a. The respective Management of the Company and the Group has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The respective Management of the Company and the Group has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- iv. The Company has not declared or paid any dividend during the year.

For **Valawat & Associates**

Chartered Accountants

FRN: 003623C

Jinendra Jain

Partner

Membership No. 072995

UDIN: 23072995BGVUDY7506

Place: Mumbai

Date: 26th May, 2023

Annexure A to the Independent Auditors' Report

(Referred to in para I under "Report on other Legal and Regulatory Requirement" of our report of even date)

Re: Birla Precision Technologies Limited ('the Company')

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

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For Valawat & Associates

Chartered Accountants

FRN: 003623C

Jinendra Jain

Partner

Membership No. 072995

UDIN: 23072995BGVUDY7506

Place: Mumbai

Date: 26th May, 2023

Annexure-B to the Independent Auditor's Report

(Referred to in para 2(f) under "Report on other Legal and Regulatory Requirement" of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of Birla Precision Technologies Limited ("the Company") and its subsidiaries ("the Group") which are incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated

in India, have, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Valawat & Associates**
Chartered Accountants
FRN: 003623C

Jinendra Jain
Partner
Membership No. 072995
UDIN: 23072995BGVUDY7506

Place: Mumbai
Date: 26th May, 2023

Balance sheet as at 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | Consolidated | |
|------------|---|----------|---------------------|-----------------------|
| | | | As at 31st Mar 2023 | As at 31st March 2022 |
| I. | ASSETS | | | |
| | NON-CURRENT ASSETS | | | |
| (a) | Property, plant and equipment | 2 | 6,863.19 | 3,284.25 |
| (b) | Capital work-in-progress | 2 | 20.47 | 893.32 |
| (c) | Intangible assets | 2 | 11.12 | 9.31 |
| (d) | Intangible assets under development | 2 | - | - |
| (e) | Financial assets | | | |
| | (i) Investments | 3 | 722.50 | 715.00 |
| | (ii) Loans | 4 | - | - |
| | (iii) Other Financial Assets | 5 | - | - |
| (f) | Other non-current assets | 6 | 60.86 | 97.39 |
| | Merger / Amalgamation | | - | - |
| | Total Non - Current Assets | | 7,678.14 | 4,999.27 |
| | CURRENT ASSETS | | | |
| (a) | Inventories | 8 | 5,880.43 | 5,557.60 |
| (b) | Financial assets | | | |
| | (i) Investments | 3 | - | - |
| | (ii) Trade receivables | 9 | 4,023.92 | 3,682.56 |
| | (iii) Cash and cash equivalents | 10 | 2,553.80 | 2,040.55 |
| | (iv) Bank balances other than (iii) above | 11 | 54.60 | 35.59 |
| | (v) Loans | 4 | 336.14 | 1,170.35 |
| | (vi) Other Financial Assets | 5 | 291.80 | 209.51 |
| (c) | Other current assets | 6 | 2,345.26 | 3,363.38 |
| (d) | Current tax assets (Net) | 7 | 305.32 | 335.12 |
| | Total - Current Assets | | 15,791.27 | 16,394.66 |
| | Total Assets | | 23,469.41 | 21,393.93 |
| II. | EQUITY AND LIABILITIES | | | |
| | EQUITY | | | |
| (a) | Equity share capital | 12 | 1,305.42 | 1,305.42 |
| (b) | Other equity | 13 | 11,843.08 | 10,521.95 |
| | Total - Equity | | 13,148.50 | 11,827.37 |
| | LIABILITIES | | | |
| A | Non-Current Liabilities | | | |
| (a) | Financial liabilities | | | |
| | (i) Borrowings | 14 | 343.67 | 76.01 |
| (b) | Provisions | 18 | 306.66 | 371.70 |
| (c) | Deferred tax liabilities (Net) | 19 | - | - |
| | Total Non - Current Liabilities | | 650.33 | 447.71 |
| B | Current Liabilities | | | |
| (a) | Financial liabilities | | | |
| | (i) Borrowings | 14 | 2,897.72 | 2,336.69 |
| | (ii) Trade payables | 15 | 3,393.71 | 3,171.78 |
| | (iii) Other financial liabilities | 16 | 40.99 | 36.96 |
| (b) | Other current liabilities | 17 | 836.94 | 1,658.73 |
| (c) | Provisions | 18 | 1,964.88 | 1,649.57 |
| (d) | Current tax liabilities (Net) | 20 | 536.34 | 265.12 |
| | Total - Current Liabilities | | 9,670.58 | 9,118.85 |
| | Total Equity and Liabilities | | 23,469.41 | 21,393.93 |

Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements

I to 43

As per our attached report of even date

For and on behalf of Board of Directors

For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

Jinendra Jain
Partner
Membership No. 072995

Vedant Birla
Chairman & Managing Director
DIN: 03327691

Harish Pareek
Chief Financial Officer

Parth Matolia
Company Secretary

Place: Mumbai
Date : 26th May, 2023

Statement of Profit and Loss for the period ended 31st March 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | Consolidated | |
|--------------|---|----------|------------------------------------|------------------------------------|
| | | | For the period ended 31st Mar 2023 | For the year ended 31st March 2022 |
| I. | INCOME | | | |
| | Revenue from operations | 21 | 25,330.41 | 24,627.05 |
| | Other income | 22 | 1,034.21 | 205.17 |
| | Total Income | | 26,364.62 | 24,832.22 |
| II. | EXPENSES | | | |
| | Cost of Raw Materials and Components Consumed | 23 | 6,419.04 | 7,694.43 |
| | Purchases of Stock-in-Trade | 24 | 1,367.86 | 409.54 |
| | Changes in Inventories of Finished Goods, Semi-Finished Goods and Stock-in-Trade | 25 | (336.94) | (621.93) |
| | Employee benefits expense | 26 | 5,357.24 | 4,566.37 |
| | Finance costs | 27 | 331.82 | 527.58 |
| | Depreciation and amortization expense | 28 | 462.01 | 408.11 |
| | Other expenses | 29 | 10,819.57 | 10,716.96 |
| | Total Expenses | | 24,420.60 | 23,701.06 |
| III. | Profit / (Loss) before exceptional items and tax | | 1,944.02 | 1,131.16 |
| IV. | Exceptional item | | - | - |
| V. | Profit / (Loss) before tax (III - IV) | | 1,944.02 | 1,131.16 |
| VI. | Tax expense: | | | |
| | (1) Current tax | | 480.00 | 210.00 |
| | (2) Short/(Excess) Provision Previous Financial Year | | - | - |
| | (3) MAT Credit | | 56.70 | (196.89) |
| | (4) Deferred tax | | - | - |
| VII. | Profit/(Loss) for the period (V-VI) | | 1,407.32 | 1,118.05 |
| VIII. | OTHER COMPREHENSIVE INCOME | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | Related to employee benefits | | (86.20) | 48.30 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | Total Other Comprehensive Income net of tax | | (86.20) | 48.30 |
| | Total Comprehensive income for the year, net of tax (VII+VIII) | | 1,321.12 | 1,166.35 |
| | Earnings per equity share: | | | |
| | (1) Basic EPS (₹) | | 2.16 | 1.71 |
| | (2) Diluted EPS (₹) | | 2.16 | 1.71 |

Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements

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As per our attached report of even date

For and on behalf of Board of Directors

For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

Jinendra Jain
Partner
Membership No. 072995

Vedant Birla
Chairman & Managing Director
DIN: 03327691

Harish Pareek
Chief Financial Officer

Parth Matolia
Company Secretary

Place: Mumbai
Date : 26th May, 2023

Statement of Changes in Equity for the year ended 31st March 2023

(A) EQUITY SHARE CAPITAL

| Sr. No. | Particulars | Nos. | Amount in ₹ | Amount in ₹ Lakhs |
|---------|--|-------------|-----------------|-------------------|
| | Equity shares of ₹ 2/- each Issued, Subscribed and Fully Paid up | | | |
| | As at 1st April, 2021 | 5,68,39,434 | 11,36,78,868.00 | 1,136.79 |
| | Issued during the year | 84,31,703 | 1,68,63,406.00 | 168.63 |
| | As at 31st March, 2022 | 6,52,71,137 | 13,05,42,274.00 | 1,305.42 |
| | Change in Equity Share Capital during the year | - | - | - |
| | As at 31st March, 2023 | 6,52,71,137 | 13,05,42,274.00 | 1,305.42 |

The Company has only one class of equity shares having a par value of ₹ 2/- Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the 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.

(i) The details of Shareholders holding more than 5% shares:

| | As at | | As at | |
|--|-----------------|--------|-----------------|--------|
| | 31st March 2023 | | 31st March 2022 | |
| | No. of Shares | % held | No. of Shares | % held |
| Equity shares of ₹ 2/- each fully paid | | | | |
| Birla Bombay Private Limited | 1,64,23,113 | 25.16 | 1,64,23,113 | 25.16 |
| Birla Infrastructure Limited | 1,40,15,589 | 21.47 | 1,40,15,589 | 21.47 |
| Vedant Consultancy Private Limited | 46,07,663 | 7.06 | 46,07,663 | 7.06 |

(B) OTHER EQUITY

| Sr. No. | Particulars | Consolidated Reserves and Surplus | | | | Total Other Equity |
|---------|------------------------------|-----------------------------------|----------------------------|------------------|-------------------|--------------------|
| | | Capital Reserves | Securities Premium Reserve | General Reserves | Retained Earnings | |
| | As at 1st April, 2022 | 50.02 | 2,874.93 | 2,963.31 | 4,633.69 | 10,521.95 |
| Add: | Addition during the year | - | - | - | - | - |
| Add: | Profit for the year | - | - | - | 1,407.32 | 1,407.32 |
| Add: | Other Comprehensive Income | - | - | - | (86.20) | (86.20) |
| | Total Comprehensive Income | 50.02 | 2,874.93 | 2,963.31 | 5,954.82 | 11,843.08 |
| Less: | Issue of Bonus shares | - | - | - | - | - |
| Less: | Transfer to general reserves | - | - | - | - | - |
| | As at 31st March, 2023 | 50.02 | 2,874.93 | 2,963.31 | 5,954.82 | 11,843.08 |
| Sr. No. | Particulars | Consolidated Reserves and Surplus | | | | Total Other Equity |
| | | Capital Reserves | Securities Premium Reserve | General Reserves | Retained Earnings | |
| | As at April 1, 2021 | 50.02 | 2,874.93 | 2,963.31 | 3,467.33 | 9,355.59 |
| Add: | Addition during the year | - | - | - | - | - |
| Add: | Profit for the year | - | - | - | 1,118.06 | 1,118.06 |
| Add: | Other Comprehensive Income | - | - | - | 48.30 | 48.30 |
| | Total Comprehensive Income | 50.02 | 2,874.93 | 2,963.31 | 4,633.69 | 10,521.95 |
| Less: | Issue of Bonus shares | - | - | - | - | - |
| Less: | Transfer to general reserves | - | - | - | - | - |
| | As at 31st March, 2022 | 50.02 | 2,874.93 | 2,963.31 | 4,633.69 | 10,521.95 |

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Consolidated | |
|-----------|---|-------------------|-------------------|
| | | 2022-23 | 2021-22 |
| A. | CASH FLOW FROM OPERATING ACTIVITIES: | | |
| | Net profit before exceptional item, taxation and prior period adjustments | 1,944.02 | 1131.17 |
| | Adjustments for: | | |
| | Depreciation and Amortization | 462.01 | 408.11 |
| | (Profit)/Loss on sale of Fixed Assets (Net) | (433.22) | - |
| | Sundry Balances written off | 86.46 | 1,057.68 |
| | Provision for Gratuity and Leave Salary | 364.62 | 114.03 |
| | Sundry Balances written back | (410.68) | - |
| | Exchange difference on translation (Net) | (11.47) | (10.56) |
| | Finance Costs | 331.82 | 527.58 |
| | Provision for doubtful debts | - | 20.28 |
| | Bad debts written off | 0.32 | 514.51 |
| | Interest Income Received | (25.12) | (79.25) |
| | Sub-total | 364.74 | 2552.38 |
| | Operating Profit Before Working Capital Changes | 2,308.76 | 3683.55 |
| | Adjustments for changes in working capital : | | |
| | Inventories | (322.83) | (1,270.42) |
| | Trade Receivables | (415.53) | (833.02) |
| | Other Current Assets | 986.49 | 296.57 |
| | Trade Payables | 421.60 | 467.16 |
| | Provisions | 17.71 | (231.04) |
| | Other Financial Liabilities | 4.02 | 1.25 |
| | Loans to employees and others | 826.95 | (8.22) |
| | Other Current Liabilities | (822.95) | 123.71 |
| | Other Financial Assets | (82.29) | 0.25 |
| | Current Tax Assets | (26.90) | (12.28) |
| | Income Tax Paid | (208.77) | (17.45) |
| | Sub-total | 377.50 | (1,483.49) |
| | Net Cash Flow From Operating Activities After Exceptional Item.....(A) | 2,686.26 | 2,200.06 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES: | | |
| | Payments made for Property, Plant and Equipment | (3,218.34) | (1,752.68) |
| | Payments made for Intangible Assets | (7.01) | (7.23) |
| | Proceeds from sale of Property, Plant and Equipment | 525.21 | - |
| | Investments in subsidiaries and others | (7.50) | (15.00) |
| | Interest Received | 56.76 | 86.90 |
| | Sub-total | (2,650.88) | (1,688.01) |
| | Net Cash used for Investing Activities.....(B) | (2,650.88) | (1,688.01) |

| | | | | | |
|-----------|--|-----------------|-----------------|-----------------|-----------------|
| C. | CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| | Proceeds from Issue of shares at premium | - | | - | |
| | Proceeds from Borrowings | 1,027.81 | | 1,561.82 | |
| | Repayment of Borrowings | (199.11) | | (1,803.29) | |
| | Interest Paid | (331.82) | | (527.58) | |
| | Sub-total | | 496.88 | | (769.05) |
| | Net Cash used for Financing Activities.....(C) | | 496.88 | | (769.05) |
| | Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | | 532.26 | | (257.00) |
| | Cash and Cash Equivalents as at 01.04.2022 | 1,208.61 | | 615.17 | |
| | Add: (Increase) / Decrease in Fixed Deposit accounts kept as margin money with banks | (594.59) | | 850.44 | |
| | | 614.02 | | 1,465.61 | |
| | Cash and Cash Equivalents as at 31.03.2023 | 1,146.28 | 532.26 | 1,208.61 | (257.00) |
| | | | 1,146.28 | | 1,208.61 |
| | Reconciliation of Cash and Bank Balances given in Note No. 10 of Balance Sheet is as follows: | | | | |
| | Cash and Bank Balances | | 2553.80 | 2,040.55 | |
| | Less: | | | | |
| | Balance in Fixed Deposit accounts with banks having a maturity period of more than three months | | 1407.52 | 831.94 | |
| | Cash and Cash Equivalents as at 31.03.2023 | | 1,146.28 | 1,208.61 | |

Significant Accounting Policies and Notes to Accounts form an integral part of the Financial Statements

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As per our attached report of even date

For and on behalf of Board of Directors

For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

Jinendra Jain
Partner
Membership No. 072995

Vedant Birla
Chairman & Managing Director
DIN: 03327691

Harish Pareek
Chief Financial Officer

Parth Matolia
Company Secretary

Place: Mumbai
Date : 26th May, 2023

Notes on consolidated financial statements for the year ended 31st March, 2023

I. General Information:

Birla Precision Technologies Limited (the Company) is a Public Limited Company incorporated in India having its registered office at 23, Birla Mansion No.2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai, Maharashtra, 400004, India. The Company is engaged in the manufacturing and selling of Machine Tool Accessories, Tools, Precision / Automotive Components and Castings.

Significant accounting policies followed by the Company

(A) Basis of preparation of financial statements:

(i) Compliance with Ind AS:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act.

(ii) Basis of preparation:

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

(iii) Basis of consolidation:

The Company consolidates all entities which are controlled by it. The Company establishes control when it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and

expenses are eliminated in full on consolidation. Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using exchange rates prevailing on the date of transactions.

(B) Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

(C) Revenue recognition:

- (a) Revenue from the sale of goods is recognized upon the passage of title to the customers, which generally coincides with delivery.
- (b) Export sales are accounted based on the dates of Bill of Lading.
- (c) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment except in case of significant uncertainties.

(D) Property, Plant and Equipment:

- (a) All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include hedges of foreign currency purchases of property, plant and equipment. 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 associates with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (b) **Depreciation methods, estimated useful lives and residual value:**
 - (i) Depreciation: The Company has ascertained the useful life of its various assets and charged depreciation in accordance with Schedule II of the Companies Act, 2013 except in case of Precision Components division the useful life of shop toolings fixtures has been determined as 2 years.
 - (ii) Leasehold Land is amortized over the period of lease.

(iii) The useful lives have been determined based on technical evaluation done by the management's expert in order to reflect the actual usage of the assets. 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.

(iv) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(v) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

(E) Intangible Assets:

Computer Software and Technical Know-How are amortized over a period of 3 years from the date of acquisition.

(F) Capital Work in Progress:

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

(G) Impairment of Assets:

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

(H) Valuation of Inventory:

(a) Raw Materials and components, semi-finished goods, finished goods, stores and spares, goods for trade are valued at cost or net realizable value whichever is lower. Cost formula used is weighted average cost. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

(b) Goods / Materials in Transit are valued at cost to date.

(c) Scrap is valued at its estimated realizable value.

(d) Adequate provisions are made for obsolete inventory based on technical estimates made by the Company.

(I) Foreign Currency Transactions:

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling

on the transaction dates. Liabilities and receivables in foreign currency are restated at the year end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(J) 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. The Liabilities are presented under current liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations:

The liabilities for earned leave 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. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

(iii) Post-employment obligations:

(a) Defined contribution plans: Company's contribution to the provident fund scheme is recognized during the year in which the related service is rendered.

(b) Defined benefit plans: The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

(c) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

(d) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They

are included in retained earnings in the statement of changes in equity and in the balance sheet.

- (e) Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
- (f) Long Term compensated absences are provided on the basis of an actuarial valuation.

(K) Research and Development Costs:

Revenue expenditure, including overheads on research and development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an Intangible assets and depreciation is provided on such assets as applicable.

(L) Investments:

Current investments are carried at lower of cost or fair value. Long term investments are carried at cost less provision for other than temporary decline in the value of such investments. Investment in subsidiaries are valued at cost.

(M) 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 assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(N) Taxation:

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The deferred tax asset and/or deferred tax liability is calculated by applying substantively enacted rate as at balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized if and only if there is virtual certainty backed by convincing evidence of its realization. At each balance sheet date, carrying amount of deferred tax assets is reviewed to reassure realization.

(O) Share Issue Expenses:

Issue expenses are adjusted against the Share Premium.

(P) Government Grant/Loan:

Capital grants for project capital subsidy are credited to capital reserves.

(Q) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

| Note 2 Property, Plant and Equipment - Consolidated | | | | | | | | | | | |
|--|---------------------|-----------------|-----------------------------|---------------------|---------------------|-----------------|-----------------------------|---------------------|---------------------|---------------------|--|
| Description of Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | (₹ in Lakhs) | |
| | As on 01.04.2022 | Additions | Deductions / Adjustments | As on 31.03.2023 | Up to 01.04.2022 | For the Year | Deductions / Adjustments | Up to 31.03.2023 | As on 31.03.2023 | As on 31.03.2022 | |
| (A) Tangible Assets | | | | | | | | | | | |
| Leasehold Land | 438.57 | 0.19 | 126.69 | 312.07 | 100.31 | 4.35 | 36.44 | 68.22 | 243.85 | 338.26 | |
| Buildings | 1,956.62 | 1,792.72 | - | 3,749.34 | 1,034.79 | 84.63 | - | 1,119.42 | 2,629.92 | 921.83 | |
| Plant & Machinery | 10,753.57 | 1,955.27 | - | 12,708.84 | 8,860.13 | 323.39 | - | 9,183.52 | 3,525.32 | 1,893.44 | |
| Furniture & Fixtures | 160.38 | 7.74 | 31.38 | 136.74 | 135.77 | 3.51 | 29.86 | 109.42 | 27.32 | 24.61 | |
| Office Equipments | 284.15 | 35.03 | 4.96 | 314.22 | 241.89 | 21.40 | 4.74 | 258.55 | 55.68 | 42.26 | |
| Vehicles | 350.48 | 336.77 | - | 687.25 | 286.63 | 19.53 | - | 306.16 | 381.10 | 63.85 | |
| Total Tangible Assets (A) | 13,943.77 | 4,127.72 | 163.03 | 17,908.46 | 10,659.52 | 456.81 | 71.04 | 11,045.29 | 6,863.19 | 3,284.25 | |
| (B) Capital Work - in Progress | 893.32 | 1,089.60 | 1,962.45 | 20.47 | - | - | - | - | 20.47 | 893.32 | |
| (C') Intangible Assets | | | | | | | | | | | |
| Technical Knowhow Fee | 50.39 | - | - | 50.39 | 50.39 | - | - | 50.39 | - | - | |
| Software | 240.24 | 7.01 | - | 247.25 | 230.93 | 5.20 | - | 236.13 | 11.12 | 9.31 | |
| Total Intangible Assets (C') | 290.63 | 7.01 | - | 297.64 | 281.32 | 5.20 | - | 286.52 | 11.12 | 9.31 | |
| (D) Intangible Assets Under Development | | | | | | | | | | | |
| Total Property, Plant and Equipment (A+B+C+D) | 15,127.72 | 5,224.33 | 2,125.48 | 18,226.57 | 10,940.84 | 462.01 | 71.04 | 11,331.81 | 6,894.78 | 4,186.88 | |

| Note 2 Property, Plant and Equipment - Consolidated | | | | | | | | | | | |
|--|---------------------|-----------------|-----------------------------|---------------------|---------------------|-----------------|-----------------------------|---------------------|---------------------|---------------------|--|
| Description of Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | (₹ in Lakhs) | |
| | As on 01.04.2021 | Additions | Deductions / Adjustments | As on 31.03.2022 | Up to 01.04.2021 | For the Year | Deductions / Adjustments | Up to 31.03.2022 | As on 31.03.2022 | As on 31.03.2021 | |
| (A) Tangible Assets | | | | | | | | | | | |
| Leasehold Land | 357.90 | 80.67 | - | 438.57 | 94.66 | 5.65 | - | 100.31 | 338.26 | 263.24 | |
| Buildings | 1,879.62 | 77.00 | - | 1,956.62 | 963.35 | 71.44 | - | 1,034.79 | 921.83 | 916.27 | |
| Plant & Machinery | 10,128.45 | 625.12 | - | 10,753.57 | 8,583.60 | 276.53 | - | 8,860.13 | 1,893.44 | 1,544.85 | |
| Furniture & Fixtures | 157.26 | 3.12 | - | 160.38 | 131.38 | 4.39 | - | 135.77 | 24.61 | 25.88 | |
| Office Equipments | 263.41 | 20.74 | - | 284.15 | 226.78 | 15.11 | - | 241.89 | 42.26 | 36.63 | |
| Vehicles | 329.75 | 20.73 | - | 350.48 | 266.87 | 19.76 | - | 286.63 | 63.85 | 62.88 | |
| Total Tangible Assets (A) | 13,116.39 | 827.38 | - | 13,943.77 | 10,266.64 | 392.88 | - | 10,659.52 | 3,284.25 | 2,849.75 | |
| (B) Capital Work - in Progress | 37.59 | 933.99 | 78.26 | 893.32 | - | - | - | - | 893.32 | 37.59 | |
| (C') Intangible Assets | | | | | | | | | | | |
| Technical Knowhow Fee | 50.39 | - | - | 50.39 | 50.39 | - | - | 50.39 | - | - | |
| Software | 233.01 | 7.23 | - | 240.24 | 215.70 | 15.23 | - | 230.93 | 9.31 | 17.31 | |
| Total Intangible Assets (C') | 283.40 | 7.23 | - | 290.63 | 266.09 | 15.23 | - | 281.32 | 9.31 | 17.31 | |
| (D) Intangible Assets Under Development | | | | | | | | | | | |
| Total Property, Plant and Equipment (A+B+C+D) | 13,437.38 | 1,768.60 | 78.26 | 15,127.72 | 10,532.73 | 408.11 | - | 10,940.84 | 4,186.88 | 2,904.65 | |

Notes forming part of the consolidated financial statements for the year ended 31st March, 2023
Note 3: INVESTMENTS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Non-Current | | |
| | Carried at cost: | | |
| | In equities unquoted | | - |
| | 70,00,000 Equity shares of ₹10 each in Zenith Steel Pipes & Industries Limited | 700.00 | 700.00 |
| | In Shares of Janta Sahakari Bank Limited | 22.50 | 15.00 |
| | Total Non - Current | 722.50 | 715.00 |
| | (a) Equity shares in Zenith Steel Pipes & Industries Limited were acquired by way of preferential allotment (conversion of loan into equity). | | |
| | (b) The Group has made investment in shares of Janta Sahakari Bank Limited for Cash Credit loan worth ₹15 Crores. | | |
| | (c) Investments made by the Group other than those with a maturity of less than one year, are intended to be held for long term. | | |
| | Current | | |
| | In equities unquoted | - | - |
| | In subsidiaries unquoted | - | - |
| | Total - Current | - | - |

Note 4: LOANS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---------------------------------------|--------------------------|--------------------------|
| | Non-Current | | |
| | Unsecured; considered good : | | |
| | Loan & Advance to Employees | - | - |
| | Total Non - Current | - | - |
| | Current | | |
| | Unsecured; considered good : | | |
| | Loans and advances | 3.29 | 797.61 |
| | Less: Provision for doubtful advances | - | - |
| | | 3.29 | 797.61 |
| | Loan & Advance to Employees | 21.84 | 36.51 |
| | Loan & Advance to Others | 311.01 | 336.23 |
| | Less: Provision for doubtful advances | - | - |
| | | 311.01 | 336.23 |
| | Total - Current | 336.14 | 1,170.35 |

Note 5: OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|------------------------------|--------------------------|--------------------------|
| | Non-Current | | |
| | Unsecured; considered good : | - | - |
| | Total Non - Current | - | - |
| | Current | | |
| | Unsecured; considered good : | | |
| | Deposits with Others | 291.80 | 209.51 |
| | Total - Current | 291.80 | 209.51 |

Note 6 OTHER ASSETS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Non-Current | | |
| | Unsecured; considered good : | | |
| | Capital Advances | 60.86 | 97.39 |
| | Less: Provision for doubtful advances | - | - |
| | Total Non - Current | 60.86 | 97.39 |
| | Current | | |
| | Unsecured; considered good : | | |
| A) | Advances Paid to Suppliers/Services | 1,924.14 | 3,094.69 |
| B) | Balances with Government Authorities : | | |
| | Cenvat Credit and export incentive receivable | 30.65 | 33.06 |
| | Value Added Tax Receivable | 68.04 | 68.04 |
| | Goods & Service Tax | 98.20 | 36.15 |
| | Sub Total (B) | 196.89 | 137.25 |
| C) | Others : | | |
| | Prepaid Expenses | 49.74 | 44.78 |
| | Pre-operative expenses | 146.52 | 36.70 |
| | Pattern Under Development | 22.45 | 12.80 |
| | Interest accrued on fixed deposits and others | 5.52 | 37.16 |
| | Sub Total (C) | 224.23 | 131.44 |
| | Total - Current (A+B+C) | 2,345.26 | 3,363.38 |

Note 7: CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|--------------------------|--------------------------|
| | Tax deducted at source | 55.18 | 28.28 |
| | Advance fringe benefit tax (Net of provisions for tax) | 2.17 | 2.17 |
| | Mat Credit Entitlement | 203.93 | 260.62 |
| | Income Tax Refund Receivable | 44.04 | 44.05 |
| | Total | 305.32 | 335.12 |

Note 8 : INVENTORIES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---|--------------------------|--------------------------|
| | Raw Materials and Components | 1,874.56 | 2,016.52 |
| | Semi-Finished Goods | 1,201.45 | 1,505.22 |
| | Finished Goods | 1,686.53 | 1,409.09 |
| | Stock-in Trade | 611.17 | 247.90 |
| | Stores, Cutting Tools and Packing Materials | 506.72 | 378.87 |
| | Total | 5,880.43 | 5,557.60 |

Note 09 : TRADE RECEIVABLES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|-------------------------------------|--------------------------|--------------------------|
| | Unsecured, considered good : | | |
| | Considered good | 134.67 | 324.10 |
| | Considered doubtful | 73.49 | 73.49 |
| | Less: Provision for doubtful debts | (73.49) | (73.49) |
| | | 134.67 | 324.10 |
| | Other considered good | 3,889.25 | 3,358.46 |
| | Total | 4,023.92 | 3,682.56 |

| | | | |
|-----|---|-----------------|-----------------|
| 9.1 | Undisputed trade receivables - considered good | | |
| | Less than 6 Months | 3,846.64 | 3,358.45 |
| | 6 Months - 1 year | 115.28 | 105.71 |
| | 1 - 2 years | 39.89 | 15.25 |
| | 2 - 3 years | - | 111.18 |
| | More than 3 years | 7.83 | 12.91 |
| | Total | 4,009.64 | 3,603.50 |
| 9.2 | Disputed trade receivables - considered good | | |
| | Less than 6 Months | - | - |
| | 6 Months - 1 year | - | 14.73 |
| | 1 - 2 years | - | 40.70 |
| | 2 - 3 years | - | 9.42 |
| | More than 3 years | 14.28 | 14.21 |
| | Total | 14.28 | 79.06 |

Note 10 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---------------------|--------------------------|--------------------------|
| A) | Balances with Banks | 1,053.36 | 1,154.97 |
| B) | Deposits with Banks | 1,407.52 | 831.94 |
| C) | Cheques on hand | 90.21 | 50.94 |
| D) | Cash on Hand | 2.71 | 2.70 |
| | Total | 2,553.80 | 2,040.55 |

Note 11 : OTHER BANK BALANCES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|----------------------------------|--------------------------|--------------------------|
| | Balances in Margin Money Account | 54.60 | 35.59 |
| | Total | 54.60 | 35.59 |

Note 12 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|--------------------------|--------------------------|
| A) | AUTHORISED SHARE CAPITAL | | |
| | 60,00,00,000 (60,00,00,000) Equity Shares of ₹ 2/- each | 12,000.00 | 12,000.00 |
| | Total | 12,000.00 | 12,000.00 |
| B) | ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL | | |
| | 6,52,71,137 (6,52,71,137) Equity Shares of ₹ 2/- each, as fully paid-up | 1,305.42 | 1,305.42 |
| | Total | 1,305.42 | 1,305.42 |

12.1 The reconciliation of the number of shares outstanding is set out below:

(₹ in Lakhs)

| Equity Shares | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| At the beginning of the year (No. of Shares) | 6,52,71,137 | 6,52,71,137 |
| At the beginning of the year (₹ in Lakhs) | 1,305.42 | 1,305.42 |
| Issued during the year (No. of Shares) | - | - |
| Issued during the year (₹ in Lakhs) | - | - |
| Outstanding at the end of the year (No. of Shares) | 6,52,71,137 | 6,52,71,137 |
| Outstanding at the end of the year (₹ in Lakhs) | 1,305.42 | 1,305.42 |

The Group has only one class of equity shares having a par value of ₹ 2/- Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company of Group, the holders of equity shares will be entitled to receive any of the 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.

12.2 The details of Shareholders holding more than 5% shares:

(₹ in Lakhs)

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Equity shares of ₹ 2/- each fully paid | | |
| Birla Bombay Private Limited (No. of Shares) | 1,64,23,113 | 1,64,23,113 |
| Birla Bombay Private Limited (% held) | 25.16 | 25.16 |
| Birla Infrastructure Limited (No. of Shares) | 1,40,15,589 | 1,40,15,589 |
| Birla Infrastructure Limited (% held) | 21.47 | 21.47 |
| Vedant Consultancy Private Limited (No. of Shares) | 46,07,663 | 46,07,663 |
| Vedant Consultancy Private Limited (% held) | 7.06 | 7.06 |

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

12.3 Promotors shareholding as on 31st March, 2023

(₹ in Lakhs)

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Mrs.Avanti Birla (No. of Shares) | 44 | 44 |
| Mrs.Avanti Birla (% held) | 0.00% | 0.00% |
| Mr.Yashovardhan Birla (No. of Shares) | 25,851 | 21,919 |
| Mr.Yashovardhan Birla (% held) | 0.04% | 0.03% |
| Birla Bombay Pvt Ltd (No. of Shares) | 1,64,23,113 | 1,64,23,113 |
| Birla Bombay Pvt Ltd (% held) | 25.16% | 25.16% |
| Khopoli Investments Ltd (No. of Shares) | 5,00,000 | 5,00,000 |
| Khopoli Investments Ltd (% held) | 0.77% | 0.77% |
| Birla ShlokaEdutech Ltd (No. of Shares) | 231 | 231 |
| Birla ShlokaEdutech Ltd (% held) | 0.00% | 0.00% |
| Vedant Consultancy Pvt Ltd (No. of Shares) | 46,07,663 | 46,07,663 |
| Vedant Consultancy Pvt Ltd (% held) | 7.06% | 7.06% |
| Zenith Dyeintermediates (No. of Shares) | 32,23,491 | 32,23,491 |
| Zenith Dyeintermediates (% held) | 4.94% | 4.94% |
| Birla Infrastructure Limited (No. of Shares) | 1,40,15,589 | 1,40,15,589 |
| Birla Infrastructure Limited (% held) | 21.47% | 21.47% |
| Shearson investment and Trading Co Pvt Ltd (No. of Shares) | 2,27,652 | 2,27,652 |
| Shearson investment and Trading Co Pvt Ltd (% held) | 0.35% | 0.35% |
| Birla Industries Group Charity Trust (No. of Shares) | 5,947 | 5,947 |
| Birla Industries Group Charity Trust (% held) | 0.01% | 0.01% |
| Matri Seva Sadan Charity Trust (No. of Shares) | 10,617 | 10,617 |
| Matri Seva Sadan Charity Trust (% held) | 0.02% | 0.02% |
| Yash Society (No. of Shares) | 25,056 | 25,056 |
| Yash Society (% held) | 0.04% | 0.04% |

Note 13 : OTHER EQUITY

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|----------------------------|--------------------------|--------------------------|
| A) | Capital Reserve | 50.02 | 50.02 |
| B) | Securities Premium Reserve | 2,874.93 | 2,874.93 |
| C) | General Reserves | 2,963.31 | 2,963.31 |
| D) | Retained Earnings | 5,954.82 | 4,633.69 |
| | Total (A to D) | 11,843.08 | 10,521.95 |

Note 14 : BORROWINGS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|--------------------------|--------------------------|
| A) | Non-Current | | |
| | Secured Loans | | |
| | Vehicle Loans : | | |
| | Car Loan (Refer note (a) below) | 236.88 | - |
| | Current maturities of long-term borrowings (Refer note (a) below) | 32.21 | - |
| | Sub Total (A) | 269.09 | - |
| B) | Unsecured Loans | | |
| | Sales Tax Deferred Payment Loan | - | - |
| | Current maturities of long-term borrowings (Refer note (b) below) | 74.58 | 76.01 |
| | Total Non - Current | 74.58 | 76.01 |
| | Security and Salient Terms: | | |

- (a) The Car Loan of ₹ 244.09 lakhs (Previous Year ₹ Nil lakhs) is secured by hypothecation of the car. Interest is payable @ 8.00% p.a. and is repayable in eighty four monthly instalments starting from February, 2023 and ending in January, 2030.
- The Car Loan of ₹ 25.00 lakhs (Previous Year ₹ Nil lakhs) is secured by hypothecation of the car. Interest is payable @ 8.95% p.a. and is repayable in Sixty monthly instalments starting from April, 2023 and ending in March, 2028.
- (b) Sales Tax deferred payment loan of ₹ 74.58 lakhs (Previous Year ₹ 76.01 lakhs) is interest free and payable in instalments starting from April 2017

| | | | |
|-----------|--|-----------------|-----------------|
| A) | Current | | |
| | Secured Loans | | |
| | Working Capital Loans From Banks | | |
| | Foreign Currency Loan (Refer note (a) below) | - | - |
| | Rupee Loan (Refer note (b),(c), (d) and (e) below) | 2,897.38 | 2,143.15 |
| | Subtotal (A) | 2,897.38 | 2,143.15 |
| B) | Unsecured Loans | | |
| | From Bodies Corporates | - | - |
| | From Other | 0.34 | 193.54 |
| | Subtotal (B) | 0.34 | 193.54 |
| | Total - Current | 2,897.72 | 2,336.69 |
| | Security and Salient Terms: | | |

- (a) Rupee loans of ₹2222.38 lakhs (Previous Year ₹ Nil lakhs) exclusive charge by way of hypothecation on entire stock of Finished goods, Raw material, Stock in trade and Book debts of the Company, present and future. Exclusive charge by way of Hypothecation of Plant & Machinery of the Company. Corporate Guarantee of Asian Distributors Private Limited to the extent of market value of collateral proposed to mortgage.
- (b) Rupee loans of ₹ 675.00 Lakhs (Previous Year ₹ Nil Lakhs) fresh additional working capital term loan under BGECL 1.0 extension scheme 100% guaranteed by NCGTC. Principal to be repaid in 36 monthly installment of ₹ 18.75 Lakhs each plus interest commencing after 24 months from the date of first disbursement.
- (c) Rupee loans of ₹ Nil lakhs (Previous Year ₹ 1390.37 lakhs) first charge by way of hypothecation of company's entire paid up stock and trade receivables, present and future on pari pasu basis with other working capital bankers and second pari pasu charge over the land along with construction thereon and all machineries situated at B-15/4, MIDC, Aurangabad - 431133 of the Group Company to be shared with other working capital bankers.
- (d) Rupee loans of ₹ Nil lakhs (Previous Year ₹ 752.78 lakhs) first charge by way of hypothecation of company's entire current assets on pari pasu basis with other working capital bankers and second pari pasu charge over the entire fixed assets of the Group Company to be shared with other working capital bankers.
- (e) The rates of interest for rupee loan ranges from 9.70% p.a. to 12% p.a.

Note : 15 TRADE PAYABLES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|-------------------------------------|-----------------------|-----------------------|
| | Current | | |
| | Micro, Small and Medium Enterprises | 386.61 | 527.09 |
| | Others | 3,007.10 | 2,644.69 |
| | Total - Current | 3,393.71 | 3,171.78 |

Disclosures relating to amounts payable as at the year end together with interest paid/payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Group determined on the basis of intimation received from suppliers regarding their status and the required disclosure are give below:

(₹ in Lakhs)

| Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Principal amount due and remaining unpaid | 386.61 | 527.09 |
| Interest due on above and the unpaid interest | - | - |

15.1 Ageing of trade payables as on 31st March, 2023

| | | | |
|-------|-------------------|-----------------|-----------------|
| (i) | MSME | | |
| | Less than 1 year | 386.45 | 305.65 |
| | 1 - 2 years | - | 10.18 |
| | 2 -3 years | 0.16 | 3.38 |
| | More than 3 Years | - | 1.66 |
| | Total | 386.61 | 320.87 |
| (ii) | Others | | |
| | Less than 1 year | 2,859.82 | 1,589.33 |
| | 1 - 2 years | 31.02 | 53.62 |
| | 2 -3 years | 8.52 | 32.49 |
| | More than 3 Years | - | 170.17 |
| | Total | 2,899.36 | 1,845.61 |
| (iii) | Disputed MSME | | |
| | Less than 1 year | - | 111.16 |
| | 1 - 2 years | - | 56.23 |
| | 2 -3 years | - | 7.60 |
| | More than 3 Years | - | 31.23 |
| | Total | - | 206.22 |
| (iv) | Disputed Others | | |
| | Less than 1 year | 31.76 | 655.68 |
| | 1 - 2 years | - | 42.74 |
| | 2 -3 years | - | 24.27 |
| | More than 3 Years | 75.98 | 76.39 |
| | Total | 107.74 | 799.08 |

Note 16 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|--------------------------|--------------------------|
| | Current | | |
| | Current maturities of long-term debts | - | - |
| | Security Deposit from dealers / others | 40.99 | 36.96 |
| | Total - Current | 40.99 | 36.96 |

Note 17 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|-------------------------|-----------------------|-----------------------|
| | Current | | |
| | Advances from Customers | 192.39 | 1,006.64 |
| | Payable to employees | 544.96 | 537.42 |
| | Statutory Liabilities | 99.59 | 114.67 |
| | Total - Current | 836.94 | 1,658.73 |

Note 18 : PROVISIONS

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|-----------------------|-----------------------|
| | Non-Current | | |
| | Provision for Employee Benefits | | |
| | Gratuity | 136.08 | 203.42 |
| | Leave benefits | 170.58 | 168.28 |
| | Total Non - Current | 306.66 | 371.70 |
| | Current | | |
| A) | Provision for Employee Benefits | | |
| | Gratuity | 977.31 | 733.11 |
| | Leave benefits | 49.82 | 44.08 |
| | Sub Total | 1,027.13 | 777.19 |
| B) | Provision for expenses | 937.75 | 872.38 |
| | Total - Current | 1,964.88 | 1,649.57 |

Note 19 : DEFERRED TAX LIABILITIES

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|-----------------------|-----------------------|
| | Deferred Tax Liability | | |
| | Related to fixed assets | 185.42 | 122.43 |
| | Deferred Tax Assets | | |
| | Disallowances under the Income Tax Act, 1961 | 185.42 | 122.43 |
| | Total | - | - |

Note 20 : CURRENT TAX LIABILITIES (NET)

| Sr. No. | Particulars | As at 31st March 2023 | As at 31st March 2022 |
|---------|---------------------------|-----------------------|-----------------------|
| | Provision for Current Tax | 536.34 | 265.12 |
| | Total | 536.34 | 265.12 |

Note 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|--------------------------------|------------------------------------|------------------------------------|
| | Sale of Products | 24,572.56 | 23,938.19 |
| | Sale of Services | 283.15 | 77.64 |
| | Other operating revenue | 474.70 | 611.22 |
| | Revenue from operations | 25,330.41 | 24,627.05 |

Note 22 : OTHER INCOME

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|---------------------------------------|------------------------------------|------------------------------------|
| | Interest: | | |
| | From Bank deposits | 25.10 | 74.24 |
| | From Others | 0.02 | 5.01 |
| | | 25.12 | 79.25 |
| | Exchange rate difference (Net) | 80.61 | 30.28 |
| | Sundry balances written back (Net) | 410.68 | - |
| | Miscellaneous Income | 47.63 | 37.95 |
| | Merchandise Exports From India Scheme | 21.22 | 14.98 |
| | Training completion skill poor youth | 14.20 | 42.71 |
| | Profit on sale of fixed assets | 434.75 | - |
| | | 1,009.09 | 125.92 |
| | Total | 1,034.21 | 205.17 |

Note 23 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|--|------------------------------------|------------------------------------|
| | Inventory at the beginning of the year | 2,016.52 | 1,451.73 |
| | Add : Purchases | 6,221.46 | 8,259.22 |
| | | 8,237.98 | 9,710.95 |
| | Less : Inventory at the end of the year | 1,818.94 | 2,016.52 |
| | Cost of Raw Materials and Components Consumed | 6,419.04 | 7,694.43 |

Note 24 : PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|--------------|------------------------------------|------------------------------------|
| | Files | 1,367.86 | 409.54 |
| | Total | 1,367.86 | 409.54 |

Note 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|---|------------------------------------|------------------------------------|
| | Inventories at the end of the year | | |
| | Finished Goods | 1,686.53 | 1,409.09 |
| | Semi-Finished Goods | 1,201.45 | 1,505.22 |
| | Stock-in-Trade | 611.17 | 247.90 |
| | | 3,499.15 | 3,162.21 |
| | Inventories at the beginning of the year | | |
| | Finished Goods | 1,409.09 | 1,323.09 |
| | Semi-Finished Goods | 1,505.22 | 1,150.29 |
| | Stock-in-Trade | 247.90 | 66.90 |
| | | 3,162.21 | 2,540.28 |
| | Change in Inventories | | |
| | Finished Goods | (277.44) | (86.00) |
| | Semi-Finished Goods | 303.77 | (354.93) |
| | Stock-in-Trade | (363.27) | (181.00) |
| | Total | (336.94) | (621.93) |

Note 26 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|---|------------------------------------|------------------------------------|
| | Salaries, Wages and Bonus | 4,629.24 | 3,925.11 |
| | Contribution to Provident and Other Funds | 448.59 | 369.51 |
| | Staff Welfare Expenses | 279.41 | 271.75 |
| | Total | 5,357.24 | 4,566.37 |

Note 27 : FINANCE COSTS

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|--------------------|------------------------------------|------------------------------------|
| | Interest Expenses: | | |
| | Fixed Loan | 228.20 | 376.34 |
| | Other | 0.87 | 62.38 |
| | Bank charges | 102.75 | 88.86 |
| | Total | 331.82 | 527.58 |

Note 28 : DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|-----------------------------------|------------------------------------|------------------------------------|
| | Depreciation on Tangible Assets | 456.81 | 392.89 |
| | Amortisation of Intangible Assets | 5.20 | 15.22 |
| | Total | 462.01 | 408.11 |

Note 29 : OTHER EXPENSES

(₹ in Lakhs)

| Sr. No. | Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|-----------|--|------------------------------------|------------------------------------|
| A) | Manufacturing Expenses | | |
| | Stores, cutting tools and packing materials consumed | 1,533.08 | 1,439.07 |
| | Sub-contracting expenses | 2,244.44 | 1,839.97 |
| | Power, fuel and water | 1,496.34 | 1,468.60 |
| | Repairs and maintenance: | | |
| | Buildings | 35.01 | 18.98 |
| | Plant and machinery | 134.45 | 188.50 |
| | Sub Total (A) | 5,443.32 | 4,955.12 |
| B) | Administrative, Selling and Other Expenses: | | |
| | Rent | 54.09 | 62.73 |
| | Rates and taxes | 25.04 | 11.08 |
| | Postage and telephone | 36.90 | 35.55 |
| | Printing and stationery | 56.32 | 42.80 |
| | Insurance | 38.28 | 26.75 |
| | Travelling and conveyance | 333.74 | 181.11 |
| | Foreign travelling expenses | 108.46 | 52.20 |
| | Vehicle expenses | 7.96 | 16.19 |
| | Advertisement, publicity etc. | 253.11 | 90.50 |
| | Sales promotion and other selling expenses | 1,947.81 | 2,202.32 |

| | | |
|--|------------------|------------------|
| Sales commission | 677.63 | 326.20 |
| Freight on sales | 395.02 | 313.44 |
| Training and welfare expenses | 15.58 | 8.54 |
| Training expenses skill of poor youth | 8.82 | 33.43 |
| Directors' sitting fees | 15.60 | 0.90 |
| Auditors' remuneration (excluding service tax/GST) | | |
| As Auditor | 8.70 | 8.06 |
| For Limited Review | 0.43 | - |
| For other service | 0.03 | - |
| For Certifications | - | - |
| For Reimbursement of Expenses | 0.27 | 0.15 |
| | 9.43 | 8.21 |
| Corporate social responsibility expenses | - | - |
| Legal and professional fees | 1,024.58 | 522.96 |
| Security services | 43.66 | 37.48 |
| Software maintenance expenses | 3.41 | 8.12 |
| Sundry balances written off | 86.46 | 1,057.68 |
| Bad debts written off | 0.32 | 514.51 |
| Provision for doubtful debts | - | 20.28 |
| Loss on sale of fixed assets | 1.53 | - |
| Miscellaneous expenses | 232.50 | 188.86 |
| Sub Total (B) | 5,376.25 | 5,761.84 |
| Total (A+B) | 10,819.57 | 10,716.96 |

Note 30 : Earnings per share (EPS):

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| Net Profit / (Loss) after tax attributable to Equity Shareholders (A) | 1407.32 | 1118.05 |
| No. of Equity Shares outstanding during the year for calculating Basic EPS (B) | 65271137 | 65271137 |
| No. of Equity Shares outstanding during the year for calculating Diluted EPS (C) | 65271137 | 65271137 |
| Nominal Value of Equity Shares (₹) | 2/- | 2/- |
| Basic EPS (₹) (A / B) | 2.16 | 1.71 |
| Diluted EPS (₹) (A / C) | 2.16 | 1.71 |

Note 31: Contingent liabilities:

(a) Estimated amount of contracts remaining to be executed (net of advances), not provided for:

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| Capital Commitments: | | |
| Tangible Assets | 56.20 | 202.20 |
| (b) Contingent liabilities not provided for in respect of: | | (₹ in Lakhs) |
| Particulars | 31st March, 2023 | 31st March, 2022 |
| (i) Amount of duty saved under EPCG Scheme against export obligations | 13.87 | 13.87 |
| (ii) Sales Tax Demands in Appeals | 87.12 | 87.12 |
| (iii) Bank Guarantees / Letters of Credit | 25.06 | 25.06 |
| (iv) Claims against Group not acknowledged as debts | 9.66 | 9.66 |

(c) The Group is a party to various legal proceedings in the normal course of business and does not expect the outcome of the proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.

Note 32 : Balances of Sundry Creditors, Debtors, Loans and Advances and Other current assets are subject to confirmation.

Note 33 : Employee Benefits:

(A) Defined Contribution Plans:

(₹ in Lakhs)

| The Company has recognized the following amounts in statement of profit and loss for the year: | | |
|--|------------------|------------------|
| Particulars | 31st March, 2023 | 31st March, 2022 |
| Contribution to Employees Provident Fund and Other Funds | 448.59 | 369.51 |
| Total | 448.59 | 369.51 |

(B) Defined Benefit Plans :

I. (a) Contribution to Gratuity:

Provision for Gratuity has been made in the accounts based on an actuarial valuation carried out at the close of the year. The Company has funding arrangement with Birla Sun Life and Life Insurance Corporation of India, except for Tools Division, in which case it is held under Indian Tool Employee Gratuity Fund, and the liability is discharged to the employees in the year of retirement / cessation of employment.

Details under Ind AS-19, to the extent applicable is furnished below:

(₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| Amount recognised in Balance Sheet | | |
| Present value of defined benefit obligation | 1320.96 | 1145.10 |
| Fair value of plan assets | 207.57 | 208.57 |
| Funded Status | (1113.39) | (936.53) |
| Expense recognised in the Statement of Profit and Loss | | |
| Current service cost | 69.72 | 71.12 |
| Net Interest | 64.92 | 56.58 |
| Total expense charged to Profit and Loss Account | 134.64 | 127.70 |
| Amount recorded as Other Comprehensive Income | | |
| Actuarial (Gain)/Loss recognised for the period | 80.03 | (46.87) |
| Return on Plan Assets excluding net interest | 6.17 | (1.43) |
| Total Actuarial (Gain)/Loss recognised in OCI | 86.20 | (48.30) |
| Reconciliation of net liability/(Asset) | | |
| Opening net liability | 936.53 | 907.51 |
| Adjustment to opening balance | (0.25) | (3.25) |
| Expenses charged to the Consolidated Statement of Profit and Loss | 134.64 | 127.71 |
| Contribution paid | (43.73) | (47.14) |
| Other Comprehensive Income (OCI) | 86.20 | (48.30) |
| Closing net defined benefit liability/(asset) | 1113.39 | 936.53 |
| Movement in benefit obligation | | |
| Opening defined benefit obligation | 1148.10 | 1104.63 |
| Interest on defined benefit obligation | 79.41 | 68.98 |
| Current service cost | 69.72 | 71.12 |
| Benefits paid | (56.30) | (49.76) |
| Actuarial (Gain)/Loss on obligation | 80.03 | (46.87) |
| Closing of defined benefit obligation | 1320.96 | 1148.10 |
| Movement in Plan Assets | | |
| Opening fair value of plan assets | 211.58 | 197.13 |
| Adjustment to opening fair value of plan assets | 0.25 | 3.25 |
| Return on plan assets excluding interest income | (6.17) | 1.43 |

| | | |
|--|---------------|---------------|
| Interest Income | 14.49 | 12.39 |
| Contribution by employer | 43.73 | 47.14 |
| Benefits paid | (56.30) | (49.76) |
| Closing fair value of plan assets | 207.58 | 211.58 |
| Asset Information | | |
| Insurer managed funds | 207.58 | 211.58 |
| Others | - | - |
| Grand Total | 207.58 | 211.58 |

| | | |
|--|----------------|----------------|
| Principal actuarial assumptions | | |
| Discount rate (p.a.) | 7.29% | 7.10% |
| Salary escalation rate (p.a.) | 3.00% to 5.00% | 3.00% to 5.00% |
| II. Leave Encashment: | | |

The leave encashment provision for the year ended 31st March, 2023, based on actuarial valuation carried out using projected unit credit method amounting to ₹ 53.30 Lakhs (Previous Year ₹ 7.98 Lakhs) has been recognized in statement of profit and loss.

Note 34 : Segment Reporting:

(a) Business Segments:

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| Segment Revenue | | |
| a) Tooling | 22191.77 | 20092.07 |
| b) Automotive Components | 4158.66 | 4697.03 |
| c) Other | 14.19 | 43.12 |
| Total Income from operations | 26364.62 | 24832.22 |
| Segment Results Profit(+)/(Loss)(-) | | |
| (before Interest and Tax) from segment | | |
| a) Tooling | 2631.18 | 1967.11 |
| b) Automotive Components | (355.34) | (310.35) |
| c) Other | - | 1.98 |
| Total | 2275.84 | 1658.74 |
| Less: Interest and Finance Charges | 331.82 | 527.58 |
| Less: Exceptional Items | 0.00 | 0.00 |
| Profit before Tax | 1944.02 | 1131.16 |
| Less: Provision for Taxation | | |
| Current Tax | 480.00 | 210.00 |
| Provision For Earlier Periods | - | - |
| Mat Credit | 56.70 | (196.89) |
| Deferred Tax | - | - |
| Profit / (Loss) after Tax | 1407.32 | 1118.05 |
| Segment Assets | 20531.43 | 18161.41 |
| a) Tooling | 2488.11 | 2770.30 |
| b) Automotive Components | 141.43 | 127.10 |
| c) Other | 305.32 | 335.12 |
| d) Unallocated Assets | 23466.29 | 21393.93 |
| Total | 21393.93 | 19877.29 |

| | | |
|-----------------------------|-----------------|-----------------|
| Segment Liabilities | | |
| a) Tooling | 7700.02 | 6147.13 |
| b) Automotive Components | 2062.73 | 3136.17 |
| c) Other | 18.70 | 18.14 |
| d) Unallocated Liabilities | 536.34 | 265.12 |
| Total | 10317.79 | 9566.56 |
| Capital employed | | |
| a) Tooling | 12831.41 | 12014.28 |
| b) Automotive Components | 425.38 | (365.87) |
| c) Other | 122.73 | 108.96 |
| d) Unallocable | (231.02) | 70.00 |
| Total | 13148.50 | 11827.37 |
| Capital Expenditure | | |
| a) Tooling | 5224.33 | 1688.19 |
| b) Automotive Components | - | 80.40 |
| c) Other | - | - |
| Total | 5224.33 | 1768.59 |
| Depreciation | | |
| a) Tooling | 312.24 | 272.66 |
| b) Automotive Components | 149.77 | 135.45 |
| c) Other | - | - |
| Total | 462.01 | 408.11 |
| Non Cash Expenditure | | |
| a) Tooling | - | - |
| b) Automotive Components | - | - |
| c) Other | - | - |
| Total | - | - |

Effective from 1st April 2018, the identification of segments under Ind AS is based on the following segments worked out on the basis of the internal reclassification of items under Precision Components, Casting and Machining:

1. Tooling
2. Automotive Components

(b) **Secondary Segment - (Geographical):**

| | (₹ in Lakhs) | | | |
|------------------------|--------------|-----------|-------------------|------------|
| Particulars | India | USA | Rest of the World | Total |
| Segment Revenue | 22818.49 | 1181.55 | 2364.58 | 26364.62 |
| | (22071.70) | (1197.42) | (1563.10) | (24832.22) |

(Figures in brackets indicates 31st March, 2022 figures)

Note 35: Related party disclosures:

(A) Name of related parties and nature of relationships (as per Ind AS 24):

(a) Key Management Personnel

1. Shri Vedant Birla - Chairman & Managing Director.
2. Shri Harish Pareek - Chief Financial Officer.

(b) Enterprises owned or significantly influenced by Key Management personnel or their relatives:

- | | |
|--|---|
| 1 ACE Trusteeship Services Private Limited | 8 Hilton Consultancy |
| 2 Birla Earth Private Limited | 9 Birla Precision USA Ltd - foreign subsidiary |
| 3 Birla Infrastructure & Constructions Private Limited | 10 Birla Precision Technologies GMBH - foreign subsidiary |
| 4 Birla Infrastructure & Developers Private Limited | 11 Birla Engineering Pvt Ltd - domestic subsidiary |
| 5 Edufocus International Education LLP | 12 Birla Accucast Ltd - domestic subsidiary |
| 6 Eduserve International Education LLP | 13 Birla durotool private limited - domestic subsidiary |
| 7 Hair Station LLP | |

Note: Related party relationship is as identified by the Group and relied upon by the Auditors.

(B) Transactions during the year ended 31st March, 2023 and balances with related parties :

(₹ in Lakhs)

| Name of related party | Description and Nature of transactions | Total Amount of the Transactions during the Current year (Previous Year) | Amount if any Outstanding as on 31.03.2023 DEBIT Balance Current Year (Previous Year) | Amount if any Outstanding as on 31.03.2023 CREDIT Balance Current Year (Previous Year) |
|--|--|--|---|--|
| Shri.Vedant Birla | Remuneration Paid | 45.63 | - | 2.30 |
| | | (31.48) | - | - |
| Hilton Consultancy | Professional and consultancy charges | 6.00 | - | - |
| | | (6.00) | - | - |
| Shri Santhosh Kumar (Director) | Remuneration Paid | 12.97 | - | 0.73 |
| | | - | - | - |
| Shri Harish K Pareek (CFO) | Remuneration Paid | 16.54 | - | 0.59 |
| | | - | - | - |
| Mr. Parth Hariprasad Matolia (Company Secretary) | Remuneration Paid | 6.61 | - | 0.51 |
| | | - | - | - |

(Figures in brackets indicate 31st March, 2022 figures)

Note 36. Fair values of financial assets and financial liabilities:

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortised cost using effective interest rate (EIR) of non current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired includes cash and cash equivalents, security deposits, term deposits and other financial assets.

The impact of fair value on non current borrowings, non current security deposits and non current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

Note 37. Fair value hierarchy:

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

*Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis: (₹ in Lakhs)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| Level 1 (Quoted price in active markets) | - | - |
| Level 2 | | |
| Financial assets measured at fair value through profit or loss | - | - |
| Financial liability measured at fair value through profit or loss | - | - |
| Level 3 | | |
| Financial assets measured at fair value through profit or loss | | |
| Trade receivables | 4023.92 | 3682.56 |
| Cash and cash equivalents | 2553.80 | 2037.55 |
| Bank balances other than cash and cash equivalent | 54.60 | 35.59 |
| Loans and advances | 336.14 | 1149.84 |
| Other financial assets | 291.80 | 209.51 |
| Other current assets | 2345.26 | 3363.38 |
| The carrying amounts of trade receivables, cash and cash equivalents and other bank balances, loans and advances, other financial assets and other current assets are considered to approximate their fair values due to their short term nature. | | |
| Financial liability measured at amortized cost | | |
| Borrowings | 2897.72 | 2336.69 |
| Trade Payables | 3393.71 | 3171.78 |
| Other financial liabilities | 40.99 | 36.96 |
| Other current liabilities | 836.94 | 1658.73 |

The carrying amounts of borrowings, trade payables, other financial liabilities and other current liabilities are considered to approximate their fair values due to their short term nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

Note 38 : Financial risk management objectives and policies:

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk:

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

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

(ii) Foreign currency risk:

The Company is exposed to foreign currency risk arising mainly on borrowing, export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

(B) 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. Credit risk arises principally from the statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Note 39 : 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. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of borrowings from banks, financial institutions and Unsecured Loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| Particulars | 31st March, 2023 | 31st March, 2022 |
|--------------------------------|------------------|------------------|
| (i) Total equity | 13148.50 | 11827.37 |
| (ii) Total debt | 3241.39 | 2412.70 |
| (iii) Overall financing (i+ii) | 16389.89 | 14240.07 |
| (iv) Gearing ratio (ii/iii) | 0.20 | 0.17 |
| | | |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023, 31 March 2022.

Note 40 : Corporate social responsibility:

(A) Gross amount spend by the Company towards Corporate Social Responsibility is ₹ Nil Lakhs (Previous Year ₹ Nil Lakhs).

(B) No expenditure has been paid to a related party, in relation to CSR expenditure as per Ind-AS 24, Related Party Disclosures.

Note 41: Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

For M/s. Valawat & Associates
Chartered Accountants
Firm Registration No. 003623C

For and on behalf of Board of Directors

Jinendra Jain
Partner
Membership No. 072995

Vedant Birla
Chairman & Managing Director
DIN: 03327691

Place: Mumbai
Date : 26th May, 2023

Harish Pareek
Chief Financial Officer

Parth Matolia
Company Secretary

**E-MAIL REGISTRATION FORM
FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL**

To
M/s. Kfin Technologies Limited
Karvy Selenium Tower-B, Plot No.31 & 32,
Financial District, Gachibowli,
Nanakramguda, Serlingampally, Hyderabad
-500032

Dear Sir/s,

Re: Registration of e-mail ID for receiving communications in electronic form

I/We am/are a shareholder of the Company. I/We want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s) thereto, Balance Sheets, Director's reports, Auditor's Reports etc. through email. Please register my e-mail ID, set out below, in your records for sending communication through e-mail:

Folio No:.....

Name of 1st Registered Holder:.....

Name of Joint Holder(s):.....

Address:.....
.....

Pin code:.....

E-mail ID (to be registered):.....

Contact Nos. : Mobile:.....

Land Line:.....

PAN NO:

Date:

Signature:.....

Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio.
- 2) The form is also available on the website of the company www.birlaprecision.com.
- 3) Any change in email ID, from time to time, may please be registered in the records of the Company.

FOR SHAREHOLDERS HOLDING SHARES IN DEMAT FORM

Members holding shares in demat form may register the e-mails with their respective depository participant.



**CUTTING TOOLS DIVISION
ITM Unit 1, Nashik**



**CUTTING TOOLS DIVISION
ITM Unit 2, Aurangabad**



**FOUNDRY DIVISION
AURANGABAD**



**TOOL HOLDERS DIVISION
AURANGABAD**

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